

***VILLAGE OF CROOKSVILLE  
PERRY COUNTY***

***AUDIT REPORT***

***FOR THE YEAR ENDED DECEMBER 31, 2015***







# 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, 2015 through December 31, 2015. 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, 2015**

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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, 2015, 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, 2015, 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***

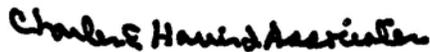
We draw attention to Note 2 of the financial statements, which describes the accounting basis. The financial statements are prepared on the cash basis of accounting, which differs from generally accepted accounting principles. We did not modify our opinion regarding this matter.

***Emphasis of Matter***

As discussed in Note 8 to the financial statements, the Village adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB No. 27*. 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, 2015**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b><u>Assets</u></b>			
Equity in Pooled Cash and Cash Equivalents	\$ 640,684	\$ 925,851	\$ 1,566,535
Total Assets	<u>640,684</u>	<u>925,851</u>	<u>1,566,535</u>
<b><u>Net Position</u></b>			
Restricted For:			
Capital Projects	5,148	-	5,148
Debt Service	-	59,358	59,358
Service Deposits	-	93,538	93,538
Other Purposes	488,254	-	488,254
Unrestricted Net Position	147,282	772,955	920,237
<b>Total Net Position</b>	<u>\$ 640,684</u>	<u>\$ 925,851</u>	<u>\$ 1,566,535</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, 2015

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Position		
	Cash Disbursements	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental Activities:</b>						
Current:						
General Governmental	\$ 179,687	\$ 16,226	\$ -	\$ (163,461)	\$ -	\$ (163,461)
Leisure Time Activities	100,438	17,822	13,703	(68,913)	-	(68,913)
Security of Persons and Property	581,023	424,657	10,000	(146,366)	-	(146,366)
Community Environment	137,093	-	-	(137,093)	-	(137,093)
Transportation	417,221	-	132,305	(284,916)	-	(284,916)
Capital Outlay	178,730	-	-	(178,730)	-	(178,730)
Debt Service:						
Principal Reduction	162,885	-	-	(162,885)	-	(162,885)
Interest and Other Fiscal Charges	75,588	-	-	(75,588)	-	(75,588)
<b>Total Governmental Activities</b>	<b>1,832,665</b>	<b>458,705</b>	<b>156,008</b>	<b>(1,217,952)</b>	<b>-</b>	<b>(1,217,952)</b>
<b>Business-Type Activities:</b>						
Water Works	961,922	1,254,761	-	-	292,839	292,839
Sewage System	401,830	603,908	-	-	202,078	202,078
Guarantee Deposit	13,113	19,651	-	-	6,538	6,538
Sewage Replacement	18,626	-	-	-	(18,626)	(18,626)
Other Enterprise:						
Water Works Replacement	9,767	-	-	-	(9,767)	(9,767)
Water Works Capital	205,155	-	-	-	(205,155)	(205,155)
<b>Total Business-Type Activities</b>	<b>1,610,413</b>	<b>1,878,320</b>	<b>-</b>	<b>-</b>	<b>267,907</b>	<b>267,907</b>
<b>Total Primary Government</b>	<b>\$ 3,443,078</b>	<b>\$ 2,337,025</b>	<b>\$ 156,008</b>	<b>(1,217,952)</b>	<b>267,907</b>	<b>(950,045)</b>
<b>General Receipts:</b>						
Property and Other Local Taxes				144,878	-	144,878
Municipal Income Taxes				509,023	-	509,023
Grants and Entitlements						
not Restricted to Specific Programs				50,364	-	50,364
Proceeds of Loan				64,868	171,767	236,635
Earnings on Investments				3,853	-	3,853
Sale of Capital Assets				1,204	-	1,204
Miscellaneous				109,263	-	109,263
Transfers				194,437	(194,437)	-
<b>Total General Receipts and Transfers</b>				<b>1,077,890</b>	<b>(22,670)</b>	<b>1,055,220</b>
Net Change in Position				(140,062)	245,237	105,175
Net Position Beginning of Year				780,746	680,614	1,461,360
Net Position End of Year				<b>\$ 640,684</b>	<b>\$ 925,851</b>	<b>\$ 1,566,535</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, 2015**

	General	State Highway	EMS	SCMR	Other Governmental	Totals
<b>ASSETS</b>						
Cash and Cash Equivalents	\$ 33,734	\$ 80,699	\$ 214,516	\$ 23,930	\$ 287,805	\$ 640,684
Total Assets	<u>33,734</u>	<u>80,699</u>	<u>214,516</u>	<u>23,930</u>	<u>287,805</u>	<u>640,684</u>
<b>FUND BALANCES</b>						
Restricted	-	80,699	214,516	23,930	174,259	493,404
Committed	-	-	-	-	113,230	113,230
Assigned	2,275	-	-	-	316	2,591
Unassigned	31,459	-	-	-	-	31,459
Total Fund Balances	<u>\$ 33,734</u>	<u>\$ 80,699</u>	<u>\$ 214,516</u>	<u>\$ 23,930</u>	<u>\$ 287,805</u>	<u>\$ 640,684</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, 2015**

	General	State Highway	EMS	SCMR	Other Governmental	Totals
<b>RECEIPTS:</b>						
Property and Other Local Taxes	\$ 43,916	\$ -	\$ -	\$ -	\$ 100,962	\$ 144,878
Municipal Income Taxes	509,023	-	-	-	-	509,023
Intergovernmental	50,366	6,697	-	82,576	66,735	206,374
Charges for Services	7,791	-	329,709	-	103,887	441,387
Fines, Licenses, and Permits	8,435	-	-	-	8,881	17,316
Earnings on Investments	648	2,690	-	515	-	3,853
Miscellaneous	1,393	-	43,724	62	34,247	79,426
<b>Total Receipts</b>	<b>621,572</b>	<b>9,387</b>	<b>373,433</b>	<b>83,153</b>	<b>314,712</b>	<b>1,402,257</b>
<b>DISBURSEMENTS:</b>						
<b>Current:</b>						
Security of Persons and Property	227,391	-	298,373	-	55,259	581,023
Leisure Time Activities	-	-	-	-	100,438	100,438
Community Environment	137,093	-	-	-	-	137,093
Transportation	-	2,921	-	274,271	140,029	417,221
General Government	175,058	-	-	-	4,629	179,687
Capital Outlay	13,008	-	3,675	32,023	130,024	178,730
Debt Service	-	-	-	-	162,885	162,885
Principal Reduction	-	-	-	-	162,885	162,885
Interest	-	-	-	-	75,588	75,588
<b>Total Disbursements</b>	<b>552,550</b>	<b>2,921</b>	<b>302,048</b>	<b>306,294</b>	<b>668,852</b>	<b>1,832,665</b>
Excess of Receipts Over/(Under) Disbursements	69,022	6,466	71,385	(223,141)	(354,140)	(430,408)
<b>OTHER FINANCING SOURCES (USES)</b>						
Sale of Capital Assets	1,204	-	-	-	-	1,204
Proceeds of Loan	-	-	-	-	64,868	64,868
Other Financing Sources	-	-	-	-	29,837	29,837
Transfers In	-	-	-	208,739	296,411	505,150
Transfers Out	(229,895)	(22,435)	(26,947)	(8,109)	(23,327)	(310,713)
<b>Total Other Financing Sources (Uses)</b>	<b>(228,691)</b>	<b>(22,435)</b>	<b>(26,947)</b>	<b>200,630</b>	<b>367,789</b>	<b>290,346</b>
Net Change in Fund Balances	(159,669)	(15,969)	44,438	(22,511)	13,649	(140,062)
Fund Balances January 1, 2015	193,403	96,668	170,078	46,441	274,156	780,746
Fund Balances December 31, 2015	<u>\$ 33,734</u>	<u>\$ 80,699</u>	<u>\$ 214,516</u>	<u>\$ 23,930</u>	<u>\$ 287,805</u>	<u>\$ 640,684</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, 2015**

	<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	\$ 29,941	\$ 27,941	\$ 27,435	\$ (506)
Charges for Services	8,611	8,611	7,791	(820)
Intergovernmental	84,240	67,574	66,847	(727)
Fines, Licenses, and Permits	13,100	9,250	8,435	(815)
Earnings on Investments	1,435	1,347	648	(699)
Miscellaneous	1,000	1,400	1,393	(7)
Total Receipts	<u>138,327</u>	<u>116,123</u>	<u>112,549</u>	<u>(3,574)</u>
<b>DISBURSEMENTS</b>				
Current:				
General Government	110,090	107,574	107,568	6
Security of Persons and Property	216,485	230,850	230,791	59
Community Environment	119,900	151,852	148,443	3,409
Capital Outlay	-	12,529	12,529	-
Total Disbursements	<u>446,475</u>	<u>502,805</u>	<u>499,331</u>	<u>3,474</u>
Excess of Receipts Over (Under) Disbursements	(308,148)	(386,682)	(386,782)	(100)
<b>Other Financing Sources (Uses)</b>				
Sale of Capital Assets	-	1,204	1,204	-
Transfers In	324,500	361,500	361,500	-
Transfers Out	(14,888)	(14,888)	(14,888)	-
Total Other Financing Sources (Uses)	<u>309,612</u>	<u>347,816</u>	<u>347,816</u>	<u>-</u>
Net Change in Fund Balances	1,464	(38,866)	(38,966)	(100)
Fund Balances Beginning of Year	35,410	35,410	35,410	-
Prior Year Encumbrances Appropriated	4,157	4,157	4,157	-
Fund Balances End of Year	<u>\$ 41,031</u>	<u>\$ 701</u>	<u>\$ 601</u>	<u>\$ (100)</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, 2015**

	<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	\$ 6,824	\$ 6,891	\$ 6,697	\$ (194)
Earnings on Investments	4,700	4,633	2,690	(1,943)
Total Receipts	<u>11,524</u>	<u>11,524</u>	<u>9,387</u>	<u>(2,137)</u>
<b>DISBURSEMENTS</b>				
Current:				
Transportation	2,700	3,700	3,138	562
Total Disbursements	<u>2,700</u>	<u>3,700</u>	<u>3,138</u>	<u>562</u>
Excess of Receipts Over (Under) Disbursements	8,824	7,824	6,249	(1,575)
<b>Other Financing Sources (Uses)</b>				
Transfers Out	<u>(6,000)</u>	<u>(22,450)</u>	<u>(22,435)</u>	<u>15</u>
Total Other Financing Sources (Uses)	<u>(6,000)</u>	<u>(22,450)</u>	<u>(22,435)</u>	<u>15</u>
Net Change in Fund Balances	2,824	(14,626)	(16,186)	(1,560)
Fund Balances Beginning of Year	96,668	96,668	96,668	-
Fund Balances End of Year	<u>\$ 99,492</u>	<u>\$ 82,042</u>	<u>\$ 80,482</u>	<u>\$ (1,560)</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, 2015**

	<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	\$ 389,625	\$ 345,895	\$ 329,709	\$ (16,186)
Miscellaneous	65	43,795	43,724	(71)
Total Receipts	<u>389,690</u>	<u>389,690</u>	<u>373,433</u>	<u>(16,257)</u>
<b>DISBURSEMENTS</b>				
Current:				
Security of Persons and Property	297,267	322,405	303,908	18,497
Capital Outlay	10,614	12,475	12,475	-
Total Disbursements	<u>307,881</u>	<u>334,880</u>	<u>316,383</u>	<u>18,497</u>
Excess of Receipts Over (Under) Disbursements	81,809	54,810	57,050	2,240
<b>Other Financing Sources (Uses)</b>				
Transfers Out	<u>(26,947)</u>	<u>(26,948)</u>	<u>(26,947)</u>	<u>1</u>
Total Other Financing Sources (Uses)	<u>(26,947)</u>	<u>(26,948)</u>	<u>(26,947)</u>	<u>1</u>
Net Change in Fund Balances	54,862	27,862	30,103	2,241
Fund Balances Beginning of Year	165,529	165,529	165,529	-
Prior Year Encumbrances Appropriated	<u>4,549</u>	<u>4,549</u>	<u>4,549</u>	<u>-</u>
Fund Balances End of Year	<u>\$ 224,940</u>	<u>\$ 197,940</u>	<u>\$ 200,181</u>	<u>\$ 2,241</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, 2015**

	<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	\$ 84,401	\$ 82,578	\$ 82,576	\$ (2)
Miscellaneous	-	63	62	(1)
Fines, Licenses and Permits	50	50	-	(50)
Earnings on Investments	620	624	515	(109)
	<hr/>	<hr/>	<hr/>	<hr/>
Total Receipts	85,071	83,315	83,153	(162)
	<hr/>	<hr/>	<hr/>	<hr/>
<b>DISBURSEMENTS</b>				
Current:				
Transportation	135,936	290,312	290,148	164
Capital Outlay	-	32,023	32,023	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Disbursements	135,936	322,335	322,171	164
	<hr/>	<hr/>	<hr/>	<hr/>
Excess of Receipts Over (Under) Disbursements	(50,865)	(239,020)	(239,018)	2
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Other Financing Sources (Uses)</b>				
Transfers In	67,008	208,740	208,739	(1)
Transfers Out	(4,008)	(8,109)	(8,109)	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Other Financing Sources (Uses)	63,000	200,631	200,630	(1)
	<hr/>	<hr/>	<hr/>	<hr/>
Net Change in Fund Balances	12,135	(38,389)	(38,388)	1
	<hr/>	<hr/>	<hr/>	<hr/>
Fund Balances Beginning of Year	30,802	30,802	30,802	-
	<hr/>	<hr/>	<hr/>	<hr/>
Prior Year Encumbrances Appropriated	15,639	15,639	15,639	-
	<hr/>	<hr/>	<hr/>	<hr/>
Fund Balances End of Year	<u>\$ 42,937</u>	<u>\$ (7,587)</u>	<u>\$ (7,586)</u>	<u>\$ 1</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, 2015**

	<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>\$ 222,730</u>	<u>\$ 172,889</u>	<u>\$ 93,538</u>	<u>\$ 135,275</u>	<u>\$ 301,419</u>	<u>\$ 925,851</u>
Total Assets	<u><u>\$ 222,730</u></u>	<u><u>\$ 172,889</u></u>	<u><u>\$ 93,538</u></u>	<u><u>\$ 135,275</u></u>	<u><u>\$ 301,419</u></u>	<u><u>\$ 925,851</u></u>
<b>NET POSITION</b>						
Restricted for:						
Debt Service	\$ -	\$ -	\$ -	\$ -	\$ 59,358	\$ 59,358
Service Deposits	-	-	93,538	-	-	93,538
Unrestricted	<u>222,730</u>	<u>172,889</u>	<u>-</u>	<u>135,275</u>	<u>242,061</u>	<u>772,955</u>
Total Net Position	<u><u>\$222,730</u></u>	<u><u>\$172,889</u></u>	<u><u>\$93,538</u></u>	<u><u>\$135,275</u></u>	<u><u>\$ 301,419</u></u>	<u><u>\$ 925,851</u></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, 2015**

	Business-type Activities					Total
	Water Works	Sewage System	Guarantee Deposit	Sewage Replacement	Other Enterprise	
<b>OPERATING RECEIPTS</b>						
Charges for Services	\$ 1,247,575	\$ 599,522	\$ 19,651	\$ -	\$ -	\$ 1,866,748
Miscellaneous	7,186	4,386	-	-	-	11,572
<b>Total Operating Receipts</b>	<b>1,254,761</b>	<b>603,908</b>	<b>19,651</b>	<b>-</b>	<b>-</b>	<b>1,878,320</b>
<b>OPERATING DISBURSEMENTS</b>						
Administrative - Water	879,268	-	-	-	-	879,268
Other Water	-	-	-	-	9,767	9,767
Administrative - Sanitary						
Sewers and Sewage	-	325,546	-	-	-	325,546
Other Sanitary Sewers and Sewage	-	-	13,113	18,626	-	31,739
<b>Total Operating Disbursements</b>	<b>879,268</b>	<b>325,546</b>	<b>13,113</b>	<b>18,626</b>	<b>9,767</b>	<b>1,246,320</b>
<b>Operating Income</b>	<b>375,493</b>	<b>278,362</b>	<b>6,538</b>	<b>(18,626)</b>	<b>(9,767)</b>	<b>632,000</b>
<b>NON-OPERATING RECEIPTS/(DISBURSEMENTS)</b>						
Proceeds of Loan	-	-	-	-	171,767	171,767
Capital Outlay	(82,654)	(76,284)	-	-	(205,155)	(364,093)
Transfers in	2,463	2,463	-	30,000	176,589	211,515
Transfers out	(247,818)	(158,134)	-	-	-	(405,952)
<b>Total Non-Operating Receipts/(Disbursements)</b>	<b>(328,009)</b>	<b>(231,955)</b>	<b>-</b>	<b>30,000</b>	<b>143,201</b>	<b>(386,763)</b>
<b>Change in Net Position</b>	<b>47,484</b>	<b>46,407</b>	<b>6,538</b>	<b>11,374</b>	<b>133,434</b>	<b>245,237</b>
<b>Net Position January 1, 2015</b>	<b>175,246</b>	<b>126,482</b>	<b>87,000</b>	<b>123,901</b>	<b>167,985</b>	<b>680,614</b>
<b>Net Position December 31, 2015</b>	<b>\$ 222,730</b>	<b>\$ 172,889</b>	<b>\$ 93,538</b>	<b>\$ 135,275</b>	<b>\$ 301,419</b>	<b>\$ 925,851</b>

See accompanying notes to the basic financial statements.

Village of Crooksville  
Notes to the Financial Statements  
For the Year Ended December 31, 2015

**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, 2015

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, 2015

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.

Village of Crooksville  
Notes to the Financial Statements  
For the Year Ended December 31, 2015

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, 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.

Village of Crooksville  
Notes to the Financial Statements  
For the Year Ended December 31, 2015

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.

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 2015, 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, 2015.

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 \$648.

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.

Village of Crooksville  
Notes to the Financial Statements  
For the Year Ended December 31, 2015

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.

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.

Village of Crooksville  
Notes to the Financial Statements  
For the Year Ended December 31, 2015

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:

***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 previous 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.

Village of Crooksville  
Notes to the Financial Statements  
For the Year Ended December 31, 2015

**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, Fire Levy, 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 2015 (budgetary basis) amounted to \$17,313 for the General Fund, \$14,335 for the EMS fund, \$217 for the State Highway fund and \$15,877 for the SCMR fund.

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	\$ 33,734
Encumbrances	(17,313)
Perspective Difference (Income Tax Fund)	(15,820)
Budget Basis	<u>\$ 601</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;

Village of Crooksville  
Notes to the Financial Statements  
For the Year Ended December 31, 2015

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;
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 \$1,320,341. The Village had bank balances of \$1,434,500, 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, 2015, the Village had the following investments:

2015 Carrying Value	STAR Ohio (Fair Value) <u>\$246,194</u> Maturing in less than 1 year.
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Village of Crooksville  
Notes to the Financial Statements  
For the Year Ended December 31, 2015

**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.

**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 2015 for real and public utility property taxes represents collections of 2014 taxes.

2015 real property are levied after October 1, 2013, on the assessed values as of January 1, 2014, the lien date. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. 2015 real property taxes are collected in and intended to finance 2016.

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.

Village of Crooksville  
Notes to the Financial Statements  
For the Year Ended December 31, 2015

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. 2015 public utility property taxes which became a lien December 31, 2014 are levied after October 1, 2015 and are collected in 2016 with real property taxes.

The full tax rate for all Village operations for the year ended December 31, 2015 was \$61.60 per \$1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2015 property tax receipts were based are as follows:

• Real Property	\$23,677,280
• Public Utility Personal Property	<u>\$369,970</u>
• Total	<u>\$24,047,250</u>

**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 2015, the Village contracted with Trident/ Argonaut Insurance Companies for various types of insurance as follows:

Type of Coverage	Coverage	Deductible
Property	\$13,449,007	\$1,000
Misc. Scheduled Equipment	\$868,490	\$1,000
Misc. Unscheduled Equipment	\$25,000	\$1,000.00
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	\$25,000	\$250
Public Employee Dishonesty	\$100,000	\$1,000
Money and Securities Coverage	\$15,000	\$250
Computer Fraud	\$100,000	\$1,000

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.

Village of Crooksville  
Notes to the Financial Statements  
For the Year Ended December 31, 2015

**Note 8 – Defined Benefits Pension Plans**

***Plan Description – Ohio Public Employees Retirement System (OPERS)***

Plan Description - Village employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. Village employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS' traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code.

OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional plan as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information):

<b>Group A</b>	<b>Group B</b>	<b>Group C</b>
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
<b>State and Local</b>	<b>State and Local</b>	<b>State and Local</b>
<b>Age and Service Requirements:</b>	<b>Age and Service Requirements:</b>	<b>Age and Service Requirements:</b>
Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
<b>Formula:</b>	<b>Formula:</b>	<b>Formula:</b>
2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35

Final average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

Village of Crooksville  
Notes to the Financial Statements  
For the Year Ended December 31, 2015

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	State and Local			
<b>2015 Statutory Maximum Contribution Rates</b>				
Employer	14.0	%		
Employee	10.0	%		
<b>2015 Actual Contribution Rates</b>				
Employer:				
Pension	12.0	%		
Post-employment Health Care Benefits	2.0			
<b>Total Employer</b>	<b>14.0</b>	<b>%</b>		
<b>Employee</b>	<b>10.0</b>	<b>%</b>		

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

The Village’s contractually required contribution was \$83,150 for year 2015.

***Plan Description – Ohio Police & Fire Pension Fund (OPF)***

Plan Description - Village full-time police and firefighters participate in Ohio Police and Fire Pension Fund (OPF), a cost-sharing, multiple-employer defined benefit pension plan administered by OPF. OPF 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. OPF issues a publicly available financial report that includes financial information and required supplementary information and detailed information about OPF fiduciary net position. The report that may be obtained by visiting the OPF website at [www.op-f.org](http://www.op-f.org) or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Village of Crooksville  
Notes to the Financial Statements  
For the Year Ended December 31, 2015

Upon attaining a qualifying age with sufficient years of service, a member of OPF may retire and receive a lifetime monthly pension. OPF offers four types of service retirement: normal, service commuted, age/service commuted and actuarially reduced. Each type has different eligibility guidelines and is calculated using the member's average annual salary. The following discussion of the pension formula relates to normal service retirement.

For members hired after July 1, 2013, the minimum retirement age is 52 for normal service retirement with at least 25 years of service credit. For members hired on or before July 1, 2013, the minimum retirement age is 48 for normal service retirement with at least 25 years of service credit.

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.0 percent for each of the next five years of service credit and 1.5 percent for each year of service credit in excess of 25 years. The maximum pension of 72 percent of the allowable average annual salary is paid after 33 years of service credit.

Under normal service retirement, retired members who are at least 55 years old and have been receiving OPF benefits for at least one year may be eligible for a cost-of-living allowance adjustment. The age 55 provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit and statutory survivors.

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, will receive a COLA equal to either three percent or the percent increase, if any, in the consumer price index (CPI) over the 12-month period ending on September 30 of the immediately preceding year, whichever is less. The COLA amount for members with at least 15 years of service credit as of July 1, 2013 is equal to three percent of their base pension or disability benefit.

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

Village of Crooksville  
Notes to the Financial Statements  
For the Year Ended December 31, 2015

	Police		Firefighters	
<b>2015 Statutory Maximum Contribution Rates</b>				
Employer	19.50	%	24.00	%
Employee:				
January 1, 2015 through July 1, 2015	11.50	%	11.50	%
July 2, 2015 through December 31, 2015	12.25	%	12.25	%
<b>2015 Actual Contribution Rates</b>				
Employer:				
Pension	19.00	%	23.50	%
Post-employment Health Care Benefits	0.50		0.50	
<b>Total Employer</b>	<b>19.50</b>	<b>%</b>	<b>24.00</b>	<b>%</b>
Employee:				
January 1, 2015 through July 1, 2015	11.50	%	11.50	%
July 2, 2015 through December 31, 2015	12.25	%	12.25	%

Employer contribution rates are expressed as a percentage of covered payroll. The Village's contractually required contribution to OPF was \$17,901 for 2015.

**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.

Village of Crooksville  
Notes to the Financial Statements  
For the Year Ended December 31, 2015

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.

#### Funding Policy

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 to fund OPERS health care plans.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2015, the Village contributed at a rate of 14.00% of earnable salary for state and local employees. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund the OPEB Plan.

OPERS maintains three health care trusts. The two cost-sharing, multiple-employer trusts, the 401(h) Health Care Trust and the 115 Health Care Trust, work together to provide health care funding to eligible retirees of the Traditional Pension and Combined plans. The third trust is a Voluntary Employee's Beneficiary Association (VEBA) that provides funding for a Retiree Medical Account for Member-Directed Plan members. Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 2.0% during calendar year 2015. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2016 remained at 2.0% for both plans. The Village 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 employer contribution as a percentage of covered payroll deposited to the VEBA for participants in the Member-Directed Plan for 2015 was 4.5%.

Actual employer contributions which were used to fund postemployment benefits for the years ended December 31, 2015, 2014, and 2013 were \$1,663 \$10,450 and \$5,077 respectively, 100% has been contributed for 2015, 2014, and 2013.

#### 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.

Village of Crooksville  
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For the Year Ended December 31, 2015

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.

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, 2015 through December 31, 2015. 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, 2015, 2014, and 2013 were \$17,901, \$13,823 and \$17,522, respectively, of which \$465, \$359, and \$3,241, respectively, was allocated to the healthcare plan.

Village of Crooksville  
Notes to the Financial Statements  
For the Year Ended December 31, 2015

**Note 10 – Debt**

A summary of debt for the years ended December 31, 2015 was as follows:

Loan	Principal	Interest Rate
OWDA #3957	\$26,007	2.00%
OWDA #4686	\$10,631	4.12%
OWDA #4913	\$303,586	1.50%
OWDA #5069	\$121,213	0%
OWDA #5054	\$539,637	1.00%
OWDA #6713	\$286,713	4.45%
OPWC #CT49A	\$4,637	0%
OPWC #CR21J	\$15,183	0%
OPWC#CR22R	\$56,761	0%
Mortgage Revenue Bonds	\$590,807	5.00%
Recreation Center Bonds	\$63,000	4.75%
Capital Facilities Bond	<u>\$661,300</u>	4.20%
Total	<u>\$2,679,475</u>	

Loans	Balance 1/1/2015	Additions	Principal Reduction	Balance 12/31/2015	Due in one Year
OWDA	\$1,184,297	\$171,767	(\$68,277)	\$1,287,787	\$47,851
OPWC	24,521	64,868	(12,808)	76,581	12,807
Bonds	<u>1,396,907</u>	<u>0</u>	<u>(81,800)</u>	<u>1,315,107</u>	<u>84,500</u>
Total	<u>\$2,605,725</u>	<u>\$236,635</u>	<u>(\$162,885)</u>	<u>\$2,679,475</u>	<u>\$145,158</u>

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.

Village of Crooksville  
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The Ohio Public Works Commission (OPWC) Loan CR22R had an original issue amount of \$64,868 and relates to various street pavements that were made. The loan is being repaid in semiannual installments of \$4054 over 8 years.

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.

The Ohio Public Works Commission (OPWC) Loan CR22R had an original amount of \$64,868 and relates to Village street paving. The loan is being repaid in semiannual payments for \$4,054.

Principal and interest requirements to retire debt outstanding at December 31, 2015 were as follows:

Year	OWDA Principal	OWDA Interest	OPWC	Bonds Principal	Bonds Interest
2016	\$47,851	\$11,127	\$12,807	\$84,500	\$60,167
2017	45,555	10,373	12,807	89,300	56,318
2018	38,816	9,740	12,807	93,200	52,246
2019	39,241	9,315	12,145	97,200	47,995
2020	39,672	8,884	9,795	101,300	43,561
2021-25	201,661	37,776	16,220	501,700	152,940
2026-30	198,853	27,218	0	347,907	35,554
2031-35	209,461	16,607	0	0	0
2036-40	<u>179,964</u>	<u>5,380</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>\$1,001,074</u>	<u>\$136,420</u>	<u>\$76,581</u>	<u>\$1,315,107</u>	<u>\$448,781</u>

Village of Crooksville  
Notes to the Financial Statements  
For the Year Ended December 31, 2015

**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, 2015, 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
2016	\$35,888	\$9,341	\$14,386
2017	35,888	0	14,386
2018	35,888	0	14,386
2019	35,888	0	0
2020-23	<u>107,664</u>	<u>0</u>	<u>0</u>
Total	<u>\$251,216</u>	<u>\$9,341</u>	<u>\$43,158</u>

**Note 12 – Interfund Transfers**

During 2015, the Village made the following transfers:

Fund	Transfers In	Transfers Out
Governmental		
General	-	\$229,895
State Highway	-	\$22,435
SCMR	\$208,739	8,109
EMS	-	\$26,947
Other Governmental	\$296,411	\$23,327
Business Type		
Water	\$2,463	\$247,818
Sewer	\$2,463	\$158,134
Sewage Replacement	\$30,000	-
Other Enterprise	<u>\$176,589</u>	-
Total	<u>\$716,665</u>	<u>\$716,665</u>

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

Village of Crooksville  
Notes to the Financial Statements  
For the Year Ended December 31, 2015

The general fund transfers to the other governmental funds were made to provide additional resources for current operations. The Income Tax fund 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 – 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, 2015:

Fund Balances	General Fund	State Highway	EMS	SCMR	Other Governmental Funds	Total
Restricted For:						
State Highway	-	\$80,699	-	-	-	\$80,699
Street Fund	-	-	-	\$23,930	-	\$23,930
Pool & Park	-	-	-	-	\$61,999	\$61,999
Drug Enforce.	-	-	-	-	\$2,654	\$2,654
Permissive Tax	-	-	-	-	\$23,104	\$23,104
Mayors Crt. Comp.	-	-	-	-	\$5,654	\$5,654
Indigent Driv. Interlock	-	-	-	-	\$1,050	\$1,050
Fire Levy Cont	-	-	-	-	\$66,462	\$66,462
Police Equip	-	-	-	-	\$8,188	\$8,188
Village Cap Proj	-	-	-	-	\$5,148	\$5,148
EMS	-	-	\$214,516	-	-	\$214,516
<b>Total Restricted</b>	<b>-</b>	<b>\$80,699</b>	<b>\$214,516</b>	<b>23,930</b>	<b>\$174,259</b>	<b>\$493,404</b>
Committed For:						
Fire Levy Debt	-	-	-	-	\$51,951	\$51,951
EMS Truck Debt	-	-	-	-	\$4,796	\$4,796
Rec Center Debt	-	-	-	-	\$19,425	\$19,425
Municipal DS	-	-	-	-	\$9,252	\$9,252
Sewage Debt	-	-	-	-	\$22,804	\$22,804
Burr Oak DS	-	-	-	-	\$565	\$565
Sewage Imp DS	-	-	-	-	\$4,429	\$4,429
Other	-	-	-	-	8	8
<b>Total Committed</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$113,230</b>	<b>\$113,230</b>
Assigned For:						
Encumbrances	\$2,275	-	-	-	-	\$2,275
Tree Commission	-	-	-	-	\$316	\$316
<b>Total Assigned</b>	<b>\$2,275</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$316</b>	<b>\$2,591</b>
Unassigned	\$31,459	-	-	-	-	\$31,459
<b>Total</b>	<b>\$33,734</b>	<b>\$80,699</b>	<b>\$214,516</b>	<b>\$23,930</b>	<b>\$287,805</b>	<b>\$640,684</b>

Village of Crooksville  
Notes to the Financial Statements  
For the Year Ended December 31, 2015

**Note 14 – 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.

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, 2015, 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. We also noted the Village adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27*.

*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

STATUS OF PRIOR AUDIT'S CITATIONS AND RECOMMENDATIONS

The prior audit report, for the year ended December 31, 2014, reported no material citations or recommendations.



# 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