

**VILLAGE OF CRIDERSVILLE
AUGLAIZE COUNTY, OHIO**

***FINANCIAL STATEMENTS
(AUDITED)***

***FOR THE YEAR ENDED
DECEMBER 31, 2017***



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Village Council
Village of Cridersville
110 W. Main Street
Cridersville, OH 45806

We have reviewed the *Independent Auditor's Report* of the Village of Cridersville, Auglaize County, prepared by Julian & Grube, Inc., for the audit period January 1, 2017 through December 31, 2017. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Village of Cridersville is responsible for compliance with these laws and regulations

Keith Faber
Auditor of State
Columbus, Ohio

June 14, 2019

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**VILLAGE OF CRIDERSVILLE
AUGLAIZE COUNTY, OHIO**

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Julian & Grube, Inc.

Serving Ohio Local Governments

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Independent Auditor's Report

Village of Cridersville
Auglaize County
110 West Main Street
Cridersville, Ohio 45806

To the Village Council:

Report on the Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type, and related notes of the Village of Cridersville, Auglaize County, Ohio as of and for the year ended December 31, 2017.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Village of Cridersville's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Village of Cridersville's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 2 of the financial statements, the Village of Cridersville prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

Though the Village of Cridersville does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Village of Cridersville as of December 31, 2017, and the respective changes in financial position or cash flows thereof for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements by fund type, and related notes of the Village of Cridersville, Auglaize County, Ohio, as of December 31, 2017, for the year then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 2.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 2, 2019, on our consideration of the Village of Cridersville's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village of Cridersville's internal control over financial reporting and compliance.



Julian & Grube, Inc.
May 2, 2019

Village of Cridersville, Ohio
Auglaize County

*Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2017*

	General	Special Revenue	Debt Service	Capital Projects	Totals (Memorandum Only)
Cash Receipts					
Property and Other Local Taxes	\$ 92,204	\$ 37,992	\$ -	\$ -	\$ 130,196
Municipal Income Tax	359,423	-	-	-	359,423
Intergovernmental	83,338	81,531	-	137,221	302,090
Special Assessments	-	2,734	-	-	2,734
Charges for Services	-	59,898	-	-	59,898
Fines, Licenses and Permits	46,992	2,310	-	-	49,302
Earnings on Investments	1,353	338	-	-	1,691
Miscellaneous	48,530	-	-	-	48,530
<i>Total Cash Receipts</i>	<u>631,840</u>	<u>184,803</u>	<u>-</u>	<u>137,221</u>	<u>953,864</u>
Cash Disbursements					
Current:					
Security of Persons and Property	422,828	48,744	-	-	471,572
Leisure Time Activities	17,150	-	-	-	17,150
Community Environment	17,851	-	-	-	17,851
Basic Utility Services	554	-	-	-	554
Transportation	-	88,150	-	145,087	233,237
General Government	163,292	726	-	-	164,018
Capital Outlay	16,798	84,031	-	-	100,829
Debt Service:					
Principal Retirement	12,193	-	12,625	-	24,818
<i>Total Cash Disbursements</i>	<u>650,666</u>	<u>221,651</u>	<u>12,625</u>	<u>145,087</u>	<u>1,030,029</u>
<i>Excess of Disbursements Over Receipts</i>	<u>(18,826)</u>	<u>(36,848)</u>	<u>(12,625)</u>	<u>(7,866)</u>	<u>(76,165)</u>
Other Financing Receipts (Disbursements)					
Transfers In	-	3,407	12,625	5,760	21,792
Transfers Out	(21,792)	-	-	-	(21,792)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(21,792)</u>	<u>3,407</u>	<u>12,625</u>	<u>5,760</u>	<u>-</u>
<i>Net Change in Fund Cash Balances</i>	<u>(40,618)</u>	<u>(33,441)</u>	<u>-</u>	<u>(2,106)</u>	<u>(76,165)</u>
<i>Fund Cash Balances, January 1</i>	<u>418,968</u>	<u>305,388</u>	<u>-</u>	<u>2,106</u>	<u>726,462</u>
Fund Cash Balances, December 31					
Restricted	-	271,947	-	-	271,947
Assigned	295,313	-	-	-	295,313
Unassigned	83,037	-	-	-	83,037
<i>Fund Cash Balances, December 31</i>	<u>\$ 378,350</u>	<u>\$ 271,947</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 650,297</u>

See accompanying notes to the financial statements

Village of Cridersville, Ohio
Auglaize County

*Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
Proprietary Fund Type
For the Year Ended December 31, 2017*

	Enterprise
Operating Cash Receipts	
Charges for Services	\$ 863,011
Miscellaneous	3,612
	866,623
<i>Total Operating Cash Receipts</i>	<i>866,623</i>
Operating Cash Disbursements	
Personal Services	179,379
Employee Fringe Benefits	87,471
Contractual Services	161,507
Supplies and Materials	154,903
	583,260
<i>Total Operating Cash Disbursements</i>	<i>583,260</i>
<i>Operating Income</i>	<i>283,363</i>
Non-Operating Receipts (Disbursements)	
Miscellaneous Receipts	37,424
Capital Outlay	(23,798)
Principal Retirement	(91,296)
Interest and Other Fiscal Charges	(66,244)
	(143,914)
<i>Total Non-Operating Receipts (Disbursements)</i>	<i>(143,914)</i>
<i>Net Change in Fund Cash Balances</i>	<i>139,449</i>
<i>Fund Cash Balances, January 1</i>	<i>362,609</i>
<i>Fund Cash Balances, December 31</i>	<i>\$ 502,058</i>

See accompanying notes to the financial statements

Village of Cridersville, Ohio
Auglaize County

Notes to the Financial Statements
For the Year Ended December 31, 2017

Note 1 - Reporting Entity

The Village of Cridersville (the Village), Auglaize County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly-elected six-member Council directs the Village. The Village provides mayor's court, water and sewer utilities, park operations, street maintenance, and police protection services. The Village contracts with Cridersville Volunteer Fire Department for fire protection services.

Public Entity Risk Pool

The Village participates in the Ohio Plan Risk Management, Inc. (OPRM) public entity risk pool. Note 7 to the financial statements provides additional information for this entity.

The Village's management believes these financial statements present all activities for which the Village is financially accountable.

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

The Village's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types, and a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all proprietary fund types.

Fund Accounting

The Village uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Village are presented below:

General Fund - The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Village for any purpose provided it is expended or transferred according to the general laws of Ohio.

Special Revenue Funds - These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Village had the following significant special revenue funds:

Street Construction Maintenance and Repair - The street construction maintenance and repair fund accounts for and reports that portion of the State gasoline tax and motor vehicle license registration fees restricted for construction, maintenance, and repair of streets within the Village.

Fire and Rescue Fund - The fire and rescue fund receives property taxes and contract income from surrounding governmental entities to provide fire protection services.

Village of Cridersville, Ohio
Auglaize County

Notes to the Financial Statements
For the Year Ended December 31, 2017

Note 2 - Summary of Significant Accounting Policies - (Continued)

Debt Service Funds - These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The Village had the following significant debt service funds:

OPWC-CM18L-National Road - The OPWC-CM18L-National Road fund is responsible for paying the debt from loans used for National Road street project.

OPWC-CM29A (North St/North Pl) - The OPWC-CM29A (North St/North Pl) fund is responsible for paying the debt from loans used for West North Street and North Place street project.

OPWC-CM21D (Wyandot) - The OPWC-CM21D (Wyandot) fund is responsible for paying the debt from loans used for Wyandot Street project.

Capital Project Funds - These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Village had the following capital project fund:

Capital Projects/OPWC Fund - This fund accounts for various grants and loans from the OPWC to pay for necessary capital improvements.

Enterprise Funds - These funds account for operations that are similar to private business enterprises, where management intends to recover the significant costs of providing certain goods or services through user charges. The Village had the following significant enterprise funds:

Water Fund - The water fund accounts for the provision of water services to the residents and commercial users within the Village.

Sanitary Sewer Fund - The sanitary sewer fund accounts for the provision of sanitary sewer services to the residents and commercial users within the Village.

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D). This basis is similar to the cash receipts and disbursements accounting basis. The Village recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D) permit.

Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually.

Village of Cridersville, Ohio
Auglaize County

Notes to the Financial Statements
For the Year Ended December 31, 2017

Note 2 - Summary of Significant Accounting Policies - (Continued)

Appropriations - Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Village Council must annually approve appropriation measures and subsequent amendments. Appropriations lapse at year end.

Estimated Resources - Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1. The County Budget Commission must approve estimated resources.

Encumbrances - The Ohio Revised Code requires the Village to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year. The Village did not encumber all commitments required by Ohio law.

A summary of 2017 budgetary activity appears in Note 3.

Deposits

The Village maintains two checking accounts and a savings account which are valued at cost.

Capital Assets

The Village records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Village must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

Nonspendable - The Village classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

Restricted - Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

Committed - Council can *commit* amounts via formal action (resolution). The Village must adhere to these commitments unless the Council amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

Village of Cridersville, Ohio
Auglaize County

Notes to the Financial Statements
For the Year Ended December 31, 2017

Note 2 - Summary of Significant Accounting Policies - (Continued)

Assigned - Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Village Council or a Village official delegated that authority by resolution, or by State Statute.

Unassigned - Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Village applies restricted resources first when disbursements are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when disbursements are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Note 3 - Budgetary Activity

Budgetary activity for the year ended December 31, 2017 follows:

2017 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$610,375	\$631,840	\$21,465
Special Revenue	251,630	188,210	(63,420)
Debt Service	12,625	12,625	-
Capital Projects	137,758	142,981	5,223
Enterprise	1,076,503	904,047	(172,456)
Total	\$2,088,891	\$1,879,703	(\$209,188)

2017 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$937,708	\$672,458	\$265,250
Special Revenue	302,759	221,652	81,107
Debt Service	12,625	12,625	-
Capital Projects	145,087	145,087	-
Enterprise	1,110,154	764,598	345,556
Total	\$2,508,333	\$1,816,420	\$691,913

Village of Cridersville, Ohio
Auglaize County

Notes to the Financial Statements
For the Year Ended December 31, 2017

Note 4 - Deposits

The Village maintains a deposit pool all funds use. The Ohio Revised Code prescribes allowable deposits. The carrying amount of deposits at December 31 was as follows:

	<u>2017</u>
Demand deposits	\$1,152,355

Deposits

Deposits are insured by the Federal Depository Insurance Corporation (FDIC) or collateralized through the Ohio Pooled Collateral system (OPCS).

Note 5 - Property Tax

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property located within the Village.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Village.

Note 6 - Local Income Tax

The Village levies a municipal income tax of one percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village.

Employers within the Village withhold income tax on employee compensation and remit the tax to the Village either monthly or quarterly, as required. Corporations and other individual taxpayers pay estimated taxes quarterly and file a declaration annually.

Note 7 - Risk Management

The Village belongs to the Ohio Plan Risk Management, Inc. (OPRM) - formerly known as the Ohio Government Risk Management Plan, (the "Plan"), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments ("Members"). The Plan is legally separate from its member governments.

Village of Cridersville, Ohio
Auglaize County

Notes to the Financial Statements
For the Year Ended December 31, 2017

Note 7 - Risk Management - (Continued)

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio.

OPRM coverage programs are developed specific to each member's risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member's exposure to loss. Effective November 1, 2016, the OPRM retained 50% of the premium and losses on the first \$250,000 casualty treaty and 30% of the first \$1,000,000 property treaty. Effective November 1, 2017, the OPRM retained 47% of the premium and losses on the first \$250,000 casualty treaty and 30% of the first \$1,000,000 property treaty. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. OPRM had 764 members as of December 31, 2017.

Plan members are responsible to notify the Plan of their intent to renew coverage by their renewal date. If a member chooses not to renew with the Plan, they have no other financial obligation to the Plan, but still need to promptly notify the Plan of any potential claims occurring during their membership period. The former member's covered claims, which occurred during their membership period, remain the responsibility of the Plan.

Settlement amounts did not exceed insurance coverage for the past three fiscal years.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2017.

Assets	\$14,853,620
Liabilities	<u>(9,561,108)</u>
Members' Equity	<u>\$ 5,292,512</u>

You can read the complete audited financial statements for OPRM at the Plan's website, www.ohioplan.org.

Note 8 - Retirement Systems

Ohio Public Employees Retirement System

Most Village employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postemployment healthcare and survivor and disability benefits.

Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10% of their gross salaries and the Village contributed an amount equaling 14% of participants' gross salaries. The Village has paid all contributions required through December 31, 2017.

Village of Cridersville, Ohio
Auglaize County

Notes to the Financial Statements
For the Year Ended December 31, 2017

Note 8 - Retirement Systems - (Continued)

Ohio Police and Fire Retirement System

The Village's full-time Police Officers belong to the Ohio Police and Fire Pension Fund (OP&F). OP&F is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postemployment healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25% of their wages. The Village contributed to OP&F an amount equal to 19.5% of full-time police members' wages. The Village has paid all contributions required through December 31, 2017.

Note 9 - Postemployment Benefits

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. OPERS contributes 1 percent of the employer contribution to fund these benefits, and OP&F contributes 0.5 percent to fund these benefits.

Note 10 - Debt

Debt outstanding at December 31, 2017 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Ohio Public Works Commission Loan - CM18L	\$39,585	0.00%
Ohio Public Works Commission Loan - CM15H	72,605	0.00%
Ohio Public Works Commission Loan - CM17J	56,588	0.00%
Ohio Public Works Commission Loan - CM21D	11,375	0.00%
Ohio Public Works Commission Loan - CM31E	7,483	0.00%
Ohio Water Development Authority Loan (#3278)	323,258	4.00%
Ohio Water Development Authority Loan (#5616)	1,568,677	3.27%
Total	<u>\$2,079,571</u>	

The Village has five non-interest bearing loans at December 31, 2017 that were obtained through the Ohio Public Works Commission (OPWC). Proceeds from these loans were used for street resurfacing, street reconstruction, water improvements and wastewater improvements. These loans are payable semi-annually over a 20-year repayment period.

The Ohio Water Development Authority (OWDA) loan #3278 relates to a water tower construction project. The loan is paid in semi-annual installments with the final payment due on January 1, 2026. Water fund receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover future OWDA debt service requirements.

Village of Cridersville, Ohio
Auglaize County

Notes to the Financial Statements
For the Year Ended December 31, 2017

Note 10 - Debt - (Continued)

The Ohio Water Development Authority (OWDA) loan #5616 relates to a wastewater plant renovation project. The loan is paid in semi-annual installments with the final payment due on January 1, 2041. Sewer fund receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover future OWDA debt service requirements.

Leases

The Village leases a police interceptor under a noncancelable lease. The Village disbursed \$12,193 to pay lease costs for the year ended December 31, 2017.

Amortization

Amortization of the above debt, including interest, is scheduled as follows:

Year ending	<u>OPWC Loans</u>	<u>OWDA Loans</u>	<u>Lease</u>
December 31:			
2018	\$ 25,894	\$ 142,246	\$ 12,193
2019	25,894	143,032	12,193
2020	23,619	143,868	-
2021	21,344	144,759	-
2022	19,473	145,707	-
2023 - 2027	66,249	638,586	-
2028 - 2032	5,163	487,835	-
2033 - 2037	-	487,835	-
2038 - 2041	-	292,701	-
Total	<u>\$ 187,636</u>	<u>\$ 2,626,569</u>	<u>\$ 24,386</u>

Note 11 - Compliance

The Village did not timely certify expenses through purchase orders, in noncompliance with Ohio Revised Code Section 5705.41(D).



Julian & Grube, Inc.
Serving Ohio Local Governments

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**Independent Auditor's Report on Internal Control over Financial Reporting and
on Compliance and Other Matters Required by *Government Auditing Standards***

Village of Cridersville
Auglaize County
110 West Main Street
Cridersville, Ohio 45806

To the Village Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts and disbursements by fund type of the Village of Cridersville, Auglaize County, Ohio as of and for the year ended December 31, 2017, and the related notes to the financial statements, and have issued our report thereon dated May 2, 2019, wherein we noted the Village of Cridersville followed financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Village of Cridersville's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Village of Cridersville's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Village of Cridersville's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and responses that we consider a material weakness. We consider finding 2017-001 to be a material weakness.

Compliance and Other Matters

As part of reasonably assuring whether the Village of Cridersville's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed an instance of noncompliance or other matters we must report under *Government Auditing Standards* which is disclosed in the accompanying schedule of findings and responses as item 2017-001.

Village of Cridersville's Response to Finding

The Village of Cridersville's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. We did not subject the Village of Cridersville response to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Village of Cridersville's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Village of Cridersville's internal control and compliance. Accordingly, this report is not suitable for any other purpose.



Julian & Grube, Inc.
May 2, 2019

**VILLAGE OF CRIDERSVILLE
AUGLAIZE COUNTY, OHIO**

**SCHEDULE OF FINDINGS AND RESPONSES
DECEMBER 31, 2017**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS	
Finding Number	2017-001

Noncompliance/Material Weakness:

Ohio Revised Code Section 5705.41(D) requires that no orders or contracts involving the expenditure of monies are to be made unless there is a certificate of the fiscal officer that the amount required for the order or contract has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances.

The Village had 85.00% of expenditures that were not timely certified.

The present system for certifying expenditures does not include requirements for a purchase order to be in place prior to initiating the purchasing process. The system also does not allow for the consistent use of “Then and Now” certificates.

Without timely certification, the Village may expend more funds than available in the Treasury, in the process of collection or in the funds appropriated. It may also result in unnecessary purchases.

We recommend that all orders or contracts involving the expenditure of money be timely certified to ensure all monies expended are lawfully appropriated and available in the treasury or in the process of collection. A policy and procedure statement adopted by the Council and distributed at least annually may be beneficial. The Village should consider using “Then” and “Now” certificates where applicable.

Client Response: The Village is continually trying to improve its ordering and purchasing process to decrease its noncompliance percentage.

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OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF CRIDERSVILLE

AUGLAIZE COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JUNE 27, 2019**