

***VILLAGE OF CROOKSVILLE  
PERRY COUNTY***

***AUDIT REPORT***

***FOR THE YEAR ENDED DECEMBER 31, 2014***







# Dave Yost • Auditor of State

Village Council  
Village of Crooksville  
98 Buckeye Street  
Crooksville, Ohio 43731

We have reviewed the *Report of Independent Accountants* of the Village of Crooksville, Perry County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2014 through December 31, 2014. 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 Crooksville is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost  
Auditor of State

August 10, 2016

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**VILLAGE OF CROOKSVILLE  
PERRY COUNTY  
AUDIT REPORT  
For the Year Ended December 31, 2014**

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***Charles E. Harris & Associates, Inc.***  
***Certified Public Accountants***

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## **REPORT OF INDEPENDENT ACCOUNTANTS**

Village of Crooksville  
Perry County  
98 Buckeye Street  
Crooksville, Ohio 43731

To the Village Council:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Village of Crooksville, Perry County, Ohio (the Village), as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for preparing and fairly presenting these financial statements in accordance with the cash accounting basis Note 2 describes. This responsibility includes determining that the cash accounting basis is acceptable for the circumstances. Management is also responsible for designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements that are 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'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's internal control. Accordingly, we express no 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.

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Crooksville, Perry County, Ohio, as of December 31, 2014, and the respective changes in cash financial position and the budgetary comparison for the General, State Highway, Street, Construction Maintenance and Repair and the EMS funds thereof for the year then ended in accordance with the accounting basis described in Note 2.

***Accounting Basis***

We draw attention to Note 2 of the financial statements, which describes the accounting basis. The financial statements are prepared on the cash basis of accounting, which differs from generally accepted accounting principles. We did not modify our opinion regarding this matter.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 19, 2016 on our consideration of the Village'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's internal control over financial reporting and compliance.



***Charles E. Harris & Associates, Inc.***  
May 19, 2016

VILLAGE OF CROOKSVILLE  
PERRY COUNTY  
STATEMENT OF NET POSITION - CASH BASIS  
DECEMBER 31, 2014

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b><u>Assets</u></b>			
Equity in Pooled Cash and Cash Equivalents	\$ 780,746	\$ 680,614	\$ 1,461,360
Total Assets	<u>780,746</u>	<u>680,614</u>	<u>1,461,360</u>
<b><u>Net Position</u></b>			
Restricted For:			
Capital Projects	5,148	-	5,148
Debt Service	-	59,358	59,358
Service Deposits	-	87,000	87,000
Other Purposes	469,173	-	469,173
Unrestricted Net Position	306,425	534,256	840,681
<b>Total Net Position</b>	<u>\$ 780,746</u>	<u>\$ 680,614</u>	<u>\$ 1,461,360</u>

See accompanying notes to the basic financial statements.

VILLAGE OF CROOKSVILLE  
PERRY COUNTY

STATEMENT OF ACTIVITIES - CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2014

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Position		Total
	Cash Disbursements	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	
<b>Governmental Activities:</b>						
Current:						
General Governmental	\$ 159,925	\$ 8,405	\$ -	\$ (151,520)	\$ -	\$ (151,520)
Leisure Time Activities	103,197	20,527	13,530	(69,140)	-	(69,140)
Security of Persons and Property	598,774	442,884	1,000	(154,890)	-	(154,890)
Community Environment	147,459	-	-	(147,459)	-	(147,459)
Transportation	166,889	-	73,761	(93,128)	-	(93,128)
Capital Outlay	342,344	-	137,558	(204,786)	-	(204,786)
Debt Service:			-			
Principal Reduction	179,435	-	-	(179,435)	-	(179,435)
Interest and Other Fiscal Charges	86,475	-	-	(86,475)	-	(86,475)
<b>Total Governmental Activities</b>	<b>1,784,498</b>	<b>471,816</b>	<b>225,849</b>	<b>(1,086,833)</b>	<b>-</b>	<b>(1,086,833)</b>
<b>Business-Type Activities:</b>						
Water Works	905,134	1,151,889	-	-	246,755	246,755
Sewage System	331,013	559,273	-	-	228,260	228,260
Guarantee Deposit	16,046	17,850	-	-	1,804	1,804
Sewage Replacement	24,809	-	-	-	(24,809)	(24,809)
Other Enterprise:						
Water Works Capital	115,762	-	-	-	(115,762)	(115,762)
Water Works Replacement	1,530	-	-	-	(1,530)	(1,530)
<b>Total Business-Type Activities</b>	<b>1,394,294</b>	<b>1,729,012</b>	<b>-</b>	<b>-</b>	<b>334,718</b>	<b>334,718</b>
<b>Total Primary Government</b>	<b>\$ 3,178,792</b>	<b>\$ 2,200,828</b>	<b>\$ 225,849</b>	<b>(1,086,833)</b>	<b>334,718</b>	<b>(752,115)</b>
<b>General Receipts:</b>						
Property and Other Local Taxes				124,738	-	124,738
Municipal Income Taxes				556,452	-	556,452
Other Local Taxes				45,334	-	45,334
Grants and Entitlements						
not Restricted to Specific Programs				51,899	-	51,899
Proceeds of Loan				-	132,811	132,811
Other Financing Sources				29,836	3,832	33,668
Earnings on Investments				3,072	3	3,075
Miscellaneous				55,069	16,434	71,503
Transfers				234,424	(234,424)	-
<b>Total General Receipts and Transfers</b>				<b>1,100,824</b>	<b>(81,344)</b>	<b>1,019,480</b>
<b>Net Change in Position</b>				<b>13,991</b>	<b>253,374</b>	<b>267,365</b>
<b>Net Position Beginning of Year, Restated</b>				<b>766,755</b>	<b>427,240</b>	<b>1,193,995</b>
<b>Net Position End of Year</b>				<b>\$ 780,746</b>	<b>\$ 680,614</b>	<b>\$ 1,461,360</b>

See accompanying notes to the basic financial statements.

**VILLAGE OF CROOKSVILLE  
PERRY COUNTY**

**STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>General</u>	<u>State Highway</u>	<u>EMS</u>	<u>SCMR</u>	<u>Other Governmental</u>	<u>Totals</u>
<b>ASSETS</b>						
Cash and Cash Equivalents	\$ 193,403	\$ 96,668	\$ 170,078	\$ 46,441	\$ 274,156	\$ 780,746
<b>Total Assets</b>	<u>193,403</u>	<u>96,668</u>	<u>170,078</u>	<u>46,441</u>	<u>274,156</u>	<u>780,746</u>
<b>FUND BALANCES</b>						
Restricted	-	96,668	170,078	46,441	161,134	474,321
Committed	-	-	-	-	112,706	112,706
Assigned	4,157	-	-	-	316	4,473
Unassigned	189,246	-	-	-	-	189,246
<b>Total Fund Balances</b>	<u>\$ 193,403</u>	<u>\$ 96,668</u>	<u>\$ 170,078</u>	<u>\$ 46,441</u>	<u>\$ 274,156</u>	<u>\$ 780,746</u>

See accompanying notes to the basic financial statements.

**VILLAGE OF CROOKSVILLE  
PERRY COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN  
CASH FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	General	State Highway	EMS	SCMR	Other Governmental	Totals
<b>RECEIPTS:</b>						
Property and Other Local Taxes	\$ 27,022	\$ -	\$ -	\$ -	\$ 97,716	\$ 124,738
Municipal Income Taxes	556,452	-	-	-	-	556,452
Other Local Taxes	19,910	-	-	-	25,424	45,334
Intergovernmental	51,899	6,602	-	81,422	137,825	277,748
Charges for Services	6,466	-	348,363	-	99,435	454,264
Fines, Licenses, and Permits	7,226	-	-	-	10,326	17,552
Earnings on Investments	545	1,889	-	635	3	3,072
Miscellaneous	8,337	-	30,993	1,688	14,051	55,069
<b>Total Receipts</b>	<b>677,857</b>	<b>8,491</b>	<b>379,356</b>	<b>83,745</b>	<b>384,780</b>	<b>1,534,229</b>
<b>DISBURSEMENTS:</b>						
<b>Current:</b>						
Security of Persons and Property	181,769	-	338,081	-	78,924	598,774
Leisure Time Activities	-	-	-	-	103,197	103,197
Community Environment	147,459	-	-	-	-	147,459
Transportation	-	2,690	-	162,669	1,530	166,889
General Government	156,644	-	-	-	3,281	159,925
Capital Outlay	6,570	-	20,939	9,389	305,446	342,344
Debt Service						
Principal Reduction	-	-	-	-	179,435	179,435
Interest	-	-	-	-	86,475	86,475
<b>Total Disbursements</b>	<b>492,442</b>	<b>2,690</b>	<b>359,020</b>	<b>172,058</b>	<b>758,288</b>	<b>1,784,498</b>
Excess of Receipts Over/(Under) Disbursements	185,415	5,801	20,336	(88,313)	(373,508)	(250,269)
<b>OTHER FINANCING SOURCES (USES)</b>						
Other Financing Sources	-	-	-	-	29,836	29,836
Transfers In	-	-	-	96,275	327,815	424,090
Transfers Out	(119,665)	(19,727)	(26,947)	-	(23,327)	(189,666)
<b>Total Other Financing Sources (Uses)</b>	<b>(119,665)</b>	<b>(19,727)</b>	<b>(26,947)</b>	<b>96,275</b>	<b>334,324</b>	<b>264,260</b>
Net Change in Fund Balances	65,750	(13,926)	(6,611)	7,962	(39,184)	13,991
Fund Balances January 1, 2014, Restated	127,653	110,594	176,689	38,479	313,340	766,755
Fund Balances December 31, 2014	<u>\$ 193,403</u>	<u>\$ 96,668</u>	<u>\$ 170,078</u>	<u>\$ 46,441</u>	<u>\$ 274,156</u>	<u>\$ 780,746</u>

See accompanying notes to the basic financial statements.

**VILLAGE OF CROOKSVILLE  
PERRY COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - BUDGET BASIS  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>RECEIPTS</b>				
Property and Other Local Taxes	\$ 50,217	\$ 47,322	\$ 46,932	\$ (390)
Charges for Services	9,476	6,494	6,466	(28)
Intergovernmental	60,234	52,407	51,898	(509)
Fines, Licenses, and Permits	14,123	7,824	7,226	(598)
Earnings on Investments	2,153	1,683	545	(1,138)
Miscellaneous	1,325	7,788	7,788	-
Total Receipts	<u>137,528</u>	<u>123,518</u>	<u>120,855</u>	<u>(2,663)</u>
<b>DISBURSEMENTS</b>				
Current:				
General Government	110,957	97,476	97,010	466
Security of Persons and Property	226,289	184,851	184,433	418
Community Environment	109,603	148,755	148,451	304
Capital Outlay	-	5,799	5,652	147
Total Disbursements	<u>446,849</u>	<u>436,881</u>	<u>435,546</u>	<u>1,335</u>
Excess of Receipts Over (Under) Disbursements	(309,321)	(313,363)	(314,691)	(1,328)
<b>Other Financing Sources (Uses)</b>				
Transfers In	323,500	336,000	336,000	-
Transfers Out	(14,888)	(14,888)	(14,888)	-
Total Other Financing Sources (Uses)	<u>308,612</u>	<u>321,112</u>	<u>321,112</u>	<u>-</u>
Net Change in Fund Balances	(709)	7,749	6,421	(1,328)
Fund Balances Beginning of Year, Restated	21,589	21,589	21,589	-
Prior Year Encumbrances Appropriated	7,400	7,400	7,400	-
Fund Balances End of Year	<u>\$ 28,280</u>	<u>\$ 36,738</u>	<u>\$ 35,410</u>	<u>\$ (1,328)</u>

See accompanying notes to the basic financial statements.

**VILLAGE OF CROOKSVILLE  
PERRY COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - BUDGET BASIS  
STATE HIGHWAY FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>RECEIPTS</b>				
Intergovernmental	\$ 7,070	\$ 6,603	\$ 6,602	\$ (1)
Earnings on Investments	4,602	1,889	1,889	-
Total Receipts	<u>11,672</u>	<u>8,492</u>	<u>8,491</u>	<u>(1)</u>
<b>DISBURSEMENTS</b>				
Current:				
Transportation	-	2,690	2,690	-
Total Disbursements	<u>-</u>	<u>2,690</u>	<u>2,690</u>	<u>-</u>
Excess of Receipts Over (Under) Disbursements	11,672	5,802	5,801	(1)
<b>Other Financing Sources (Uses)</b>				
Transfers Out	<u>(6,000)</u>	<u>(19,727)</u>	<u>(19,727)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(6,000)</u>	<u>(19,727)</u>	<u>(19,727)</u>	<u>-</u>
Net Change in Fund Balances	5,672	(13,925)	(13,926)	(1)
Fund Balances Beginning of Year	110,594	110,594	110,594	-
Fund Balances End of Year	<u>\$ 116,266</u>	<u>\$ 96,669</u>	<u>\$ 96,668</u>	<u>\$ (1)</u>

See accompanying notes to the basic financial statements.

**VILLAGE OF CROOKSVILLE  
PERRY COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
CHANGES IN CASH FUND BALANCE  
BUDGET AND ACTUAL - BUDGET BASIS  
EMS FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>RECEIPTS</b>				
Charges for Services	\$ 323,486	\$ 348,364	\$ 348,364	\$ -
Intergovernmental	5,749	-	-	-
Miscellaneous	-	30,994	30,993	(1)
Earnings on Investments	69	19	6	(13)
	<hr/>	<hr/>	<hr/>	<hr/>
Total Receipts	329,304	379,377	379,363	(14)
	<hr/>	<hr/>	<hr/>	<hr/>
<b>DISBURSEMENTS</b>				
Current:				
Security of Persons and Property	263,270	344,331	342,637	1,694
Capital Outlay	17,000	20,939	20,938	1
	<hr/>	<hr/>	<hr/>	<hr/>
Total Disbursements	280,270	365,270	363,575	1,695
	<hr/>	<hr/>	<hr/>	<hr/>
Excess of Receipts Over (Under) Disbursements	49,034	14,107	15,788	1,681
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Other Financing Sources (Uses)</b>				
Transfers Out	(26,947)	(26,947)	(26,947)	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Other Financing Sources (Uses)	(26,947)	(26,947)	(26,947)	-
	<hr/>	<hr/>	<hr/>	<hr/>
Net Change in Fund Balances	22,087	(12,840)	(11,159)	1,681
Fund Balances Beginning of Year	176,295	176,295	176,295	-
Prior Year Encumbrances Appropriated	393	393	393	-
	<hr/>	<hr/>	<hr/>	<hr/>
Fund Balances End of Year	<u>\$ 198,775</u>	<u>\$ 163,848</u>	<u>\$ 165,529</u>	<u>\$ 1,681</u>

See accompanying notes to the basic financial statements.

**VILLAGE OF CROOKSVILLE  
PERRY COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
CHANGES IN CASH FUND BALANCE  
BUDGET AND ACTUAL - BUDGET BASIS  
STREET, CONSTRUCTION, MAINTENANCE AND REPAIR FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>RECEIPTS</b>				
Intergovernmental	\$ 87,599	\$ 81,422	\$ 81,421	\$ (1)
Miscellaneous	-	1,688	1,688	-
Earnings on Investments	703	662	635	(27)
	<hr/>	<hr/>	<hr/>	<hr/>
Total Receipts	88,302	83,772	83,744	(28)
	<hr/>	<hr/>	<hr/>	<hr/>
<b>DISBURSEMENTS</b>				
Current:				
Transportation	118,807	189,267	178,307	10,960
Capital Outlay	9,341	9,389	9,389	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Disbursements	128,148	198,656	187,696	10,960
	<hr/>	<hr/>	<hr/>	<hr/>
Excess of Receipts Over (Under) Disbursements	(39,846)	(114,884)	(103,952)	10,932
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Other Financing Sources (Uses)</b>				
Transfers In	-	96,275	96,275	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Other Financing Sources (Uses)	-	96,275	96,275	-
	<hr/>	<hr/>	<hr/>	<hr/>
Net Change in Fund Balances	(39,846)	(18,609)	(7,677)	10,932
	<hr/>	<hr/>	<hr/>	<hr/>
Fund Balances Beginning of Year	38,479	38,479	38,479	-
	<hr/>	<hr/>	<hr/>	<hr/>
Fund Balances End of Year	<u>\$ (1,367)</u>	<u>\$ 19,870</u>	<u>\$ 30,802</u>	<u>\$ 10,932</u>

See accompanying notes to the basic financial statements.

**VILLAGE OF CROOKSVILLE  
PERRY COUNTY**

**STATEMENT OF FUND NET POSITION - CASH BASIS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>Water Works</u>	<u>Sewage System</u>	<u>Guarantee Deposit</u>	<u>Sewage Replacement</u>	<u>Other Entrprise</u>	<u>Total</u>
<b>ASSETS</b>						
Cash and Cash Equivalents	<u>\$175,246</u>	<u>\$126,482</u>	<u>\$87,000</u>	<u>\$123,901</u>	<u>\$167,985</u>	<u>\$680,614</u>
Total Assets	<u>175,246</u>	<u>126,482</u>	<u>87,000</u>	<u>123,901</u>	<u>167,985</u>	<u>680,614</u>
<b>NET POSITION</b>						
Restricted for:						
Debt Service	-	-	-	-	59,358	59,358
Service Deposits	-	-	87,000	-	-	87,000
Unrestricted	<u>175,246</u>	<u>126,482</u>	<u>-</u>	<u>123,901</u>	<u>108,627</u>	<u>534,256</u>
Total Net Position	<u>\$175,246</u>	<u>\$126,482</u>	<u>\$87,000</u>	<u>\$123,901</u>	<u>\$167,985</u>	<u>\$ 680,614</u>

See accompanying notes to the basic financial statements.

**VILLAGE OF CROOKSVILLE  
PERRY COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN NET POSITION - CASH BASIS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Business-type Activities					Total
	Water Works	Sewage System	Guarantee Deposit	Sewage Replacement	Other Enterprise	
<b>OPERATING RECEIPTS</b>						
Charges for Services	\$ 1,151,889	\$ 559,273	\$ 17,850	\$ -	\$ -	\$ 1,729,012
Miscellaneous	5,127	2,068	-	-	9,239	16,434
<b>Total Operating Receipts</b>	<b>1,157,016</b>	<b>561,341</b>	<b>17,850</b>	<b>-</b>	<b>9,239</b>	<b>1,745,446</b>
<b>OPERATING DISBURSEMENTS</b>						
Administrative - Water	870,675	-	-	-	-	870,675
Other Water	-	-	-	-	1,530	1,530
Administrative - Sanitary Sewers and Sewage	-	306,222	-	-	-	306,222
Other Sanitary Sewers and Sewage	-	-	-	24,809	-	24,809
Other Basic Utility Service	-	-	16,046	-	-	16,046
<b>Total Operating Disbursements</b>	<b>870,675</b>	<b>306,222</b>	<b>16,046</b>	<b>24,809</b>	<b>1,530</b>	<b>1,219,282</b>
Operating Income	286,341	255,119	1,804	(24,809)	7,709	526,164
<b>NON-OPERATING RECEIPTS/(DISBURSEMENTS)</b>						
Proceeds of Loan	-	-	-	-	132,811	132,811
Earnings on Investments	-	-	3	-	-	3
Capital Outlay	(34,459)	(24,791)	-	-	(115,762)	(175,012)
Other Financing Sources	3,832	-	-	-	-	3,832
Transfers in	2,226	2,226	-	30,000	46,306	80,758
Transfers out	(153,658)	(161,524)	-	-	-	(315,182)
<b>Total Non-Operating Receipts/(Disbursements)</b>	<b>(182,059)</b>	<b>(184,089)</b>	<b>3</b>	<b>30,000</b>	<b>63,355</b>	<b>(272,790)</b>
Change in Net Position	104,282	71,030	1,807	5,191	71,064	253,374
Net Position January 1, 2014	70,964	55,452	85,193	118,710	96,921	427,240
Net Position December 31, 2014	<b>\$ 175,246</b>	<b>\$ 126,482</b>	<b>\$ 87,000</b>	<b>\$ 123,901</b>	<b>\$ 167,985</b>	<b>\$ 680,614</b>

See accompanying notes to the basic financial statements.

Village of Crooksville  
Notes to the Financial Statements  
For the Year Ended December 31, 2014

**Note 1- Reporting Entity**

The Village of Crooksville, Perry County, Ohio (the Village), 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. The Village is directed by a six-member Council elected at large for four year terms. The Mayor is elected a four year term, and votes only to break a tie.

The reporting entity is comprised of the primary government, component units and other organizations that were included to ensure that the financial statements are not misleading.

**A. Primary Government**

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Village. The Village provides general government services, water and sewer utilities, maintenance of Village roads and bridges, park operations, and police services. The Village appropriates general fund money to help support a volunteer fire department.

**B. Component Units**

Component units are legally separate organizations for which the Village is financially accountable. The Village is financially accountable for an organization if the Village appoints a voting majority of the organization's governing board and (1) the Village is able to significantly influence the programs or services performed or provided by the organization; or (2) the Village is legally entitled to or can otherwise access the organization's resources; the Village is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide support to, the organization; or the Village is obligated for the debt of the organization. The Village is also financially accountable for any organizations that are fiscally dependent on the Village in that the Village approves their budget, the issuance of their debt or the levying of their taxes. Component units also include legally separate, tax-exempt entities whose resources are for the direct benefit of the Village, are accessible to the Village and are significant in amount to the Village.

The Village has no component units.

**Note 2- Summary of Significant Accounting Policies**

As discussed further in Note 2.C, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally Accepted Accounting Principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. The more significant of the Village's accounting policies are described below.

**A. Basis of Presentation**

The Village's basic financial statements consist of government-wide financial statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Village of Crooksville  
Notes to the Financial Statements  
For the Year Ended December 31, 2014

1. Government- Wide Financial Statements

The statement of net position and the statement of activities display information about the Village as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the Village that are governmental and those that are considered business-type. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The statement of net position presents the cash balance, of the governmental and business-type activities of the Village at year end. The statement of activities compares disbursements with program receipts for each of the Village's governmental and business-type activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Village is responsible. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function or business-like activity is self-financing on a cash basis or draws from the Village's general receipts.

2. Fund Financial Statements

During the year, the Village segregates transactions related to certain Village functions or activities in separate funds to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Village at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a single column. Proprietary fund statements distinguish operating transactions from nonoperating transactions. Operating receipts generally result from the exchange transactions such as charges for services directly relating to the funds principal services. Operating disbursements include costs of sales and services and administrative costs. The fund statements report all other receipts and disbursements as nonoperating.

B. Fund Accounting

The Village uses fund accounting 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. Funds are used to segregate resources that are restricted to use. The funds of the Village are presented in two categories: governmental and proprietary.

Village of Crooksville  
Notes to the Financial Statements  
For the Year Ended December 31, 2014

1. Governmental Funds

The Village classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other nonexchange transactions as governmental funds. Following are the Village's major governmental funds:

General Fund is used to account for all financial resources, except those required to be accounted for 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. The other governmental funds of the Village account for grants and other resources whose use is restricted to a particular purpose.

EMS Fund receives monies from charges for services related to emergency medical services to offset the costs of equipment for emergency medical protection.

Street Construction Maintenance and Repair Fund receives monies from the County and State Auditor for motor vehicle and gas taxes to help with maintaining Village streets.

State Highway Fund receives monies from the County and State Auditor for motor vehicle and gas taxes to help with maintaining the state highway.

The other governmental funds of the Village account for and report grants and other resources, whose use is restricted, committed or assigned to a particular purpose.

2. Proprietary Funds

The Village classifies funds financed primarily from user charges for goods or services as proprietary. Proprietary funds are classified as enterprise funds.

Enterprise Funds- Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The Village's major enterprise funds are the water, sewer, guarantee deposit and sewage replacement.

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

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

Guarantee Deposit Fund – The guarantee deposit fund accounts for the utility deposits paid by the water and sewer customers.

Sewage Replacement Fund – The sewage replacement fund accounts for the transfers made monthly to it by the Sewage System Fund to help set back funds to pay for repairs such as to the sanitary pump stations.

3. Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds,

Village of Crooksville  
Notes to the Financial Statements  
For the Year Ended December 31, 2014

and agency funds. Trust funds are used to account for assets held by the Village under a trust agreement for individuals, private organizations, or other governments and are not available to support the Village's own programs. The Village does not have any trust funds. Agency funds are purely custodial in nature and are used to account for assets held by the Village for individuals, other governments, or other organizations. The Village's agency fund accounts for Mayor's court activities. At December 31, 2014 Mayor's Court had a zero balance, therefore no financial statement is presented.

C. Basis of Accounting

The Village's financial statements are prepared using the cash basis of accounting. Except for modifications having substantial support, receipts are recorded in the Village's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred. Any such modifications made by the Village are described in the appropriate section in this note.

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

D. Budgetary Process

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations ordinance, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Village may appropriate.

The appropriations ordinance is the Village Council's authorization to spend resources and sets limits on cash disbursements plus encumbrances at the level of control selected by the Village Council. The legal level of control has been established at the fund, department, and object level for all funds.

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the Village Clerk. The amounts reported as the original budgeted amounts on appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificate of estimated resources in effect at the time final appropriations were passed by the Village Council.

The appropriations ordinance is subject to amendment throughout the year with the restrictions that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation ordinance for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Village Council during the year.

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Notes to the Financial Statements  
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E. Cash and Investments

To improve cash management, cash received by the Village is pooled and invested. Individual fund integrity is maintained through Village records. Interest in the pool is presented as “Equity in Pooled Cash and Cash Equivalents”.

Investments of the cash management pool and investments with an original maturity of three months or less at the time of purchase are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments.

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or negative receipts (contra revenue), respectively.

During 2014, the Village had its monies in checking accounts and STAR Ohio. The Village’s deposits are insured by the Federal Depository Insurance Corporation or collateralized by the bank’s investment pool.

STAR Ohio is an investment pool, managed by the State Treasurer’s Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio’s share price, which is the price the investment could be sold for on December 31, 2014.

Interest earnings are allocated to Village funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to the General Fund was \$545.

F. Restricted Assets

Cash, cash equivalents and investments are reported as restricted when limitations on their use change the nature or normal understanding of their use. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments, or imposed by law through constitutional provisions or enabling legislation.

G. Inventory and Prepaid Items

The Village reports disbursements for inventories and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

H. Capital Assets

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets in the accompanying financial statements.

I. Interfund Receivables/ Payables

The Village reports advances-in and advances-out for Interfund loans. These items are not reflected as assets and liabilities in the accompanying financial statements.

Village of Crooksville  
Notes to the Financial Statements  
For the Year Ended December 31, 2014

J. Accumulated Leave

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the cash basis of accounting used by the Village.

K. Employer Contributions to Cost- Sharing Pension Plans

The Village recognizes the disbursement for their employer contributions to cost-sharing pension plans when they are paid. As described in Notes 8 and 9, the employer contributions include portions for pension benefits and for post-retirement health care benefits.

L. Long-Term Obligations

The Village's cash basis financial statements do not report liabilities for bonds or other long-term obligations. Proceeds of debt are reported when the cash is received and principal and interest payments are reported when paid. Since recording a capital asset when entering into a capital lease is not the result of a cash transaction, neither another financing source nor capital outlay expenditure are reported at inception. Lease payments are reported when paid.

M. Net Position

Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes include resources restricted for street and state highway maintenance and repairs, police and fire protection, activities of the Village's court, and the Village's parks and pool.

The Village's policy is to first apply restricted resources when an obligation is incurred for purposes which both restricted and unrestricted net position is available.

N. Interfund Transactions

Transfers between governmental and business-type activities on the government-wide financial statements are reported in the same manner as general receipts. Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies from one fund to another without a requirement for repayment are reported as Interfund transfers. Interfund transfers are reported as other financing sources/ uses in governmental funds and after nonoperating receipts/disbursements in proprietary funds. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented in the financial statements.

O. Fund Balance

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

Village of Crooksville  
Notes to the Financial Statements  
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***Nonspendable*** The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash.

***Restricted*** Fund balance is reported as 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*** The committed fund balance classification includes amounts that can be used only for the specific purpose imposed by formal action (resolution or ordinance) of Council. Those committed amounts cannot be used for any other purpose unless Council removes or changes the specified uses by taking the same type of action (resolution or ordinance) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

***Assigned*** Amounts in the assigned fund balance classification are intended to be used by the Village for specific purposes, but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not 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 contained 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 expenditures 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 expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**Note 3- Budgetary Basis of Accounting**

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the General Fund, EMS, SCMR, and State Highway funds are prepared on the budgetary basis to provide a meaningful comparison of actual results of the Budget. The differences between the budgetary basis and the cash basis are outstanding year end encumbrances are treated as cash disbursements (budgetary basis) rather than as restricted, committed or assigned fund balances (cash basis). The encumbrances outstanding at year end 2014 (budgetary basis) amounted to \$4,157 for the General Fund, \$4,555 for the EMS fund and \$15,638 for the SCMR fund.

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The following table summarizes the adjustments necessary to reconcile cash basis statements to the budgetary basis statements for the General Fund.

General Fund Cash Accounting Basis	\$ 193,403
Encumbrances	(4,157)
Perspective Difference (Income Tax Fund)	<u>(153,836)</u>
Budget Basis	<u>\$ 35,410</u>

**Note 4 – Deposits and Investments**

Monies held by the Village are classified by State Statute into three categories.

Active deposits are public deposits determined to be necessary to meet current demands upon the Village treasury. Active monies must be maintained either as cash in the Village treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that Council has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts.

Interim monies held by the Village can be deposited or invested in the following securities:

1. Bonds, notes, debentures, or any other obligation or security issues by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal agencies or instrumentalities;
2. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
3. Bonds and other obligations of the State of Ohio or Ohio local governments;
4. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;

Village of Crooksville  
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5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio).

Investments in stripped principal or interest obligations reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the Village, and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

### **Deposits**

Custodial credit risk is the risk that in the event of bank failure, the Village will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end the carrying amount of deposits was \$1,140,362. The Village had bank balances of \$1,174,131, none of which was exposed to custodial credit risk.

The Village has no deposit policy for custodial risk beyond the requirements of State Statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the Village or qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

### **Investments**

As of December 31, 2014, the Village had the following investments:

2014 Carrying Value	STAR Ohio (Fair Value) <u>\$320,998</u>	Maturing in less than 1 year.
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**Interest Rate Risk** Interest rate risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. The Village's investment policy addresses interest rate risk by requiring that the Village's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments, thereby avoiding the need to sell securities on the open market prior to maturity, and by investing operating funds primarily in short-term investments.

**Credit Risk** STAR Ohio carries a rating of AAAM by Standard and Poor's. The Village has no investment policy dealing with investment credit risk beyond the requirements in State Statutes. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service and that the money market fund be rated in the highest category at the time of purchase by at least one nationally recognized standard rating service.

Village of Crooksville  
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**Custodial Credit Risk** For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The Village has no investment policy dealing with investment custodial risk beyond the requirements in ORC 135.14(M) (2) which states, “Payment for investments shall be made only upon the delivery of securities representing such investments to the treasurer, investing authority, or qualified trustee. If the securities transferred are not represented by a certificate, payment shall be made only upon receipt of confirmation of transfer from the custodian by the treasurer, governing board, or qualified trustee.”

**Note 5 – Income Taxes**

The Village levies a 1.5 percent income tax whose proceeds are placed into the Income Tax Fund. The Village levies and collects the tax on all income earned within the Village as well as on incomes of residents earned outside the Village. In the latter case, the Village allows a credit of the lesser of actual taxes paid to another city or 100 percent of the 1.5 percent tax rate on taxable income. Employers within the Village are required to withhold income tax on employee earnings and remit the tax to the Village at least quarterly. Corporations and other individual taxpayers are also required to pay their estimated tax at least quarterly and file a final return annually.

**Note 6 – Property Taxes**

Property taxes include amounts levied against all real and public utility property located in the Village. Real property tax receipts received in 2014 for real and public utility property taxes represents collections of 2013 taxes.

2014 real property are levied after October 1, 2012, on the assessed values as of January 1, 2013, the lien date. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. 2014 real property taxes are collected in and intended to finance 2015.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State Statute permits later payment dates to be established.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2014 public utility property taxes which became a lien December 31, 3 are levied after October 1, 2014 and are collected in 2015 with real property taxes.

The full tax rate for all Village operations for the year ended December 31, 2014 was \$62.10 per \$1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2014 property tax receipts were based are as follows:

• Real Property	\$14,818,090
• Public Utility Personal Property	<u>\$369,970</u>
• Total	<u>\$15,188,060</u>

Village of Crooksville  
Notes to the Financial Statements  
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**Note 7 – Risk Management**

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2014, the Village contracted with Trident/ Argonaut Insurance Companies for various types of insurance as follows:

Type of Coverage	Coverage	Deductible
Property	\$13,057,288	\$1,000
Misc. Scheduled Equipment	\$766,380	\$1,000
Misc. Unscheduled Equipment	\$25,000	\$1,000
Fire Legal Liability	\$100,000	None
Automobile Liability	\$1,000,000	None
General Liability	\$1,000,000/\$3,000,000	None
Public Officials Liability	\$1,000,000/\$3,000,000	\$2,500
Law Enforcement Liability	\$1,000,000/\$3,000,000	\$2,500
Employment Practice Liability	\$1,000,000/\$3,000,000	\$2,500
Employee Benefits Liability	\$1,000,000	\$1,000
Excess Liability	\$1,000,000/\$1,000,000	None
Computer Property Coverage	\$81,250	\$1,000
Forgery & Alliteration	\$5,000	\$250
Public Employee Dishonesty	\$25,000	\$250
Money and Securities Coverage	\$15,000	\$250
Computer Fraud	\$15,000	\$250

Settled claims have not exceeded this commercial coverage in any of the past three years and there was no significant reduction in coverage from the prior year.

The Village insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

**Note 8 – Defined Benefits Pension Plans**

A. Ohio Public Employees Retirement System

Plan Description - The Village participates in the Ohio Public Employees Retirement System (OPERS). OPERS administer three separate pension plans. The Traditional plan is a cost sharing, multiple-employer defined benefit pension plan. The Member-Directed Plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the Member-Directed Plan, members accumulate retirement assets equal to the value of member and vested employer contributions plus any investment earnings. The Combined Plan is a cost sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the Combined Plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the Traditional Plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the Member-Directed Plan.

Village of Crooksville  
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OPERS provides retirement, disability, survivor and death benefits and annual cost-of living adjustments to members of the Traditional and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code. OPERS issue a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling (614)-222-5601 or (800)-222-7377.

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions. For 2014, member and contribution rates were consistent across all three plans. While members in the State and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the Traditional Plan. The 2014 member contribution rates were 10.00% for members in State and local classifications. Public safety and law enforcement members contributed 12.00% and 13.00% respectively. The Village’s contribution rate for 2014 was 14.00%, except for those plans members in law enforcement and public safety, for whom the Village’s contribution was 18.10% of covered payroll.

The Village’s required contributions for pension obligations to the traditional pension and combined plans for the years ended December 31, 2014, 2013, and 2012 were \$73,177, \$76,673 and \$73,027, respectively. The full amount has been contributed for 2014, 2013 and 2012.

**B. Ohio Police and Fire Pension Fund**

Plan Description - The Village contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple-employer defined benefit pension plan. OP&F provides retirement and disability pension benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164. That report is also available on OP&F’s website at [www.op-f.org](http://www.op-f.org).

From January 1, 2014 through July 1, 2014, plan members were required to contribute 10.75% of their annual covered salary. From July 2, 2014 through December 31, 2014, plan members were required to contribute 11.5% of their annual covered salary. Throughout 2014, the Village was required to contribute 19.5% and 24% respectively for police officers and firefighters. The Village of Crooksville’s contributions to OP&F for the years ending December 31, 2014, 2013, and 2012 were \$13,823, \$17,633 and \$13,667, respectively, all of which was contributed for all three years.

Village of Crooksville  
Notes to the Financial Statements  
For the Year Ended December 31, 2014

**Note 9 – Postemployment Benefits**

**A. Ohio Public Employees Retirement System**

Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: The Traditional Pension Plan—a cost-sharing, multiple-employer defined benefit pension plan; the Member-Directed Plan—a defined contribution plan; and the Combined Plan—a cost sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing multiple employer defined benefit post-employment health care plan, which includes a medical plan, prescription drug program and Medicare Part B premium reimbursement, to qualifying members of both the Traditional Pension and the Combined plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45. OPERS' eligibility requirements for post-employment health care coverage changed for those retiring on and after January 1, 2015. Please see the Plan Statement in the OPERS 2014 CAFR for details.

The Ohio Revised Code permits, but does not require, OPERS to provide OPEB benefits to its eligible benefit recipients. Authority to establish and amend health care coverage is provided in Chapter 145 of the Ohio Revised Code.

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <http://www.opers.org/investments/cafr.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614)-222-5601 or (800)-222-7377.

The Ohio Revised Code provides the statutory authority requiring public employers to fund post-retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post-retirement health care.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2014, state and local employers contributed at a rate of 14.00% of earnable salary. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund the OPEB Plan.

Village of Crooksville  
Notes to the Financial Statements  
For the Year Ended December 31, 2014

OPERS' Post Employment Health Care plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside for funding of post-employment health care. The portion of employer contributions allocated to health care for members in the Traditional Plan and Combined Plan was 2.0% during calendar year 2014. Effective January 1, 2015, the portion of employer contributions allocated to healthcare remains at 2.0 % for both plans, as recommended by the OPERS' actuary. The OPERS Board of Trustees is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The Village's contributions to fund post-employment health care for the years ended December 31, 2014, 2013 and 2012 were \$10,450, \$5,077 and \$20,864, respectively; 100 percent has been contributed for 2014, 2013 and 2012.

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the passage of pension legislation under SB 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4.0% of the employer contributions toward the health care fund after the end of the transition period.

#### **B. Ohio Police and Fire Pension Fund**

Plan Description – The Village contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored health care program, a cost-sharing multiple-employer defined postemployment health care plan administered by OP&F. OP&F provides healthcare benefits including coverage for medical, prescription drugs, dental, vision, Medicare Part B Premium and long term care to retirees, qualifying benefit recipients and their eligible dependents.

OP&F provides access to post-retirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or statutory survivor benefit or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45.

The Ohio Revised Code allows, but does not mandate OP&F to provide OPEB benefits. Authority for the OP&F Board of Trustees to provide health care coverage to eligible participants and to establish and amend benefits is codified in Chapter 742 of the Ohio Revised Code.

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the Plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164. That report is also available on OP&F's website at [www.op-f.org](http://www.op-f.org).

Funding Policy - The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F (defined benefit pension plan). Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.5% and 24% of covered payroll for police and fire employers, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.5% of covered payroll for police employer units and 24% of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

Village of Crooksville  
Notes to the Financial Statements  
For the Year Ended December 31, 2014

OP&F maintains funds for health care in two separate accounts. One for health care benefits under an IRS Code Section 115 trust and one for Medicare Part B reimbursements administrated as an Internal Revenue Code 401(h) account, both of which are within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OP&F Board of Trustees.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. The portion of employer contributions allocated to health care was .5% of covered payroll from January 1, 2014 through December 31, 2014. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

The OP&F Board of Trustees also is authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents, or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The Village's contributions to OP&F for the year ended December 31, 2014, 2013, and 2012 were \$13,823, \$17,522, and \$17,633, respectively, of which \$359, \$3,241, and \$4,729, respectively, was allocated to the healthcare plan.

**Note 10 – Debt**

A summary of debt for the year ended December 31, 2014 was as follows:

Loan	Principal	Interest Rate
OWDA #3392	\$5,900	6.03%
OWDA #3957	\$28,786	2.00%
OWDA #4686	\$17,367	4.12%
OWDA #4913	\$314,288	1.50%
OWDA #5069	\$126,161	0%
OWDA #5054	\$558,984	1.00%
OWDA #6713	\$132,811	4.45%
OPWC #CT49A	\$5,964	0%
OPWC #CR21J	\$18,557	0%
Mortgage Revenue Bonds	\$619,807	5.00%
Recreation Center Bonds	\$74,000	4.75%
Capital Facilities Bond	<u>\$703,100</u>	4.20%
Total	<u>\$2,605,725</u>	

Loans	Balance 1/1/2014	Additions	Principal Reduction	Balance 12/31/2014	Due in one Year
OWDA	\$1,151,928	\$132,811	(\$100,442)	\$1,184,297	\$50,260
OPWC	29,221	0	(4,700)	24,521	4,699
Bonds	1,471,200	0	(74,293)	1,396,907	81,800
Total	<u>\$2,652,349</u>	<u>\$132,811</u>	<u>(\$179,435)</u>	<u>\$2,605,725</u>	<u>\$136,759</u>

Village of Crooksville  
Notes to the Financial Statements  
For the Year Ended December 31, 2014

The Ohio Water Development Authority (OWDA) Loan 3392 relates to a water plant backwash project that was mandated by the Ohio Environmental Protection Agency. The OWDA has approved up to \$60,333 to the Village for this project. The loan will be repaid in semiannual installments of \$3,084 including interest, over 15 years. The loans are collateralized by water receipts. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Ohio Water Development Authority (OWDA) Loan 3957 on September 25, 2003 has approved a \$54,870 loan related to the Sayre Reservoir Repair Project. The amount was disbursed in 2004. The loan will be repaid in semiannual installments of \$1,671 including interest, over 20 years. The loan is collateralized by water receipts. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Ohio Water Development Authority (OWDA) Loan 4686 relates to sewer system improvements. The amount was disbursed in 2007. The loan will be repaid in semiannual installments of \$3,691 including interest, over 10 years. The loan is collateralized by sewer receipts. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Ohio Water Development Authority (OWDA) Loan 4913 relates to waterlines, booster stations and elevated storage. The amount of the loan is \$370,000. The loan will be repaid in semiannual payments of \$7,688 including interest over 30 years. The loan is collateralized by water receipts. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Ohio Public Works Commission (OPWC) Loan CT49A had an original issue amount of \$26,505 and relates to a raw water line replacement project. The loan is being repaid in semiannual installments of \$663 including interest, over 20 years, from user fees.

Mortgage Revenue Bonds were issued in the amount of \$1,010,000 to finance the construction of a sanitary sewer collection and disposal system. The bonds are being repaid in annual installments over 40 years from user fees. The loan numbers are 92-03 and 92-05.

Recreation Center Bonds were issued in the amount of \$184,000 to finance the renovation of a community center. The bonds are being repaid in annual installments over 20 years.

Capital Facilities Bonds were issued in the amount of \$946,900 to finance the building of the Village Administration Building. The bonds are being repaid in annual installments over 20 years.

The Ohio Public Works Commission (OPWC) Loan CR21J had an original amount of \$33,740 and relates to the Burr Oak and Crooksville Interconnect Project. The loan is being repaid in semiannual payments for \$1,687.

The Ohio Water Development Authority Loan (5054) relates to the Burr Oak and Crooksville Interconnect Project. The loan is being repaid in semiannual payments over 30 years in payments of \$12,445 including interest.

The Ohio Water Development Authority Loan (5069) relates to the Burr Oak and Crooksville Interconnect Project. The loan is being repaid in semiannual payments over 30 years in payments of \$2,473.

The Ohio Water Development Authority Loan (6713) relates to a Waterline Replacement Design Project. This loan is still in the active phase. Approved financing for this project is \$371,983. First payment is scheduled for July 1, 2015 and a final balloon payment is scheduled for January 1, 2020. The actual amortization has not been set.

Village of Crooksville  
Notes to the Financial Statements  
For the Year Ended December 31, 2014

Principal and interest requirements to retire debt outstanding at December 31, 2014 were as follows:

	OWDA	OWDA	OPWC	Bonds	Bonds
Year	Principal	Interest	Principal	Principal	Interest
2015	\$50,260	\$11,765	\$4,699	\$81,800	\$63,810
2016	47,851	11,127	4,699	84,500	60,167
2017	45,555	10,373	4,699	89,300	56,318
2018	38,816	9,740	4,699	93,200	52,246
2019	39,241	9,315	4,037	97,200	47,995
2020-24	202,779	39,999	1,688	493,000	173,673
2025-29	196,809	29,264	0	457,907	58,382
2030-34	207,286	18,781	0	0	0
2035-39	206,235	7,635	0	0	0
2040-43	<u>16,654</u>	<u>186</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>\$1,051,486</u>	<u>\$148,185</u>	<u>\$24,521</u>	<u>\$1,396,907</u>	<u>\$512,591</u>

**Note 11 – Leases**

The Village leases vehicles and other equipment under noncancelable leases. The Village disbursed \$59,615 to pay lease costs for the year ended December 31, 2014, respectively.

The Village had a capital lease that relates to a fire truck in 2013. The original lease amount was \$290,398 and the annual lease payment is \$35,888. Final lease payment is due in 2022.

The Village had a capital lease that relates to a Street plow truck in 2013. The original lease amount was \$37,365 and the annual lease payment is \$9,341. Final lease payment is due in 2016.

The Village has a capital lease that relates to an EMS ambulance in 2014. The original lease amount was \$71,930 and the annual lease payment is \$14,386. Final lease payment is due in 2018.

Future lease payments are as follows:

Year	Fire Truck	Street Plow Truck	EMS Ambulance
2015	\$35,887	\$9,341	\$14,386
2016	35,887	9,341	14,386
2017	35,887	0	14,386
2018	35,887	0	14,386
2019-22	<u>143,548</u>	<u>0</u>	<u>0</u>
Total	<u>\$287,096</u>	<u>\$18,682</u>	<u>\$57,544</u>

Village of Crooksville  
Notes to the Financial Statements  
For the Year Ended December 31, 2014

**Note 12 – Interfund Transfers**

During 2014, the Village made the following transfers:

<b>Fund</b>	<b>Transfers In</b>	<b>Transfers Out</b>
Governmental		
General	\$-	\$119,665
State Highway	-	\$19,727
EMS	-	\$26,947
SCMR	\$96,275	-
Other Governmental	\$327,815	\$23,327
Business Type		
Water	\$2,226	\$153,658
Sewer	\$2,226	\$161,524
Sewage Replacement	\$30,000	-
Other Enterprise	\$46,306	-
<b>Total</b>	<b><u>\$504,848</u></b>	<b><u>\$504,848</u></b>

The Village made the above transfers in accordance with the Ohio Revised Code.

The general fund transfers to the other governmental funds were made to provide additional resources for current operations. The Income Tax fund, which is combined with the General Fund for presentation purposes, transfers to the General for current operations. These transfers are eliminated on the financial statements. The Income tax fund also transfers to the Municipal Debt fund for Debt service requirements. The Income Tax fund also transfers to the Street and Pool and Park Funds. Water and Sewer operations transfer funds to various funds to provide resources for debt service. Various special funds transferred money to the debt service fund to pay related debt.

**Note 13 – Restatement of Fund Balance**

The General Fund balance at December 31, 2013 was determined to be understated. The restatement of the General Fund balance as of January 1, 2014 is presented below:

	General Fund	Governmental Activities
Fund Balance December 31, 2013	\$ 122,434	\$761,536
Adjustment	<u>5,219</u>	<u>5,219</u>
Restated Balance January 1, 2014	<u>\$ 127,653</u>	<u>\$ 766,755</u>

Village of Crooksville  
Notes to the Financial Statements  
For the Year Ended December 31, 2014

**Note 14 – Fund Balances**

Fund balance is classified as nonspendable, restricted, committed, assigned, and/or unassigned based primarily on the extent to which the Village is bound to observe constraints imposed upon the use of the resources in the governmental funds. The constraints placed on fund balance for the major governmental funds and other governmental funds are presented below:

Fund Balances at December 31, 2014:

Fund Balances	General Fund	State Highway	EMS	SCMR	Other Governmental Funds	Total
Restricted For:						
State Highway	\$-	\$96,668	\$-	\$-	\$-	\$96,668
Street Fund	-	-	-	46,441	-	\$46,441
Pool & Park	-	-	-	-	\$38,208	\$38,208
Drug Enforce.	-	-	-	-	\$4,082	\$4,082
Permissive Tax	-	-	-	-	\$55,233	\$55,233
Mayors Crt. Comp.	-	-	-	-	\$5,772	\$5,772
Indigent Driv. Interlock	-	-	-	-	\$1,050	\$1,050
Fire Levy Cont	-	-	-	-	\$47,024	\$47,024
Police Equip	-	-	-	-	\$4,617	\$4,617
Village Cap Proj	-	-	-	-	\$5,148	\$5,148
EMS	-	-	\$170,078	-	-	\$170,078
Total Restricted	-	\$96,668	\$170,078	46,441	\$161,134	\$474,321
Committed For:						
Fire Levy Debt	-	-	-	-	\$51,953	\$51,953
EMS Truck Debt	-	-	-	-	\$4,796	\$4,796
Rec Center Debt	-	-	-	-	\$19,052	\$19,052
Municipal DS	-	-	-	-	\$9,250	\$9,250
Sewage Debt	-	-	-	-	22,654	22,654
Burr Oak DS	-	-	-	-	564	564
Sewage Imp DS	-	-	-	-	4,429	4,429
Other	-	-	-	-	8	8
Total Committed	-	-	-	-	\$112,706	\$112,706
Assigned For:						
Encumbrances	\$4,157	-	-	-	-	\$4,157
Tree Commission	-	-	-	-	\$316	\$316
Total Assigned	\$4,157	-	-	-	\$316	\$4,473
Unassigned	\$189,246	-	-	-	-	\$189,246
Total	\$193,403	\$96,668	\$170,078	\$46,441	\$274,156	\$780,746

**Note 15 – Contingent Liabilities**

Amounts grantor agencies pay to the Village are subject to audit and adjustment by the grantor, principally the federal and state governments. Grantors may require refunding any disallowed costs. Management cannot presently determine amounts grantor may disallow. However, based on prior experience, management believes any refunds would be immaterial.

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***Charles E. Harris & Associates, Inc.***  
*Certified Public Accountants*

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INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY  
GOVERNMENT AUDITING STANDARDS

Village of Crooksville  
Perry County  
98 Buckeye Street  
Crooksville, Ohio 43731

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 governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Crooksville, Perry County (the Village), as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements and have issued our report thereon dated May 19, 2016, wherein we noted the Village uses a special purpose framework other than generally accepted accounting principles.

*Internal Control Over Financial Reporting*

As part of our financial statement audit, we considered the Village'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'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 a 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'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. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

*Compliance and Other Matters*

As part of reasonably assuring whether the Village'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 no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

*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's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Village's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



*Charles E. Harris & Associates, Inc.*  
May 19, 2016

**VILLAGE OF CROOKSVILLE  
PERRY COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2014**

FINDING NUMBER	FUNDING SUMMARY	FULLY CORRECTED?	Not Corrected. Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain
2013-001	Contrary to <b>Ohio Rev. Code Section 5705.41(B)</b> the Village had expenditures in excess of appropriations.	Yes	

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# Dave Yost • Auditor of State

VILLAGE OF CROOKSVILLE

PERRY 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  
AUGUST 23, 2016