

**Village of West Liberty
Logan County, Ohio
Financial Statements
December 31, 2008 and 2007**



Mary Taylor, CPA
Auditor of State

Village Council
Village of West Liberty
P.O. Box 187
West Liberty, Ohio 43357

We have reviewed the *Independent Auditors' Report* of the Village of West Liberty, Logan County, prepared by Taylor, Applegate, Hughes & Associates, Ltd., for the audit period January 1, 2007 through December 31, 2008. 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 West Liberty is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

August 25, 2009

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**Village of West Liberty
Logan County, Ohio
Financial Statements
December 31, 2008 and 2007**

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TaylorApplegateHughes
AND ASSOCIATES, LTD

CERTIFIED PUBLIC
ACCOUNTANTS +
BUSINESS ADVISORS

INDEPENDENT AUDITORS' REPORT

Village of West Liberty
Logan County
P.O. Box 187
West Liberty, Ohio 43357

To the Honorable Mayor and Village Council:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Village of West Liberty, Logan County, Ohio, (the Village), as of and for the years ended December 31, 2008 and 2007, which collectively comprise the Village's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 2, the accompanying financial statements and notes follow the cash accounting basis. This is a comprehensive accounting basis other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Village of West Liberty, Logan County, Ohio, as of December 31, 2008 and 2007, and the respective changes in cash financial position and the respective budgetary comparison for the General, the Street Construction Maintenance and Repair, EMS Operating, and Brown Expendable funds thereof for the year December 31, 2008 and 2007 in conformity with the basis of accounting Note 2 describes.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 18, 2009, 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. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Management's discussion and analysis is not a required part of the basic financial statements but is supplementary information the Governmental Accounting Standards Board requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

Taylor, Applegate, Hughes & Assoc., Ltd.

Taylor, Applegate, Hughes and Associates, Ltd.
June 18, 2009

**Village of West Liberty
Management's Discussion and Analysis
For the Year Ended December 31, 2008
Unaudited**

This discussion and analysis of the Ohio Local Government's financial performance provides an overall review of the Village's financial activities for the year ended December 31, 2008, within the limitations of the Village's cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Village's financial performance.

Highlights

Key highlights for 2008 are as follows:

The Village's general receipts are primarily property and tangible personal taxes. These receipts represent respectively 50% of the total cash received for governmental activities during the year. Property and tangible personal tax receipts for 2008 increased compared to 2007 as most resident taxes increased. The General Fund balance is up a little because we did not purchase anything big in 2008. We also received an inheritance check in the amount of \$136,000 which was a blessing.

The Garbage Rubbish Fund is still increasing because we still do not have to pay for recycling. We have paid more for salaries out of the Garbage/Rubbish fund because the Street Construction Maintenance and Repair fund is low.

Emergency Medical Services will receive a grant in the amount of \$8,300 for education and some supplies. They spent \$3,671 this year and have to spend the rest next year. They will get reimbursed when the money is all spent. They purchased a 12 lead monitor in the amount of \$17,156. They are also paying back \$18,890 the Village for the ambulance purchased in 2006. They paid \$13,890 so far and will pay the rest in 2009.

The police department is still mentoring for Adriel School. However it ended November 30, 2008.

The Fire Department is still paying on the fire truck in the amount of \$16,600 year. The cost of fuel/gasoline was very high this year the supplies budget was over spent but all other fund codes were under budget.

Water and Sewer Fund are still in bad shape. Although, the revenue increased because of the rate increase in effect March 2008, the expenditures were the same as 2007.

**Village of West Liberty
Management's Discussion and Analysis
For the Year Ended December 31, 2008
Unaudited**

Using the Basic Financial Statements

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the Village's cash basis of accounting.

Report Components

The statement of net assets and the statement of activities provide information about the cash activities of the Village as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Village as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

Basis of Accounting

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Village has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Village's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

**Village of West Liberty
Management's Discussion and Analysis
For the Year Ended December 31, 2008
Unaudited**

Reporting the Village as a Whole

The statement of net assets and the statement of activities reflect how the Village did financially during 2008, within the limitations of cash basis accounting. The statement of net assets presents the cash balances and investments of the governmental and business-type activities of the Village at year end. The statement of activities compares cash disbursements with program receipts for each governmental program and business-type activity. 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. The comparison of cash disbursements with program receipts identifies how each governmental function or business-type activity draws from the Village's general receipts.

These statements report the Village's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the Village's financial health. Over time, increases or decreases in the Village's cash position is one indicator of whether the Village's financial health is improving or deteriorating. When evaluating the Village's financial condition, you should also consider other nonfinancial factors as well such as the Village's property tax base, the condition of the Village's capital assets and infrastructure, the extent of the Village's debt obligations, the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources such as property and tangible personal taxes.

In the statement of net assets and the statement of activities, we divide the Village into two types of activities:

Governmental activities - Most of the Village's basic services are reported here, including police, fire, streets and parks. State and federal grants and income and property taxes finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

Business-type activity - The Village has one business-type activity, the provision of water. Business-type activities are financed by a fee charged to the customers receiving the service.

**Village of West Liberty
Management's Discussion and Analysis
For the Year Ended December 31, 2008
Unaudited**

Reporting the Village's Most Significant Funds

Fund financial statements provide detailed information about the Village's major funds – not the Village as a whole. The Village establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. The funds of the Village are split into three categories: governmental, proprietary and fiduciary.

Governmental Funds - Most of the Village's activities are reported in general funds. The governmental fund financial statements provide a detailed view of the Village's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Village's programs. The Village's significant governmental funds are presented on the financial statements in separate columns. The information for non-major funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The Village's only major governmental fund is the General Fund. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements. We describe this relationship in reconciliations presented with the governmental fund financial statements.

Proprietary Funds – When the Village charges customers for the services it provides, these services are generally reported in proprietary funds. When the services are provided to the general public, the activity is reported as an enterprise fund. The Village has two enterprise fund, the water and sewer funds. When the services are provided to other department of the Village, the service is reported as an internal service fund. The Village has one internal service fund to account for employee health-care claims.

**Village of West Liberty
Management's Discussion and Analysis
For the Year Ended December 31, 2008
Unaudited**

The Village as a Whole

Table 1 provides a summary of the Village's net assets for 2007 compared to 2006 on a cash basis:

(Table 1)
Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2008	2007	2008	2007	2008	2007
Assets						
Cash and Cash Equivalents	\$415,816	\$246,489	\$194,323	\$174,088	\$ 610,139	\$ 420,577
Investments	<u>247,252</u>	<u>247,252</u>	<u>200,000</u>	<u>200,000</u>	<u>447,252</u>	<u>447,252</u>
Total Assets	<u>\$663,068</u>	<u>\$493,741</u>	<u>\$394,323</u>	<u>\$374,088</u>	<u>\$1,057,391</u>	<u>\$ 867,829</u>
Net Assets						
Restricted for:						
Permanent Fund:						
Expendable	\$ 5,887	\$ 5,135	\$ -	\$ -	\$ 5,887	\$ 5,135
Nonexpendable	22,252	22,252	-	-	22,252	22,252
Other Purposes	212,170	235,624	41,276	40,830	253,446	276,454
Unrestricted	<u>422,759</u>	<u>230,730</u>	<u>353,047</u>	<u>333,258</u>	<u>775,806</u>	<u>563,988</u>
Total Net Assets	<u>\$663,068</u>	<u>\$493,741</u>	<u>\$394,323</u>	<u>\$374,088</u>	<u>\$1,057,391</u>	<u>\$ 867,829</u>

As mentioned previously, net assets of governmental activities increased \$169,327 or 15 percent during 2008. The primary reasons contributing to the increases in cash balances are as follows:

- Increases in salaries were 3% based on current negotiated agreements.
- The Village had several streets that were in very poor condition that needed chip/sealed repairs costing in excess of \$11,000.
- Table 2 reflects the changes in net assets on a cash basis in 2007 and 2008 for governmental activities, business-type activities and total primary government.

Table 2 reflects the changes in net assets on a cash basis in 2008 and 2007 for governmental activities, business-type activities and total primary government.

**Village of West Liberty
Management's Discussion and Analysis
For the Year Ended December 31, 2008**

Unaudited

(Table 2)

Changes in Net Assets

	Governmental Activities		Business Type Activities		Total 2008	Total 2007
	2008	2007	2008	2007		
Receipts:						
Program Receipts:						
Charges for Services and Sales	\$ 109,585	\$ 108,554	\$ 718,438	\$ 670,567	\$ 828,023	\$ 779,121
Operating Grants and Contributions	105,162	120,344	-	-	105,162	120,344
Capital Grants and Contributions	-	-	3,400	-	3,400	-
Total Program Receipts	<u>214,747</u>	<u>228,898</u>	<u>721,838</u>	<u>670,567</u>	<u>936,585</u>	<u>899,465</u>
General Receipts:						
Property and Other Taxes	243,453	269,050	-	-	243,453	269,050
Grants and Entitlements not Restricted to Specific Purpose	368,152	214,048			368,152	214,048
Debt Proceeds			17,265		17,265	
Interest	22,746	26,109			22,746	26,109
Miscellaneous	<u>109,176</u>	<u>95,549</u>	<u>6,836</u>	<u>3,590</u>	<u>116,012</u>	<u>99,139</u>
Total General Receipts	<u>743,527</u>	<u>604,756</u>	<u>24,101</u>	<u>3,590</u>	<u>767,628</u>	<u>608,346</u>
Total Receipts	<u>958,274</u>	<u>833,654</u>	<u>745,939</u>	<u>674,157</u>	<u>1,704,213</u>	<u>1,507,811</u>
Disbursements:						
General Government	98,136	118,984			98,136	118,984
Security of Persons and Property	358,417	366,565			358,417	366,565
Public Health Services	178,336	146,472			178,336	146,472
Leisure Time Activities	19,505	12,054			19,505	12,054
Community Environment	1,953	2,050			1,953	2,050
Transportation	97,165	97,856			97,165	97,856
Capital Outlay	11,820	7,988			11,820	7,988
Debt Service:						
Principal	16,600	16,600			16,600	16,600
Water			298,623	282,812	298,623	282,812
Sewer			267,194	268,837	267,194	268,837
Garbage/Rubbish Collection			164,547	145,529	164,547	145,529
Other Enterprise Funds	-	-	<u>2,355</u>	<u>3,541</u>	<u>2,355</u>	-
Total Disbursements	<u>781,932</u>	<u>768,569</u>	<u>732,719</u>	<u>700,719</u>	<u>1,514,651</u>	<u>1,469,288</u>
Excess (Deficiency) Before Transfers						
	176,342	65,085	13,220	(26,562)	189,562	38,523
Special Items	-	478				
Net Transfers	<u>(7,015)</u>	<u>(7,724)</u>	<u>7,015</u>	<u>7,724</u>	-	-
Increase (decrease) in Net Assets	169,327	57,839	20,235	(18,838)	189,562	38,523
Net Assets, January 1						
	<u>493,741</u>	<u>435,902</u>	<u>374,088</u>	<u>392,926</u>	<u>867,829</u>	<u>828,828</u>
Net Assets, December 31	<u>\$ 663,068</u>	<u>\$ 493,741</u>	<u>\$ 394,323</u>	<u>\$ 374,088</u>	<u>\$ 1,057,391</u>	<u>\$ 867,829</u>

**Village of West Liberty
Management's Discussion and Analysis
For the Year Ended December 31, 2008
Unaudited**

Program receipts represent only 55 percent of total receipts and are primarily comprised of restricted intergovernmental receipts such as motor vehicle license and gas tax money, building permits and EMS and Fire Contracts for nearby townships.

Disbursements for General Government represent the overhead costs of running the Village and the support services provided for the other Government activities. These include the costs of council, and the auditor, treasurer, as well as internal services such as payroll and purchasing. Since these costs do not represent direct services to residents, we try to limit these costs to 20 percent of General Fund unrestricted receipts.

Security of Persons and Property are the costs of police, emergency medical services and fire protection; Public Health Services is the health department; Leisure Time Activities are the costs of maintaining the parks and playing fields.

Governmental Activities

If you look at the Statement of Activities, you will see that the first column lists the major services provided by the Village. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are public health services and security of persons and property, which account for 23 percent and 46 percent of all governmental disbursements, respectively. General government also represents a significant cost, about 13 percent. The next three columns of the Statement entitled Program Receipts identify amounts paid by people who are directly charged for the service and grants received by the Village that must be used to provide a specific service. The net Receipt (Disbursement) column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3.

**Village of West Liberty
Management's Discussion and Analysis
For the Year Ended December 31, 2008
Unaudited**

(Table 3)

	Governmental Activities			
	Total Cost Of Services 2008	Net Cost of Services 2008	Total Cost Of Services 2007	Net Cost of Services 2007
	<u>2008</u>	<u>2008</u>	<u>2007</u>	<u>2007</u>
General Government	\$ 98,136	\$ 55,400	\$ 118,984	\$ 77,528
Security of Persons and Property	358,417	273,518	366,565	293,535
Public Health Services	178,336	128,218	146,472	71,315
Leisure Time Activities	19,505	19,505	12,054	12,054
Economic Development	1,953	1,568	2,050	1,450
Basic Utilities	-	(5,548)	-	(4,440)
Transportation	97,166	66,105	97,857	63,642
Capital Outlay	11,820	11,820	7,988	7,988
Principal Retirement	16,600	16,600	16,600	16,600
Total Expenses	<u>\$ 781,933</u>	<u>\$ 567,186</u>	<u>\$ 768,570</u>	<u>\$ 539,672</u>

The dependence upon property and income tax receipts is apparent as over 70 percent of governmental activities are supported through these general receipts.

Business-type Activities

The water operation of the Village is relatively moderate and routinely reports receipts and cash disbursements that are relatively equal. The infrastructure is beginning to age and the Village has begun discussing the need for major repairs and how these will be funded. We have received a loan from OPWC in the amount of \$114,540 for a Headworks Project at the WWTP. This project was bid and Thomas & Marker will be the contractor and Jones and Henry is the Engineer.

The Village's Funds

Total governmental funds had receipts of \$958,274 and disbursements of \$781,933. The fund balance of the General Fund increased \$169,326 as the result of cutting budgets and receiving \$136,000 in inheritance tax.

General Fund Budgeting Highlights

The Village's budget is prepared according to Ohio law and is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

**Village of West Liberty
Management's Discussion and Analysis
For the Year Ended December 31, 2008
Unaudited**

During 2008, the Village amended its General Fund budget several times to reflect changing circumstances. Final budgeted receipts were above original budgeted receipts due to unexpected inheritance tax check.

Final disbursements were budgeted at \$500,225 while actual disbursements were \$449,012. The Village kept spending very close to budgeted amounts as demonstrated by the minor reported variances.

Debt Administration

Debt

At December 31, 2008, the Village's outstanding debt included \$103,750 in general interest free loan to for fire truck, and \$554,850 in water/sewer interest free loans. For further information regarding the Village's debt, refer to Note 10 to the basic financial statements.

Current Issues

The challenge for all Villages is to provide quality services to the public while staying within the restrictions imposed by limited, and in some cases shrinking, funding. We rely heavily on property taxes and have very little industry to support the tax base. We reviewed our sources of revenue and determined that increases were unlikely. We then reviewed the disbursement history of the Village. All departments have been asked to reduce their spending for supplies by 10-20 percent.

Contacting the Village's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Village's finances and to reflect the Village's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Cindee M Boyd, Clerk-Treasurer, Ohio 201 N. Detroit St. PO Box 187 West Liberty, Ohio 43357.

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VILLAGE OF WEST LIBERTY
LOGAN COUNTY, OHIO
Statement of Net Assets - Cash Basis
December 31, 2008

	Governmental Activities	Business - Type Activities	Total
Assets			
Equity in Pooled Cash and Cash Equivalents	\$ 415,816	\$ 194,323	\$ 610,139
Investments	<u>247,252</u>	<u>200,000</u>	<u>447,252</u>
Total Assets	<u>\$ 663,068</u>	<u>\$ 394,323</u>	<u>\$ 1,057,391</u>
Net Assets			
Restricted for:			
Permanent Fund: flowers for graves			
Expendable	\$ 5,887	\$ -	\$ 5,887
Nonexpendable	22,252	-	22,252
Other Purposes	212,170	41,276	253,446
Unrestricted	<u>422,759</u>	<u>353,047</u>	<u>775,806</u>
Total Net Assets	<u>\$ 663,068</u>	<u>\$ 394,323</u>	<u>\$ 1,057,391</u>

See accompanying notes to the financial statement

**VILLAGE OF WEST LIBERTY
LOGAN COUNTY, OHIO
Statement of Activities - Cash Basis
For the Year Ended December 31, 2087**

	Program Cash Receipts			
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
Security of Persons and Property	\$ 358,417	\$ 84,899	\$ -	\$ -
Public Health Services	178,336	16,086	34,032	-
Leisure Time Activities	19,505	-	-	-
Community Environment	1,953	385	-	-
Basic Utility Services	-	5,548	-	-
Transportation	97,166	-	31,061	-
General Government	98,136	2,667	40,069	-
Capital Outlay	11,820	-	-	-
Debt Service:				
Principal	16,600	-	-	-
Interest	-	-	-	-
Other	-	-	-	-
Total Governmental Activities	<u>781,933</u>	<u>109,585</u>	<u>105,162</u>	<u>-</u>
Business Type Activities				
Water Operating/Pumping	298,623	270,855	-	3,400
Advance Water/Sewer Deposits	1,265	1,651	-	-
Sewer Operating/Pumping	267,194	269,877	-	-
Garbage/Rubbish Advance Deposits	1,090	1,150	-	-
Garbage/Rubbish Collection Fund	164,547	174,905	-	-
Total Business Type Activities	<u>732,719</u>	<u>718,438</u>	<u>-</u>	<u>3,400</u>
Total Primary Government	<u>\$ 1,514,652</u>	<u>\$ 828,023</u>	<u>\$ 105,162</u>	<u>\$ 3,400</u>

General Receipts

Property Taxes
Other Taxes
Grants and Entitlements not Restricted to Specific Programs
Other Debt Proceeds
Earnings on Investments
Miscellaneous
Total General Receipts

Special Items

Transfers

Total General Receipts, Special, Transfers and Advances

Change in Net Assets

Net Assets Beginning of Year

Net Assets End of Year

See accompanying notes to the financial statements

Net (Disbursements) Receipts and Changes in Net Assets

Governmental Activities	Business-Type Activities	Total
\$ (273,518)	\$ -	\$ (273,518)
(128,218)	-	(128,218)
(19,505)	-	(19,505)
(1,568)	-	(1,568)
5,548	-	5,548
(66,105)	-	(66,105)
(55,400)	-	(55,400)
(11,820)	-	(11,820)
-	-	-
(16,600)	-	(16,600)
-	-	-
-	-	-
(567,186)	-	(567,186)
-	(24,368)	(24,368)
-	386	386
-	2,683	2,683
-	60	60
-	10,358	10,358
-	(10,881)	(10,881)
\$ (567,186)	\$ (10,881)	\$ (578,067)
\$ 235,085	\$ -	\$ 235,085
8,368	-	8,368
368,152	-	368,152
-	17,265	17,265
22,746	-	22,746
109,176	6,836	116,012
743,527	24,101	767,628
-	-	-
(7,015)	7,015	-
736,512	31,116	767,628
169,326	20,235	189,561
493,742	374,088	867,830
\$ 663,068	\$ 394,323	\$ 1,057,391

See accompanying notes to the financial statements

VILLAGE OF WEST LIBERTY
LOGAN COUNTY, OHIO
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2008

	GENERAL	STREET CONSTRUCTION MAINT./REPAIR	EMS OPERATING/ REVENUE	BROWN EXPENDABLE	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
Assets						
Equity in Pooled Cash and Cash Equivalents	\$ 175,507	\$ 6,055	\$ 21,531	\$ 85,985	\$ 126,738	\$ 415,816
Investments	<u>247,252</u>	-	-	-	-	<u>247,252</u>
Total Assets	<u>\$ 422,759</u>	<u>\$ 6,055</u>	<u>\$ 21,531</u>	<u>\$ 85,985</u>	<u>\$ 126,738</u>	<u>\$ 663,068</u>
Fund Balances						
Reserved:						
Reserved for Encumbrances	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved:						
Undesignated, Reported in:						
General Fund	422,759	-	-	-	-	422,759
Special Revenue Funds	-	6,055	21,531	85,985	98,598	212,169
Permanent Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,140</u>	<u>28,140</u>
Total Fund Balances	<u>\$ 422,759</u>	<u>\$ 6,055</u>	<u>\$ 21,531</u>	<u>\$ 85,985</u>	<u>\$ 126,738</u>	<u>\$ 663,068</u>

See accompanying notes to the financial statements

VILLAGE OF WEST LIBERTY
LOGAN COUNTY, OHIO
Statement of Cash Receipts, Cash Disbursements and Changes in Cash Basis Fund Balances
Governmental Funds
For the Year Ended December 31, 2008

	GENERAL	STREET CONSTRUCTION MAINT./REPAIR	EMS OPERATING/ REVENUE	BROWN EXPENDABLE	OTHER GOVERNMENTAL FUNDS	TOTAL
Receipts						
Property and Other Local Taxes	\$ 235,085	\$ -	\$ -	\$ -	\$ 8,368	\$ 243,453
Intergovernmental	272,717	65,795	-	-	39,367	377,879
Special Assessments	-	-	-	-	-	-
Charges for Services	90,186	2,548	132,766	3,000	16,086	244,586
Fines, Licenses and Permits	3,052	-	-	-	-	3,052
Earnings on Investments	22,026	96	-	-	624	22,746
Miscellaneous	34,591	-	-	31,631	336	66,558
Total Receipts	<u>657,657</u>	<u>68,439</u>	<u>132,766</u>	<u>34,631</u>	<u>64,781</u>	<u>958,274</u>
Disbursements						
Current:						
Security of Persons and Property	312,467	-	12,343	-	33,607	358,417
Public Health Services	-	-	123,451	28,281	26,603	178,335
Leisure Time Activities	19,505	-	-	-	-	19,505
Community Environment	1,953	-	-	-	-	1,953
Transportation	350	91,894	-	-	4,921	97,165
General Government	98,137	-	-	-	-	98,137
Capital Outlay	-	-	4,671	7,149	-	11,820
Debt Service:						
Principal Retirement	16,600	-	-	-	-	16,600
Interest and Fiscal Charges	-	-	-	-	-	-
Total Disbursements	<u>449,012</u>	<u>91,894</u>	<u>140,465</u>	<u>35,430</u>	<u>65,131</u>	<u>781,932</u>
Excess of Receipts Over (Under) Disbursements	<u>208,645</u>	<u>(23,455)</u>	<u>(7,699)</u>	<u>(799)</u>	<u>(350)</u>	<u>176,342</u>
Other Financing Sources (Uses)						
Transfers In	5,000	15,000	-	877	861	21,738
Transfers Out	(23,754)	-	(5,000)	-	-	(28,754)
Advances In	2,138	-	-	-	-	2,138
Advances Out	-	-	-	-	(2,138)	(2,138)
Other Financing Uses	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>(16,616)</u>	<u>15,000</u>	<u>(5,000)</u>	<u>877</u>	<u>(1,277)</u>	<u>(7,016)</u>
Net Change in Fund Balances	192,029	(8,455)	(12,699)	78	(1,627)	169,326
Fund Balances Beginning of Year	230,730	14,510	34,230	85,907	128,365	493,742
Fund Balances End of Year	<u>\$ 422,759</u>	<u>\$ 6,055</u>	<u>\$ 21,531</u>	<u>\$ 85,985</u>	<u>\$ 126,738</u>	<u>\$ 663,068</u>

See accompanying notes to the financial statements

VILLAGE OF WEST LIBERTY
LOGAN COUNTY, OHIO
Statement of Cash Receipts, Cash Disbursements and Changes
in Cash Basis Fund Balance - Budget and Actual -Budget Basis
General Fund
For the Year Ended December 31, 2008

	Budgeted Amounts			(Optional) Variance with Final Budget Positive (Negative)
	Original	Final	Actual	(Negative)
Receipts				
Property and Other Local Taxes	\$ 263,450	\$ 263,450	\$ 235,085	\$ (28,365)
Intergovernmental	97,050	97,050	272,716	175,666
Special Assessments	500	500	-	(500)
Charges for Services	90,000	90,000	90,186	186
Fines, Licenses and Permits	6,000	6,000	3,051	(2,949)
Earnings on Investments	20,000	20,000	22,026	2,026
Miscellaneous	15,000	15,000	34,591	19,591
Total receipts	<u>492,000</u>	<u>492,000</u>	<u>657,655</u>	<u>165,655</u>
Disbursements				
Current:				
Security of Persons and Property	332,650	334,850	312,467	22,383
Leisure Time Activities	22,550	24,050	19,505	4,545
Community Environment	2,550	2,250	1,953	297
Transportation	18,000	8,400	350	8,050
General Government	116,850	114,075	98,135	15,940
Capital Outlay	-	-	-	-
Debt Service:				
Principal Retirement	16,600	16,600	16,600	-
Interest and Fiscal Charges	-	-	-	-
Total Disbursements	<u>509,200</u>	<u>500,225</u>	<u>449,010</u>	<u>51,215</u>
Excess of Receipts Over (Under) Disbursements	<u>(17,200)</u>	<u>(8,225)</u>	<u>208,645</u>	<u>216,870</u>
Other Financing Sources (Uses)				
Transfers In	8,000	8,000	5,000	(3,000)
Transfers Out	(15,000)	(24,100)	(23,754)	346
Advances In	-	-	2,138	2,138
Advances Out	-	-	-	-
Other Financing Sources	-	-	-	-
Other Financing Uses	-	-	-	-
Total Other Financing Sources (Uses)	<u>(7,000)</u>	<u>(16,100)</u>	<u>(16,616)</u>	<u>(516)</u>
Net Change in Fund Balance	(24,200)	(24,325)	192,029	216,354
Fund Balance Beginning of Year	230,730	230,730	230,730	-
Prior Year Encumbrances Appropriated	-	-	-	-
Fund Balance End of Year	<u>\$ 206,530</u>	<u>\$ 206,405</u>	<u>\$ 422,759</u>	<u>\$ 216,354</u>

See accompanying notes to the financial statements

VILLAGE OF WEST LIBERTY
LOGAN COUNTY, OHIO
Statement of Cash Receipts, Cash Disbursements and Changes
in Cash Basis Fund Balance - Budget and Actual -Budget Basis
Street Construction, Maintenance, and Repair Fund
For the Year Ended December 31, 2008

	Budgeted Amounts			(Optional) Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Intergovernmental	\$ 68,000	\$ 68,000	\$ 65,795	\$ (2,205)
Charges for Services	1,800	1,800	2,548	748
Earnings on Investments	200	200	96	(104)
Miscellaneous	-	-	-	-
Total receipts	70,000	70,000	68,439	(1,561)
Disbursements				
Current:				
Transportation	95,900	95,900	91,894	4,006
General Government	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Disbursements	95,900	95,900	91,894	4,006
Excess of Receipts Over (Under) Disbursements	(25,900)	(25,900)	(23,455)	2,445
Other Financing Sources (Uses)				
Transfers In	15,000	15,000	15,000	-
Transfers Out	-	-	-	-
Advances In	-	-	-	-
Advances Out	-	-	-	-
Other Financing Sources	-	-	-	-
Other Financing Uses	-	-	-	-
Total Other Financing Sources (Uses)	15,000	15,000	15,000	-
Net Change in Fund Balance	(10,900)	(10,900)	(8,455)	2,445
Fund Balance Beginning of Year	14,510	14,510	14,510	-
Prior Year Encumbrances Appropriated	-	-	-	-
Fund Balance End of Year	\$ 3,610	\$ 3,610	\$ 6,055	\$ 2,445

See accompanying notes to the financial statements

VILLAGE OF WEST LIBERTY
LOGAN COUNTY, OHIO
Statement of Receipts, Disbursements and Changes
in Cash Basis Fund Balance - Budget and Actual -Budget Basis
EMS Operating/Revenue Fund
For the Year Ended December 31, 2008

	Budgeted Amounts			(Optional) Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Intergovernmental	\$ 124,000	\$ 124,000	\$ -	\$ (124,000)
Special Assessments	-	-	-	-
Charges for Services	-	-	132,766	132,766
Fines, Licenses and Permits	-	-	-	-
Earnings on Investments	-	-	-	-
Miscellaneous	-	-	-	-
Total receipts	<u>124,000</u>	<u>124,000</u>	<u>132,766</u>	<u>8,766</u>
Disbursements				
Current:				
Security of Persons and Property	12,300	12,500	12,343	157
Public Health Services	128,000	127,800	123,451	4,349
Leisure Time Activities	-	-	-	-
Community Environment	-	-	-	-
Basic Utility Services	-	-	-	-
Transportation	-	-	-	-
General Government	-	-	-	-
Capital Outlay	-	9,000	4,671	4,329
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Disbursements	<u>140,300</u>	<u>149,300</u>	<u>140,465</u>	<u>8,835</u>
Excess of Receipts Over (Under) Disbursements	(16,300)	(25,300)	(7,699)	17,601
Other Financing Sources (Uses)				
Transfers In	-	-	-	-
Transfers Out	(5,000)	(5,000)	(5,000)	-
Advances In	-	-	-	-
Advances Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>(5,000)</u>	<u>(5,000)</u>	<u>(5,000)</u>	<u>-</u>
Net Change in Fund Balance	(21,300)	(30,300)	(12,699)	17,601
Fund Balance Beginning of Year	34,230	34,230	34,230	-
Prior Year Encumbrances Appropriated	-	-	-	-
Fund Balance End of Year	<u>\$ 12,930</u>	<u>\$ 3,930</u>	<u>\$ 21,531</u>	<u>\$ 17,601</u>

See accompanying notes to the financial statements

VILLAGE OF WEST LIBERTY
LOGAN COUNTY, OHIO
Statement of Cash Receipts, Cash Disbursements and Changes
in Cash Basis Fund Balance - Budget and Actual -Budget Basis
Brown Expendable Fund
For the Year Ended December 31, 2008

	Budgeted Amounts			(Optional)
	Original	Final	Actual	Variance with Final Budget Positive (Negative)
Receipts				
Charges for Services	\$ 3,000	\$ 3,000	\$ 3,000	\$ -
Fines, Licenses and Permits	-	-	-	-
Earnings on Investments	-	-	-	-
Miscellaneous	<u>31,500</u>	<u>31,500</u>	<u>31,631</u>	<u>131</u>
Total receipts	<u>34,500</u>	<u>34,500</u>	<u>34,631</u>	<u>131</u>
Disbursements				
Current:				
Public Health Services	32,300	32,300	28,281	4,019
Capital Outlay	8,000	8,000	7,149	851
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Disbursements	<u>40,300</u>	<u>40,300</u>	<u>35,430</u>	<u>4,870</u>
Excess of Receipts Over (Under) Disbursements	<u>(5,800)</u>	<u>(5,800)</u>	<u>(799)</u>	<u>5,001</u>
Other Financing Sources (Uses)				
Transfers In	500	500	877	377
Transfers Out	-	-	-	-
Advances In	-	-	-	-
Advances Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>500</u>	<u>500</u>	<u>877</u>	<u>377</u>
Net Change in Fund Balance	(5,300)	(5,300)	78	5,378
Fund Balance Beginning of Year	85,907	85,907	85,907	-
Prior Year Encumbrances Appropriated	-	-	-	-
Fund Balance End of Year	<u>\$ 80,607</u>	<u>\$ 80,607</u>	<u>\$ 85,985</u>	<u>\$ 5,378</u>

See accompanying notes to the financial statements

**VILLAGE OF WEST LIBERTY
LOGAN COUNTY, OHIO
Statement of Fund Net Assets - Cash Basis
Business-Type Funds
December 31, 2008**

	<u>WATER OPERATING/ PUMPING</u>	<u>SEWER OPERATING/ PUMPING</u>	<u>GARBAGE/ RUBBISH COLLECTION</u>	<u>OTHER ENTERPRISE FUNDS</u>	<u>TOTAL ENTERPRISE FUNDS</u>
Assets					
Equity in Pooled Cash and Cash Equivalents	\$ 19,754	\$ 20,973	\$ 112,320	\$ 41,276	\$ 194,323
Investments	<u>100,000</u>	<u>100,000</u>	<u>-</u>	<u>-</u>	<u>200,000</u>
Total Assets	<u>\$ 119,754</u>	<u>\$ 120,973</u>	<u>\$ 112,320</u>	<u>\$ 41,276</u>	<u>\$ 394,323</u>
Net Assets					
Restricted for:					
Capital Projects	\$ -	\$ -	\$ -	\$ -	\$ -
Other Purposes	-	-	-	41,276	41,276
Unrestricted	<u>119,754</u>	<u>120,973</u>	<u>112,320</u>	<u>-</u>	<u>353,047</u>
Total Net Assets	<u>\$ 119,754</u>	<u>\$ 120,973</u>	<u>\$ 112,320</u>	<u>\$ 41,276</u>	<u>\$ 394,323</u>

See accompanying notes to the financial statements

VILLAGE OF WEST LIBERTY
LOGAN COUNTY, OHIO
Statement of Cash Receipts,
Cash Disbursements and Changes in Net Cash Assets
Business-Type Funds
For the Year Ended December 31, 2008

	WATER OPERATING/ PUMPING FUN	SEWER OPERATING/ PUMPING FUND	GARBAGE/ RUBBISH COLLECTION FUND	OTHER ENTERPRISE FUNDS	TOTAL ENTERPRISE FUNDS
Operating Receipts					
Charges for Services	\$ 270,855	\$ 269,877	\$ 174,905	\$ 2,801	\$ 718,438
Other Operating Receipts	4,490	2,346	-	-	6,836
Total Operating Receipts	<u>275,345</u>	<u>272,223</u>	<u>174,905</u>	<u>2,801</u>	<u>725,274</u>
Operating Disbursements					
Personal Services	88,336	81,220	65,759	-	235,315
Employee Fringe Benefits	39,183	39,722	30,364	-	109,269
Contractual Services	80,389	79,638	50,039	-	210,066
Supplies and Materials	54,109	19,159	16,947	-	90,215
Other	1,183	-	-	2,355	3,538
Total Operating Disbursements	<u>263,200</u>	<u>219,739</u>	<u>163,109</u>	<u>2,355</u>	<u>648,403</u>
Operating Income (Loss)	<u>12,145</u>	<u>52,484</u>	<u>11,796</u>	<u>446</u>	<u>76,871</u>
Non-Operating Receipts (Disbursements)					
Special Assessments	3,400	-	-	-	3,400
Other Debt Proceeds	17,265	-	-	-	17,265
Capital Outlay	(33,628)	(7,722)	(1,438)	-	(42,788)
Principal Payments	(1,529)	(39,733)	-	-	(41,262)
Interest	(266)	-	-	-	-
Other Financing Sources	-	-	-	-	-
Other Financing Uses	-	-	-	-	-
Total Non-Operating Receipts (Disbursements)	<u>(14,758)</u>	<u>(47,455)</u>	<u>(1,438)</u>	<u>-</u>	<u>(63,385)</u>
Income (Loss) before Transfers and Advances	<u>(2,613)</u>	<u>5,029</u>	<u>10,358</u>	<u>446</u>	<u>13,486</u>
Transfers In	3,507	3,508	-	-	7,015
Transfers Out	-	-	-	-	-
Advances In	-	-	-	-	-
Advances Out	-	-	-	-	-
Change in Net Assets	894	8,537	10,358	446	20,501
Net Assets Beginning of Year	<u>118,860</u>	<u>112,436</u>	<u>101,962</u>	<u>40,830</u>	<u>374,088</u>
Net Assets End of Year	<u>\$ 119,754</u>	<u>\$ 120,973</u>	<u>\$ 112,320</u>	<u>\$ 41,276</u>	<u>\$ 394,589</u>

See accompanying notes to the financial statements

Village of West Liberty, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2007
Unaudited

This discussion and analysis of the Village of West Liberty's financial performance provides an overall review of the Village's financial activities for the year ended December 31, 2007, within the limitations of the Village's cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Village's financial performance.

Highlights

Key highlights for 2007 are as follows:

The Village's general receipts are primarily property and tangible personal taxes. These receipts represent 50% of the total cash received for governmental activities during the year. Property and tangible personal tax receipts for 2007 increased compared to 2006 as most resident taxes increased. The General Fund balance is up a little because we did not purchase anything big in 2007.

The Garbage Rubbish Fund is still increasing because we still do not have to pay for recycling. Recycling is going very well. The street department asked to start mowing again instead of hiring it out. Council agreed.

Emergency Medical Services started paying for their utilities including electric, gas and phone, instead of the general fund. EMS was little bit ahead bringing in more revenue than 2006.

The police department is still mentoring for Adriel School. School Police Fund 2051 is no long active. This grant was not renewed.

The Fire Department purchased new gear in the amount of about \$22,000 which they desperately needed.

Water and Sewer Fund are in bad shape. They spent \$50,000 more than they brought in. There have been a lot of repairs and expensive maintenance.

Our Bureau of Workers' Compensation costs will be increasing 2008. We hired a Safety Officer in the amount of \$100 per week paid every 2 weeks divided between Police, Fire, EMS, Water, Sewer, Garbage/Rubbish, Street Construction Maintenance and Repair (SCMR), Cemetery and Brown funds.

**Village of West Liberty, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2007
Unaudited**

Using the Basic Financial Statements

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the Village's cash basis of accounting.

Report Components

The statement of net assets and the statement of activities provide information about the cash activities of the Village as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Village as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity (major funds) in separate columns. All other non-major funds are presented in total in a single column.

The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

Basis of Accounting

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Village has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Village's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

Village of West Liberty, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2007
Unaudited

Reporting the Village as a Whole

The statement of net assets and the statement of activities reflect how the Village did financially during 2007, within the limitations of cash basis accounting. The statement of net assets presents the cash balances and investments of the governmental and business-type activities of the Village at year end. The statement of activities compares cash disbursements with program receipts for each governmental program and business-type activity. 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. The comparison of cash disbursements with program receipts identifies how each governmental function or business-type activity draws from the Village's general receipts.

These statements report the Village's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the Village's financial health. Over time, increases or decreases in the Village's cash position is one indicator of whether the Village's financial health is improving or deteriorating. When evaluating the Village's financial condition, you should also consider other nonfinancial factors as well such as the Village's property tax base, the condition of the Village's capital assets and infrastructure, the extent of the Village's debt obligations, the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources such as property and tangible personal taxes.

In the statement of net assets and the statement of activities, we divide the Village into two types of activities:

Governmental activities - Most of the Village's basic services are reported here, including police, fire, streets and parks. State and federal grants and income and property taxes finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

Business-type activity - The Village has three business-type activities, the provision of water and sewer services and garbage collection. Business-type activities are financed by a fee charged to the customers receiving the service.

Village of West Liberty, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2007
Unaudited

Reporting the Village's Most Significant Funds

Fund financial statements provide detailed information about the Village's major funds – not the Village as a whole. The Village establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. The funds of the Village are split into two categories: governmental and proprietary.

Governmental Funds - Most of the Village's activities are reported in general funds. The governmental fund financial statements provide a detailed view of the Village's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Village's programs. The Village's significant governmental funds are presented on the financial statements in separate columns. The information for non-major funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The Village's major governmental funds are the General Fund, Street Construction Maintenance and Repair, EMS, and Brown funds. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements. We describe this relationship in reconciliations presented with the governmental fund financial statements.

Proprietary Funds – When the Village charges customers for the services it provides, these services are generally reported in proprietary funds. When the services are provided to the general public, the activity is reported as an enterprise fund. The Village has three major enterprise funds, the Water, Sewer, and Garbage/Rubbish funds.

**Village of West Liberty, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2007
Unaudited**

The Village as a Whole

Table 1 provides a summary of the Village's net assets for 2007 compared to 2006 on a cash basis:

(Table 1)
Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2007	2006	2007	2006	2007	2006
Assets						
Cash and Cash Equivalents	\$ 246,489	\$ 188,651	\$ 174,088	\$ 192,926	\$ 420,577	\$ 381,577
Investments	247,252	247,252	200,000	200,000	447,252	447,252
Total Assets	<u>\$ 493,741</u>	<u>\$ 435,903</u>	<u>\$ 374,088</u>	<u>\$ 392,926</u>	<u>\$ 867,829</u>	<u>\$ 828,829</u>
Net Assets						
Restricted for:						
Permanent Fund:						
Expendable	\$ 5,135	\$ 4,122		\$ -	\$ 5,135	\$ 4,122
Nonexpendable	22,252	22,252			22,252	22,252
Other Purposes	235,624	197,227	40,830		276,454	197,227
Unrestricted	230,730	212,302	333,258	392,926	563,988	605,228
Total Net Assets	<u>\$ 493,741</u>	<u>\$ 435,903</u>	<u>\$ 374,088</u>	<u>\$ 392,926</u>	<u>\$ 867,829</u>	<u>\$ 828,829</u>

As mentioned previously, net assets of governmental activities increased \$57,838 or 6 percent during 2007. The primary reasons contributing to the increases in cash balances are as follows:

- Increases in salaries were 3% based on current negotiated agreements.
- The Village had several streets that were in very poor condition that needed extensive repairs costing in excess of \$6,500.
- Table 2 reflects the changes in net assets on a cash basis in 2007 and 2006 for governmental activities, business-type activities and total primary government.

Table 2 reflects the changes in net assets on a cash basis in 2007 and 2006 for governmental activities, business-type activities and total primary government.

Village of West Liberty, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2007
Unaudited

(Table 2)

Changes in Net Assets

	Governmental		Business Type		Total	Total
	Activities		Activities			
	2007	2006	2007	2006	2007	2006
Receipts:						
Program Receipts:						
Charges for Services and Sales	\$ 108,554	\$ 109,134	\$ 670,567	\$ 671,790	\$ 779,121	\$ 780,924
Operating Grants and Contributions	<u>120,344</u>	<u>130,172</u>	<u>-</u>	<u>-</u>	<u>120,344</u>	<u>130,172</u>
Total Program Receipts	228,898	239,306	670,567	671,790	899,465	911,096
General Receipts:						
Property and Other Taxes	269,050	271,378	-	-	269,050	271,378
Grants and Entitlements not Restricted to Specific Purpose	214,048	203,694			214,048	203,694
Interest	26,109	23,819			26,109	23,819
Miscellaneous	<u>95,549</u>	<u>31,887</u>	<u>3,590</u>	<u>9,629</u>	<u>99,139</u>	<u>41,516</u>
Total General Receipts	<u>604,756</u>	<u>530,778</u>	<u>3,590</u>	<u>9,629</u>	<u>608,346</u>	<u>540,407</u>
Total Receipts	<u>833,654</u>	<u>770,084</u>	<u>674,157</u>	<u>681,419</u>	<u>1,507,811</u>	<u>1,451,503</u>
Disbursements:						
General Government	118,984	146,940			118,984	146,940
Security of Persons and Property	366,565	442,429			366,565	442,429
Public Health Services	146,472	117,713			146,472	117,713
Leisure Time Activities	12,054	14,364			12,054	14,364
Community Environment	2,050	1,858			2,050	1,858
Transportation	97,856	95,163			97,856	95,163
Capital Outlay	7,988	17,750			7,988	17,750
Debt Service:						
Principal	16,600	16,600		-	16,600	16,600
Water			282,812	259,650	282,812	259,650
Sewer			268,837	269,313	268,837	269,313
Garbage/Rubbish Collection			145,529	142,832	145,529	142,832
Other Enterprise Funds	<u>-</u>	<u>-</u>	<u>3,541</u>	<u>4,588</u>	<u>3,541</u>	<u>4,588</u>
Total Disbursements	768,569	852,817	700,719	676,383	1,469,288	1,529,200
Excess (Deficiency) Before Transfers	65,085	(82,733)	(26,562)	5,036	38,523	(77,697)
Special Items	478	829				
Net Advances	-	-				
Net Transfers	<u>(7,724)</u>	<u>(7,507)</u>	<u>7,724</u>	<u>7,507</u>	<u>-</u>	<u>-</u>
Increase (decrease) in Net Assets	57,839	(89,411)	(18,838)	12,543	38,523	(77,697)
Net Assets, January 1	<u>435,902</u>	<u>525,313</u>	<u>392,926</u>	<u>380,384</u>	<u>828,828</u>	<u>905,697</u>
Net Assets, December 31	<u>\$ 493,741</u>	<u>\$ 435,902</u>	<u>\$ 374,088</u>	<u>\$ 392,927</u>	<u>\$ 867,829</u>	<u>\$ 828,829</u>

Village of West Liberty, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2007
Unaudited

Program receipts represent only 27 percent of total receipts and are primarily comprised of restricted intergovernmental receipts such as motor vehicle license and gas tax money, building permits and EMS and Fire Contracts for nearby townships.

Disbursements for General Government represent the overhead costs of running the Village and the support services provided for the other Government activities. These include the costs of council, and the auditor, treasurer, as well as internal services such as payroll and purchasing. Since these costs do not represent direct services to residents, we try to limit these costs to 20% percent of General Fund unrestricted receipts.

Security of Persons and Property are the costs of police, emergency medical services and fire protection; Public Health Services is the health department; Leisure Time Activities are the costs of maintaining the parks and playing fields.

Governmental Activities

If you look at the Statement of Activities, you will see that the first column lists the major services provided by the Village. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are capital outlay and security of persons and property, which account for 2 percent and 29 percent of all governmental disbursements, respectively. General government also represents a significant cost, about 57 percent. The next three columns of the Statement entitled Program Receipts identify amounts paid by people who are directly charged for the service and grants received by the Government that must be used to provide a specific service. The net Receipt (Disbursement) column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3.

Business-type Activities

The water operation of the Village is relatively moderate and routinely reports receipts and cash disbursements that are relatively equal. The infrastructure is beginning to age and the Village has begun discussing the need for major repairs and how these will be funded. We have also received notification from the Ohio EPA that improvements may be necessary to satisfy new water quality standards.

**Village of West Liberty, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2007
Unaudited**

(Table 3)

	Governmental Activities			
	Total Cost Of Services	Net Cost of Services	Total Cost Of Services	Net Cost of Services
	<u>2007</u>	<u>2007</u>	<u>2006</u>	<u>2006</u>
General Government	\$ 118,984	\$ 77,528	\$ 146,940	\$ 102,019
Security of Persons and Property	366,565	293,535	442,429	367,182
Public Health Services	146,472	71,315	117,712	37,948
Leisure Time Activities	12,054	12,054	14,364	14,364
Economic Development	2,050	1,450	1,858	1,088
Basic Utilities	-	(4,440)	-	(3,000)
Transportation	97,857	63,642	95,163	59,559
Capital Outlay	7,988	7,988	17,750	17,750
Principal Retirement	16,600	16,600	16,600	16,600
Total Expenses	<u>\$ 768,570</u>	<u>\$ 539,672</u>	<u>\$ 852,816</u>	<u>\$ 613,510</u>

The dependence upon property and income tax receipts is apparent as over 70 percent of governmental activities are supported through these general receipts.

The Village's Funds

Total governmental funds had receipts of \$834,133 and disbursements of \$768,567. The greatest change within governmental funds occurred within the General Fund. The fund balance of the General Fund increased \$18,428 as the result of cutting budgets.

General Fund receipts were more than disbursements by \$32,568 indicating that the General Fund cut back a considerable amount.

General Fund Budgeting Highlights

The Village's budget is prepared according to Ohio law and is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

During 2007, the Village amended its General Fund budget several times to reflect changing circumstances. Final budgeted receipts were below original budgeted receipts due to unexpected slow growth and property tax. The difference between final budgeted receipts and actual receipts was not significant. Final disbursements were budgeted at \$550,200 while actual disbursements were \$469,885. The Village kept spending very close to budgeted amounts as demonstrated by the minor reported variances.

**Village of West Liberty, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2007
Unaudited**

Debt Administration

Debt

At December 31, 2007, the Village's outstanding debt included \$120,350 in general interest free loan to for fire truck, and \$595,082 in water/sewer interest free loans. For further information regarding the Village's debt, refer to Note 10 to the basic financial statements.

Current Issues

The challenge for all Villages is to provide quality services to the public while staying within the restrictions imposed by limited, and in some cases shrinking, funding. We rely heavily on property taxes and have very little industry to support the tax base. Our newly prepared financial forecast predicts a deficit for 2008; therefore, the finance committee and the administration implemented a strategy to delay the deficit. This plan became effective for 2007. We reviewed our sources of revenue and determined that increases were unlikely. We then reviewed the disbursement history of the Village. All departments have been asked to reduce their spending for supplies by 10-20 percent.

Contacting the Village's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Village's finances and to reflect the Village's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Cindee M Boyd, Clerk-Treasurer, Ohio 201 N. Detroit St. PO Box 187 West Liberty, Ohio 43357.

VILLAGE OF WEST LIBERTY
LOGAN COUNTY, OHIO
Statement of Net Assets - Cash Basis
December 31, 2007

	Governmental Activities	Business - Type Activities	Total
Assets			
Equity in Pooled Cash and Cash Equivalents	\$ 246,489	\$ 174,088	\$ 420,577
Investments	247,252	200,000	447,252
Total Assets	<u>\$ 493,741</u>	<u>\$ 374,088</u>	<u>\$ 867,829</u>
Net Assets			
Restricted for:			
Permanent Fund: flowers for graves			
Expendable	\$ 5,135	\$ -	\$ 5,135
Nonexpendable	22,252	-	22,252
Other Purposes	235,624	40,830	276,454
Unrestricted	<u>230,730</u>	<u>333,258</u>	<u>563,988</u>
Total Net Assets	<u>\$ 493,741</u>	<u>\$ 374,088</u>	<u>\$ 867,829</u>

See accompanying notes to the financial statement

**VILLAGE OF WEST LIBERTY
LOGAN COUNTY, OHIO
Statement of Activities - Cash Basis
For the Year Ended December 31, 2007**

	Program Cash Receipts			
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
Security of Persons and Property	\$ 366,565	\$ 73,030	\$ -	\$ -
Public Health Services	146,472	29,162	45,995	-
Leisure Time Activities	12,054	-	-	-
Community Environment	2,050	600	-	-
Basic Utility Services	-	4,440	-	-
Transportation	97,857	-	34,215	-
General Government	118,984	1,322	40,134	-
Capital Outlay	7,988	-	-	-
Debt Service:				
Principal	16,600	-	-	-
Interest	-	-	-	-
Other	-	-	-	-
Total Governmental Activities	<u>768,570</u>	<u>108,554</u>	<u>120,344</u>	<u>-</u>
Business Type Activities				
Water Operating/Pumping	282,812	245,152	-	-
Advance Water/Sewer Deposits	2,538	3,071	-	-
Sewer Operating/Pumping	268,837	244,852	-	-
Garbage/Rubbish Advance Deposits	1,003	1,008	-	-
Garbage/Rubbish Collection Fund	145,529	176,484	-	-
Total Business Type Activities	<u>700,719</u>	<u>670,567</u>	<u>-</u>	<u>-</u>
Total Primary Government	<u>\$ 1,469,289</u>	<u>\$ 779,121</u>	<u>\$ 120,344</u>	<u>\$ -</u>

General Receipts

Property Taxes
Other Taxes
Grants and Entitlements not Restricted to Specific Programs
Sale of Notes
Other Debt Proceeds
Earnings on Investments
Miscellaneous
 Total General Receipts

Special Items

Transfers

 Total General Receipts, Special, Transfers and Advances

Change in Net Assets

Net Assets Beginning of Year

Net Assets End of Year

See accompanying notes to the financial statements

Net (Disbursements) Receipts and Changes in Net Assets

Governmental Activities	Business-Type Activities	Total
\$ (293,535)	\$ -	\$ (293,535)
(71,315)	-	(71,315)
(12,054)	-	(12,054)
(1,450)	-	(1,450)
4,440	-	4,440
(63,642)	-	(63,642)
(77,528)	-	(77,528)
(7,988)	-	(7,988)
-	-	-
(16,600)	-	(16,600)
-	-	-
-	-	-
(539,672)	-	(539,672)
-	(37,660)	(37,660)
-	533	533
-	(23,985)	(23,985)
-	5	5
-	30,955	30,955
-	(30,152)	(30,152)
\$ (539,672)	\$ (30,152)	\$ (569,824)
\$ 260,929	\$ -	\$ 260,929
8,121	-	8,121
214,048	-	214,048
-	-	-
-	-	-
26,109	-	26,109
95,549	3,590	99,139
604,756	3,590	608,346
478	-	478
(7,724)	7,724	-
597,510	11,314	608,824
57,838	(18,838)	39,000
435,903	392,926	828,829
\$ 493,741	\$ 374,088	\$ 867,829

See accompanying notes to the financial statements

VILLAGE OF WEST LIBERTY
LOGAN COUNTY, OHIO
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2007

	GENERAL	STREET CONSTRUCTION MAINT./REPAIR	EMS OPERATING/ REVENUE	BROWN EXPENDABLE	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
Assets						
Equity in Pooled Cash and Cash Equivalents	\$ 30,730	\$ 14,510	\$ 34,229	\$ 60,907	\$ 106,113	\$ 246,489
Investments	200,000	-	-	25,000	22,252	247,252
Total Assets	<u>\$ 230,730</u>	<u>\$ 14,510</u>	<u>\$ 34,229</u>	<u>\$ 85,907</u>	<u>\$ 128,365</u>	<u>\$ 493,741</u>
Fund Balances						
Reserved:						
Reserved for Encumbrances	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved:						
Undesignated, Reported in:						
General Fund	230,730	-	-	-	-	230,730
Special Revenue Funds	-	14,510	34,229	85,907	100,978	235,624
Permanent Fund	-	-	-	-	27,387	27,387
Total Fund Balances	<u>\$ 230,730</u>	<u>\$ 14,510</u>	<u>\$ 34,229</u>	<u>\$ 85,907</u>	<u>\$ 128,365</u>	<u>\$ 493,741</u>

See accompanying notes to the financial statements

VILLAGE OF WEST LIBERTY
LOGAN COUNTY, OHIO
Statement of Cash Receipts, Cash Disbursements and Changes in Cash Basis Fund Balances
Governmental Funds
For the Year Ended December 31, 2007

	GENERAL	STREET CONSTRUCTION MAINT./REPAIR	EMS OPERATING/ REVENUE	BROWN EXPENDABLE	OTHER GOVERNMENTAL FUNDS	TOTAL
Receipts						
Property and Other Local Taxes	\$ 260,929	\$ -	\$ -	\$ -	\$ 8,121	\$ 269,050
Intergovernmental	119,895	-	-	-	51,571	171,466
Special Assessments	478	68,773	-	-	-	69,251
Charges for Services	74,916	1,440	121,146	3,000	29,162	229,664
Fines, Licenses and Permits	1,922	-	-	-	-	1,922
Earnings on Investments	24,589	304	-	-	1,216	26,109
Miscellaneous	19,724	-	-	46,905	42	66,671
Total Receipts	<u>502,453</u>	<u>70,517</u>	<u>121,146</u>	<u>49,905</u>	<u>90,112</u>	<u>834,133</u>
Disbursements						
Current:						
Security of Persons and Property	312,892	-	9,278	-	44,395	366,565
Public Health Services	-	-	95,389	26,182	24,901	146,472
Leisure Time Activities	12,054	-	-	-	-	12,054
Community Environment	2,050	-	-	-	-	2,050
Transportation	7,306	85,537	-	-	5,013	97,856
General Government	118,983	-	-	-	-	118,983
Capital Outlay	-	-	-	7,987	-	7,987
Debt Service:						
Principal Retirement	16,600	-	-	-	-	16,600
Interest and Fiscal Charges	-	-	-	-	-	-
Total Disbursements	<u>469,885</u>	<u>85,537</u>	<u>104,667</u>	<u>34,169</u>	<u>74,309</u>	<u>768,567</u>
Excess of Receipts Over (Under) Disbursements	<u>32,568</u>	<u>(15,020)</u>	<u>16,479</u>	<u>15,736</u>	<u>15,803</u>	<u>65,566</u>
Other Financing Sources (Uses)						
Sale of Notes	-	-	-	-	-	-
Other Debt Proceeds	-	-	-	-	-	-
Transfers In	8,890	15,000	-	501	1,109	25,500
Transfers Out	(24,335)	-	(8,890)	-	-	(33,225)
Advances In	1,935	-	-	-	6,168	8,103
Advances Out	(630)	-	-	-	(7,473)	(8,103)
Other Financing Uses	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>(14,140)</u>	<u>15,000</u>	<u>(8,890)</u>	<u>501</u>	<u>(196)</u>	<u>(7,725)</u>
Net Change in Fund Balances	18,428	(20)	7,589	16,237	15,607	57,841
Fund Balances Beginning of Year	<u>212,302</u>	<u>14,530</u>	<u>26,641</u>	<u>69,671</u>	<u>112,758</u>	<u>435,902</u>
Fund Balances End of Year	<u>\$ 230,730</u>	<u>\$ 14,510</u>	<u>\$ 34,230</u>	<u>\$ 85,908</u>	<u>\$ 128,365</u>	<u>\$ 493,743</u>

See accompanying notes to the financial statements

VILLAGE OF WEST LIBERTY
LOGAN COUNTY, OHIO
Statement of Cash Receipts, Cash Disbursements and Changes
in Cash Basis Fund Balance - Budget and Actual -Budget Basis
General Fund
For the Year Ended December 31, 2007

	Budgeted Amounts			(Optional)
	Original	Final	Actual	Variance with Final Budget Positive (Negative)
Receipts				
Property and Other Local Taxes	\$ 265,000	\$ 265,000	\$ 260,929	\$ (4,071)
Intergovernmental	92,050	92,050	119,895	27,845
Special Assessments	500	500	478	(22)
Charges for Services	85,000	85,000	74,916	(10,084)
Fines, Licenses and Permits	10,000	10,000	1,922	(8,078)
Earnings on Investments	15,000	15,000	24,589	9,589
Miscellaneous	15,000	15,000	19,724	4,724
Total receipts	482,550	482,550	502,453	19,903
Disbursements				
Current:				
Security of Persons and Property	342,100	342,300	312,892	29,408
Leisure Time Activities	32,000	32,000	12,054	19,946
Community Environment	2,300	2,300	2,050	250
Transportation	20,000	8,000	7,306	694
General Government	149,000	149,000	118,983	30,017
Capital Outlay	-	-	-	-
Debt Service:				
Principal Retirement	16,600	16,600	16,600	-
Interest and Fiscal Charges	-	-	-	-
Total Disbursements	562,000	550,200	469,885	80,315
Excess of Receipts Over (Under) Disbursements	(79,450)	(67,650)	32,568	100,218
Other Financing Sources (Uses)				
Sale of Fixed Assets	-	-	-	-
Transfers In	2,000	2,000	8,890	6,890
Transfers Out	(15,000)	(27,000)	(24,335)	2,665
Advances In	450	450	1,935	1,485
Advances Out	-	-	(630)	(630)
Other Financing Uses	(13,600)	(13,600)	-	13,600
Total Other Financing Sources (Uses)	(26,150)	(38,150)	(14,140)	24,010
Net Change in Fund Balance	(105,600)	(105,800)	18,428	124,228
Fund Balance Beginning of Year	212,302	212,302	212,302	-
Prior Year Encumbrances Appropriated	-	-	-	-
Fund Balance End of Year	\$ 106,702	\$ 106,502	\$ 230,730	\$ 124,228

See accompanying notes to the financial statements

**VILLAGE OF WEST LIBERTY
LOGAN COUNTY, OHIO**
**Statement of Cash Receipts, Cash Disbursements and Changes
in Cash Basis Fund Balance - Budget and Actual -Budget Basis**
Street Construction Maintenance & Repair Fund
For the Year Ended December 31, 2007

	Budgeted Amounts		Actual	(Optional)
	Original	Final		Variance with Final Budget Positive (Negative)
Receipts				
Property and Other Local Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	68,000	68,000	68,773	773
Charges for Services	2,000	2,000	1,440	(560)
Earnings on Investments	-	-	304	304
Miscellaneous	-	-	-	-
Total receipts	<u>70,000</u>	<u>70,000</u>	<u>70,517</u>	<u>517</u>
Disbursements				
Current:				
Transportation	96,900	96,900	85,537	11,363
General Government	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Disbursements	<u>96,900</u>	<u>96,900</u>	<u>85,537</u>	<u>11,363</u>
Excess of Receipts Over (Under) Disbursements	<u>(26,900)</u>	<u>(26,900)</u>	<u>(15,020)</u>	<u>11,880</u>
Other Financing Sources (Uses)				
Sale of Fixed Assets	-	-	-	-
Transfers In	15,000	15,000	15,000	-
Transfers Out	-	-	-	-
Advances In	-	-	-	-
Advances Out	-	-	-	-
Other Financing Sources	-	-	-	-
Other Financing Uses	-	-	-	-
Total Other Financing Sources (Uses)	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>	<u>-</u>
Net Change in Fund Balance	(11,900)	(11,900)	(20)	11,880
Fund Balance Beginning of Year	14,530	14,530	14,530	
Prior Year Encumbrances Appropriated	-	-	-	-
Fund Balance End of Year	<u>\$ 2,630</u>	<u>\$ 2,630</u>	<u>\$ 14,510</u>	<u>\$ 11,880</u>

See accompanying notes to the financial statements

VILLAGE OF WEST LIBERTY
LOGAN COUNTY, OHIO
Statement of Receipts, Disbursements and Changes
in Cash Basis Fund Balance - Budget and Actual -Budget Basis
EMS Operating/Revenue Fund
For the Year Ended December 31, 2007

	Budgeted Amounts			(Optional) Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Intergovernmental	\$ 107,900	\$ 107,900	\$ -	\$ (107,900)
Charges for Services	-	-	121,146	121,146
Earnings on Investments	100	100	-	(100)
Miscellaneous	-	-	-	-
Total receipts	108,000	108,000	121,146	13,146
Disbursements				
Current:				
Security of Persons and Property	7,500	10,600	9,278	1,322
Public Health Services	94,600	111,600	95,389	16,211
Capital Outlay	-	-	-	-
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Disbursements	102,100	122,200	104,667	17,533
Excess of Receipts Over (Under) Disbursements	5,900	(14,200)	16,479	30,679
Other Financing Sources (Uses)				
Sale of Fixed Assets	-	-	-	-
Transfers In	-	-	-	-
Transfers Out	(8,890)	(8,890)	(8,890)	-
Advances In	-	-	-	-
Advances Out	-	-	-	-
Total Other Financing Sources (Uses)	(8,890)	(8,890)	(8,890)	-
Net Change in Fund Balance	(2,990)	(23,090)	7,589	30,679
Fund Balance Beginning of Year	26,641	26,641	26,641	-
Prior Year Encumbrances Appropriated	-	-	-	-
Fund Balance End of Year	\$ 23,651	\$ 3,551	\$ 34,230	\$ 30,679

See accompanying notes to the financial statements

VILLAGE OF WEST LIBERTY
LOGAN COUNTY, OHIO
Statement of Cash Receipts, Cash Disbursements and Changes
in Cash Basis Fund Balance - Budget and Actual -Budget Basis
Brown Expendable Fund
For the Year Ended December 31, 2007

	<u>Budgeted Amounts</u>			(Optional) Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Charges for Services	\$ 3,000	\$ 3,000	\$ 3,000	\$ -
Earnings on Investments	300	300	-	(300)
Miscellaneous	<u>31,200</u>	<u>31,200</u>	<u>46,905</u>	<u>15,705</u>
Total receipts	<u>34,500</u>	<u>34,500</u>	<u>49,905</u>	<u>15,405</u>
Disbursements				
Current:				
Public Health Services	34,300	34,250	26,182	8,068
Capital Outlay	2,500	8,500	7,987	513
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Disbursements	<u>36,800</u>	<u>42,750</u>	<u>34,169</u>	<u>8,581</u>
Excess of Receipts Over (Under) Disbursements	<u>(2,300)</u>	<u>(8,250)</u>	<u>15,736</u>	<u>23,986</u>
Other Financing Sources (Uses)				
Transfers In	500	500	501	1
Transfers Out	-	-	-	-
Advances In	-	-	-	-
Advances Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>500</u>	<u>500</u>	<u>501</u>	<u>1</u>
Net Change in Fund Balance	(1,800)	(7,750)	16,237	23,987
Fund Balance Beginning of Year	69,671	69,671	69,671	-
Prior Year Encumbrances Appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance End of Year	<u>\$ 67,871</u>	<u>\$ 61,921</u>	<u>\$ 85,908</u>	<u>\$ 23,987</u>

See accompanying notes to the financial statements

VILLAGE OF WEST LIBERTY
LOGAN COUNTY, OHIO
Statement of Fund Net Assets - Cash Basis
Business-Type Funds
December 31, 2007

	<u>WATER OPERATING/ PUMPING</u>	<u>SEWER OPERATING/ PUMPING</u>	<u>GARBAGE/ RUBBISH COLLECTION</u>	<u>OTHER ENTERPRISE FUNDS</u>	<u>TOTAL ENTERPRISE FUNDS</u>
Assets					
Equity in Pooled Cash and Cash Equivalents	\$ 18,860	\$ 12,436	\$ 101,962	\$ 40,830	\$ 174,088
Investments	<u>100,000</u>	<u>100,000</u>	<u>-</u>	<u>-</u>	<u>200,000</u>
Total Assets	<u>\$ 118,860</u>	<u>\$ 112,436</u>	<u>\$ 101,962</u>	<u>\$ 40,830</u>	<u>\$ 374,088</u>
Net Assets					
Restricted for:					
Capital Projects	\$ -	\$ -	\$ -	\$ -	\$ -
Other Purposes	-	-	-	40,830	40,830
Unrestricted	<u>118,860</u>	<u>112,436</u>	<u>101,962</u>	<u>-</u>	<u>333,258</u>
Total Net Assets	<u>\$ 118,860</u>	<u>\$ 112,436</u>	<u>\$ 101,962</u>	<u>\$ 40,830</u>	<u>\$ 374,088</u>

See accompanying notes to the financial statements

**VILLAGE OF WEST LIBERTY
LOGAN COUNTY, OHIO
Statement of Cash Receipts,
Cash Disbursements and Changes in Net Cash Assets
Business-Type Funds
For the Year Ended December 31, 2007**

	WATER OPERATING/ PUMPING FUND	SEWER OPERATING/ PUMPING FUND	GARBAGE/ RUBBISH COLLECTION FUND	OTHER ENTERPRISE FUNDS	TOTAL ENTERPRISE FUNDS
Operating Receipts					
Charges for Services	\$ 245,152	\$ 244,852	\$ 176,484	\$ 4,079	\$ 670,567
Other Operating Receipts	3,042	550	-	-	3,592
Total Operating Receipts	<u>248,194</u>	<u>245,402</u>	<u>176,484</u>	<u>4,079</u>	<u>674,159</u>
Operating Disbursements					
Personal Services	88,659	79,578	56,772	-	225,009
Employee Fringe Benefits	34,811	33,776	20,834	-	89,421
Contractual Services	82,274	78,620	49,512	-	210,406
Supplies and Materials	63,069	18,003	13,464	-	94,536
Other	-	-	-	3,542	3,542
Total Operating Disbursements	<u>268,813</u>	<u>209,977</u>	<u>140,582</u>	<u>3,542</u>	<u>622,914</u>
Operating Income (Loss)	<u>(20,619)</u>	<u>35,425</u>	<u>35,902</u>	<u>537</u>	<u>51,245</u>
Non-Operating Receipts (Disbursements)					
Capital Outlay	(13,499)	(19,128)	(4,947)	-	(37,574)
Principal Payments	(500)	(39,733)	-	-	(40,233)
Other Financing Sources	-	-	-	-	-
Other Financing Uses	-	-	-	-	-
Total Non-Operating Receipts (Disbursements)	<u>(13,999)</u>	<u>(58,861)</u>	<u>(4,947)</u>	<u>-</u>	<u>(77,807)</u>
Income (Loss) before Transfers and Advances	<u>(34,618)</u>	<u>(23,436)</u>	<u>30,955</u>	<u>537</u>	<u>(26,562)</u>
Transfers In	4,124	3,600	-	-	7,724
Transfers Out	-	-	-	-	-
Advances In	-	-	-	-	-
Advances Out	-	-	-	-	-
Change in Net Assets	(30,494)	(19,836)	30,955	537	(18,838)
Net Assets Beginning of Year	<u>149,354</u>	<u>132,272</u>	<u>71,007</u>	<u>40,293</u>	<u>392,926</u>
Net Assets End of Year	<u>\$ 118,860</u>	<u>\$ 112,436</u>	<u>\$ 101,962</u>	<u>\$ 40,830</u>	<u>\$ 374,088</u>

See accompanying notes to the financial statements

**VILLAGE OF WEST LIBERTY
LOGAN COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED
DECEMBER 31, 2008 AND 2007**

Note 1 – Description of the Entity

The Village of West Liberty, Logan County, Ohio is a political body and corporation established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly elected six-member Council governs the Village. The Mayor is elected to a four-year term.

The Village provides road repair and maintenance, cemetery maintenance, water and sewer utilities, garbage and recycling services, park operations, fire services, emergency medical services, and police services.

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, provides road repair and maintenance, cemetery maintenance, water and sewer utilities, garbage and recycling services, park operations, fire services, emergency medical services, and police services.

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.

**VILLAGE OF WEST LIBERTY
LOGAN COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED
DECEMBER 31, 2008 AND 2007**

Note 2 – Summary of Significant Accounting Policies

These financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the U.S. (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. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principle Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. Following are the more significant of the Village's accounting policies.

A. Basis of Presentation

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

Government-Wide Financial Statements

The statement of net assets and the statement of activities display information about the Village as a whole. These financial statements include the financial activity of the primary government. 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 assets presents the cash and investment balances 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-type activity is self-financing on a cash basis or draws from the Village's general receipts.

**VILLAGE OF WEST LIBERTY
LOGAN COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED
DECEMBER 31, 2008 AND 2007**

Note 2 – Summary of Significant Accounting Policies (continued)

A. Basis of Presentation (continued)

Fund Financial Statements

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 separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

Proprietary fund statements distinguish operating transactions from nonoperating transactions. Operating receipts generally result from 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 proprietary 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 as to use. The funds of the Village are divided into two categories, governmental and proprietary.

Governmental Funds

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

General Fund – This fund accounts 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.

Street Construction, Maintenance and Repair Fund – This fund receives gasoline tax and motor vehicle tax money for constructing, maintaining, and repairing Village streets.

**VILLAGE OF WEST LIBERTY
LOGAN COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED
DECEMBER 31, 2008 AND 2007**

Note 2 – Summary of Significant Accounting Policies (continued)

B. Fund Accounting (continued)

Governmental Funds (continued)

Emergency Medical Services Fund (EMS) – This fund collects revenue from the billing of emergency medical services and expenditures are for maintaining the department.

Brown Expendable – This trust fund receives money from rent of land and a house given to the Village. Revenue generated is used to maintain a specified lot in Fairview Cemetery and for the maintenance of this cemetery.

Other governmental funds of the Village are used to account for grants and other resources, and capital projects whose use is restricted to a particular purpose.

Proprietary Funds

The Village classifies funds financed primarily from user charged for goods or services as proprietary. Proprietary funds are classified as enterprise funds. Following are the Village's major enterprise funds:

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.

Garbage/Rubbish Fund – The garbage/rubbish fund accounts for the provision of garbage and recycling services to the residents and commercial users within the Village.

**VILLAGE OF WEST LIBERTY
LOGAN COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED
DECEMBER 31, 2008 AND 2007**

Note 2 – Summary of Significant Accounting Policies (continued)

C. Basis of Accounting

The Village's financial statements are prepared using the cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. 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.

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 liabilities and the related expenses) 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 certificate of estimated resources and the appropriations ordinance, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources establishes a limit on the amount the Village Council 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 Clerk-Treasurer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificated of estimated resources in effect at the time final appropriations were passed by the Village Council.

**VILLAGE OF WEST LIBERTY
LOGAN COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED
DECEMBER 31, 2008 AND 2007**

Note 2 – Summary of Significant Accounting Policies (continued)

D. Budgetary Process (continued)

The appropriations ordinance is subject to amendment throughout the year with the restriction 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.

Appropriations for the Sewer Fund exceeded the estimated resources and actual resources of the Sewer Fund in 2008.

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.

During 2008 and 2007, the Village invested in nonnegotiable certificates of deposit. The nonnegotiable certificates of deposit are reported at cost.

Interest earnings are allocated to Village funds according to State statutes, grant requirements, or debt related restrictions.

F. 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.

G. 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.

**VILLAGE OF WEST LIBERTY
LOGAN COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED
DECEMBER 31, 2008 AND 2007**

Note 2 – Summary of Significant Accounting Policies (continued)

H. 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.

I. Accumulated Leave

In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Village's cash basis of accounting.

J. 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 postretirement health care benefits.

K. 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 an other financing source nor a capital outlay expenditure is reported at inception. Lease payments are reported when paid.

L. Net Assets

Net assets are 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 assets restricted for other purposes include resources restricted for streets, emergency medical services, Fairview Cemetery, and contracted police services. The Village first applies restricted sources when incurring a disbursement for which either restricted or unrestricted resources are available. There are no amounts restricted by enabling legislation.

**VILLAGE OF WEST LIBERTY
LOGAN COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED
DECEMBER 31, 2008 AND 2007**

Note 2 – Summary of Significant Accounting Policies (continued)

M. 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.

Note 3 – Deposits and Investments

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

Active monies are public monies 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. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;

**VILLAGE OF WEST LIBERTY
LOGAN COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED
DECEMBER 31, 2008 AND 2007**

Note 3 – Deposits and Investments (continued)

2. Bonds, notes, debentures, or any other obligation or security issued 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 government agencies or instrumentalities;
3. 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;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. 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;
7. 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.

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 2008 and 2007, none of the Village's deposits were exposed to custodial credit risk.

**VILLAGE OF WEST LIBERTY
LOGAN COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED
DECEMBER 31, 2008 AND 2007**

Note 3 – Deposits and Investments (continued)

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 a 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, 2008 the Village had the following investments. All maturities were for terms of one year.

	Carrying Value <u>12/31/08</u>	<u>Maturity</u>
Certificate of Deposit	\$1,000	2/1/09
Certificate of Deposit	14,000	2/1/09
Certificate of Deposit	4,752	2/24/09
Certificate of Deposit	2,500	5/15/09
Certificate of Deposit	100,000	5/7/09
Certificate of Deposit	50,000	4/27/09
Certificate of Deposit	50,000	5/6/09
Certificate of Deposit	25,000	6/12/09
Certificate of Deposit	150,000	9/18/09
Certificate of Deposit	<u>50,000</u>	3/18/09
Total Investments	\$447,252	

As of December 31, 2007 the Village had the following investments. All maturities were for terms of one year.

	Carrying Value <u>12/31/07</u>	<u>Maturity</u>
Certificate of Deposit	\$1,000	2/1/08
Certificate of Deposit	14,000	2/1/08
Certificate of Deposit	4,752	2/24/08
Certificate of Deposit	2,500	5/15/08
Certificate of Deposit	100,000	5/7/08
Certificate of Deposit	50,000	4/27/08
Certificate of Deposit	50,000	5/6/08
Certificate of Deposit	25,000	6/12/08
Certificate of Deposit	150,000	9/18/08
Certificate of Deposit	<u>50,000</u>	3/18/08
Total Investments	\$447,252	

**VILLAGE OF WEST LIBERTY
LOGAN COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED
DECEMBER 31, 2008 AND 2007**

Note 4 – 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 and any major special revenue fund are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference(s) between the budgetary basis and the cash basis is (are) outstanding year end encumbrances are treated as cash disbursements (budgetary basis) rather than as a reservation of fund balance (cash basis) and outstanding year end advances are treated as an other financing source or use (budgetary basis) rather than as an interfund receivable or payable (cash basis). There were no outstanding encumbrances at December 31, 2008 or 2007.

Note 5 – Property Tax

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the Village. Property tax receipts received in 2007 (2008) represent the collection of 2006 (2007) taxes. Property tax payments received during 2007 (2008) for tangible personal property (other than public utility property) were for 2007 (2008).

2007 (2008) real property taxes were levied after October 1, 2006 (2007), on the assessed values as of January 1, 2006 (2007), the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. 2007 (2008) real property taxes are collected in and intended to finance 2008 (2009).

Real property taxes are payable annually or semi-annually. If semiannually, the first payment is on the third Wednesday in February, with the remainder payable by the third Wednesday in July.

Public utility tangible property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2007 (2008) public utility property taxes which became a lien on December 31, 2006 (2007), were levied after October 1, 2007 (2008), and are collected in 2008 (2009) with real property taxes.

**VILLAGE OF WEST LIBERTY
LOGAN COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED
DECEMBER 31, 2008 AND 2007**

Note 5 – Property Tax (continued)

2007 (2008) tangible personal property were levied after October 1, 2006 (2007), on the true value as of December 31, 2006 (2007). Collections were made in 2007 (2008). Tangible personal property assessments are being phased out – the assessment percentage for all property including inventory for 2007 was 12.5 percent. This was reduces to 56.25 percent for 2008, and zero for 2009. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, the payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder due September 20.

The full tax rate for all village operations for 2008 and 2007 was \$11.10 per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which property tax receipts were based are as follows:

2008

Real Property	
Residential	\$ 18,936,170
Agriculture	25,640
Industrial	1,215,400
Commercial	4,636,890
Public Utility Property-Personal	417,770
Tangible Personal Property	1,130,150
Total Assessed Value	\$ 26,162,020

2007

Real Property	
Residential	\$ 18,277,150
Agriculture	22,400
Industrial	1,130,950
Commercial	4,129,120
Public Utility - Personal	1,478,030
Tangible Personal Property	593,230
Total Assessed Value	\$ 25,630,880

The Logan County Treasurer collects property taxes on behalf of all taxing districts in the county, including the Village. The County Auditor periodically remits to the Village its portion of the taxes collected.

**VILLAGE OF WEST LIBERTY
LOGAN COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED
DECEMBER 31, 2008 AND 2007**

Note 6 – Risk Management

Commercial Insurance

The Village has obtained commercial insurance for the following risks:

- Property coverage
- Auto coverage
- Inland marine
- General liability
- Umbrella coverage

Note 7 – Interfund Receivable/Payable

Interfund balances at December 31, 2008 consisted of the following individual fund receivable and payables:

Due to the General Fund from:	
Community Service Fund	\$ 2,138
Total General Fund	<u>\$ 2,138</u>
Due to the Grants Fund from:	
Community Service Fund	\$ 3,138
Total Grants Fund	<u>\$ 3,138</u>

The balance due to the General Fund includes a loan made to provide working capital for a community police program. The balance due to the Grants Fund was a loan to provide working capital for a community police program. All of these amounts are expected to be repaid.

Interfund balances at December 31, 2007 consisted of the following individual fund receivable and payables:

Due to the Grants Fund from:	
Community Service Fund	\$ 3,138
Total Grants Fund	<u>\$ 3,138</u>

The balance due to the Grants Fund includes a loan made to provide working capital for a community police program. All of these amounts are expected to be repaid.

**VILLAGE OF WEST LIBERTY
LOGAN COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED
DECEMBER 31, 2008 AND 2007**

Note 8 – Defined Benefit Pension Plans

A. Ohio Public Employees Retirement System

Plan Description - The Village participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers 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 the 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.

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 by Chapter 145 of the Ohio Revised Code. OPERS issues 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) 222-6705 or (800) 222-7377.

Funding Policy - The Ohio Revised Code provides statutory authority for member and employer contributions. For the years ended December 31, 2008 and 2007, members in state and local classifications contributed 10 and 9.5 percent of covered payroll, respectively.

The Village's contribution rate for pension benefits for 2008 was 14.0 percent and 13.77 percent for 2007. For the year ended December 31, 2008, a portion of the Village's contribution equal to 7.0 percent of covered payroll was allocated to fund the post employment healthcare plan. For the period January 1, through June 30, 2007, a portion of the Village's contribution equal to 5.0 percent of covered payroll was allocated to fund the post employment healthcare plan; for the period July 1 through December 31, 2007 this amount was increased to 6.0 percent. Employer contribution rates are actuarially determined. State statute sets a maximum contribution rate of the Village of 14 percent, except for public safety and law enforcement, where the maximum employer contribution rate is 18.1 percent.

**VILLAGE OF WEST LIBERTY
LOGAN COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED
DECEMBER 31, 2008 AND 2007**

Note 8 – Defined Benefit Pension Plans (continued)

The Village's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2008, 2007, and 2006 were \$71,261, \$67,331, and \$59,228 respectively. The full amount has been contributed for 2008, 2007, and 2006.

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 the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy - Plan members are required to contribute 10.0% of their annual covered salary, while the Village is required to contribute 19.50% and 24% for police officers and firefighters, respectively. Contribution rates are established by State Statute. For 2008 and 2007, a portion of the Village's contribution equal to 6.75 percent of covered payroll was allocated to fund the post employment healthcare plan. The Village's required contributions to OP&F for the years ended December 31, 2008, 2007, and 2006 were \$14,496, \$16,708, and \$18,613, respectively; 100% has been contributed for 2008, 2007, and 2006.

Note 9 - Post Employment Benefits

A. Ohio Employees Retirement System

Plan description - The Ohio Public Employees Retirement System (OPERS) maintains a cost-sharing multiple-employer defined benefit post employment healthcare plan for qualifying members of both the traditional and combined pension plans. Members of the member-directed plan do not qualify for ancillary benefits, including postretirement healthcare. The plan includes a medical plan, a prescription drug program and Medicare Part B premium reimbursement.

**VILLAGE OF WEST LIBERTY
LOGAN COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED
DECEMBER 31, 2008 AND 2007**

Note 9 - Post Employment Benefits (continued)

To qualify for post employment healthcare coverage, age and service retirees under the traditional and combined plans must have ten or more years of qualifying Ohio service credit. Healthcare coverage for disability benefit recipients and qualified survivor benefit recipients is available. The Ohio Revised Code permits, but does not require, OPERS to provide healthcare benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

Disclosures for the healthcare plan are presented separately in the OPERS financial report which may be obtained 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 post employment healthcare plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). State statute requires that public employers fund post employment healthcare through contributions to OPERS. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of post employment healthcare.

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2008 and 2007, local government employers contributed 14 and 13.77 percent, respectively, of covered payroll. Each year, the OPERS retirement board determines the portion of the employer contribution rate that will be set aside for funding post employment healthcare benefits. The amount of the employer contribution which was allocated to fund post employment healthcare was 7.0 and 4.55 percent of covered payroll for 2008 and 2007 respectively.

The retirement board is also authorized to establish rules for the payment of a portion of the healthcare benefits by the retiree or the retiree's surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not make contributions to the post employment healthcare plan.

The Village's contributions allocated to fund post employment healthcare benefits for the years ended December 31, 2008, 2007, and 2006 were \$71,261, \$67,331, and \$59,228, respectively. The full amount has been contributed for 2008, 2007, and 2006.

On September 30, 2004 the OPERS Retirement Board adopted a Health Care Preservation Plan which was effective January 1, 2007. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007, and January 1, 2008, which allowed additional funds to be allocated to the healthcare plan.

**VILLAGE OF WEST LIBERTY
LOGAN COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED
DECEMBER 31, 2008 AND 2007**

Note 9 - Post Employment Benefits (continued)

B. Ohio Police and Fire Pension Fund

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

OP&F provides access to postretirement healthcare coverage for any person who receives or is eligible to receive a monthly service, disability, or survivor benefit or is a spouse or eligible dependent child of such person.

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 healthcare 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.

Funding policy – OP&F's postemployment healthcare plan was established and is administered as an Internal Revenue Code 401(h) account within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OP&F Board of Trustees. The Ohio Revised Code sets the contribution rates for participating employers and for plan members to the OP&F. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 10 percent and 24 percent of covered payroll for police and fire employers, respectively.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made to the pension plan to the 401(h) account as the employer contribution for retiree healthcare benefits. For the year ended December 31, 2008 and 2007, the employer contribution allocated to the healthcare plan was 6.75 percent of covered payroll. The amount of employer contributions allocated to the healthcare plan each year is subject to the trustees' primary responsibility to ensure that pension benefits are adequately funded and also is limited by the provisions of Section 401(h).

**VILLAGE OF WEST LIBERTY
LOGAN COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED
DECEMBER 31, 2008 AND 2007**

Note 9 - Post Employment Benefits (continued)

The OP&F Board of Trustees is also authorized to establish requirements for contributions to the healthcare 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. Active members do not make contributions to the OPEB Plan.

The Village's contributions to OP&F which were allocated to fund post employment healthcare benefits for police were \$14,496 for the year ended December 31, 2008, \$16,708 for the year ended December 31, 2007, and \$18,613 for the year ended December 31, 2006. The full amount has been contributed for 2008, 2007, and 2006.

C. Social Security

Sixteen officials and employees contribute to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants. For 2008, employees contributed 6.2 percent of their gross salaries. The Village contributed an amount equal to 6.2 percent of participant's gross salaries.

Note 10 – Debt

The Village's long-term debt activity for the year ended December 31, 2008, was as follows:

	Interest Rate	Balance 12/31/07	Proceeds	Payments	Balance 12/31/08	Due Within One Year
<u>Governmental:</u>						
2005 Small Gov't Fire Dept. Loan	0%	\$ 120,350	\$ -	(\$ 16,600)	\$ 103,750	\$ 16,600
Total		<u>\$ 120,350</u>	<u>\$ -</u>	<u>(\$ 16,600)</u>	<u>\$ 103,750</u>	<u>\$ 16,600</u>

	Interest Rate	Balance 12/31/07	Proceeds	Payments	Balance 12/31/08	Due Within One Year
<u>Business-type:</u>						
1998 OPWC Loan #1	0%	\$ 98,096	\$ -	(\$ 9,810)	\$ 88,287	\$ 9,810
1998 OPWC Loan #2	0%	3,250	-	(500)	2,750	500
2003 OPWC Loan #3	0%	493,734	-	(29,923)	463,811	29,923
2008 Bank Loan	4.66%	0	17,265	(1,029)	16,236	3,208
Total		<u>\$ 595,080</u>	<u>\$ 17,265</u>	<u>(\$ 41,262)</u>	<u>\$ 571,084</u>	<u>\$ 43,441</u>

**VILLAGE OF WEST LIBERTY
LOGAN COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED
DECEMBER 31, 2008 AND 2007**

Note 10 – Debt (continued)

The Village’s long-term debt activity for the year ended December 31, 2007, was as follows:

	Interest Rate	Balance 12/31/06	Proceeds	Payments	Balance 12/31/07	Due Within One Year
<u>Governmental:</u>						
2005 Small Gov’t Fire Dept. Loan	0%	\$ 136,950	\$ -	(\$ 16,600)	\$ 120,350	\$ 16,600
Total		\$ 136,950	\$ -	(\$ 16,600)	\$ 120,350	\$ 16,600
	Interest Rate	Balance 12/31/06	Proceeds	Payments	Balance 12/31/07	Due Within One Year
<u>Business-type:</u>						
1998 OPWC Loan #1	0%	\$ 107,906	\$ -	(\$ 9,810)	\$ 98,096	\$ 9,810
1998 OPWC Loan #2	0%	3,750	-	(500)	3,250	500
2003 OPWC Loan #3	0%	523,658	-	(29,923)	493,734	29,923
Total		\$ 635,314	\$ -	(\$ 40,233)	\$ 595,080	\$ 40,233

The Ohio Public Works Commission (OPWC) loan #1 relates to a sanitary sewer system rehabilitation project. The loan was issued in 1998 at a 0% interest rate. The OPWC approved a \$196,193 loan to the Village for this project. Semi-annual installments of \$4,905 are required over a twenty year period.

The Ohio Public Works Commission (OPWC) loan #2 relates to a sludge management project undertaken by the Village. The loan was issued in 1998 at a 0% interest rate. The OPWC approved a \$10,000 loan to the Village for this project. Semi-annual installments of \$250 are required over a twenty year period.

The Ohio Public Works Commission (OPWC) loan #3 relates to a sanitary sewer rehabilitation project. The loan was issued in 2003 at a 0% interest rate. The OPWC approved a \$598,500 loan to the Village for this project. Semi-annual installments of \$14,962 are required over a twenty year period.

The Small Government Fire Department Services Revolving Loan Program note is for the Pierce Commercial Contender Pumper. The loan was issued in 2005 at a 0% interest rate. The Ohio Department of Commerce, Division of State Fire Marshall approved a \$166,000 loan to the Village. Quarterly installments of \$4,150 are required for ten year. The first payment was made in July of 2005.

**VILLAGE OF WEST LIBERTY
LOGAN COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED
DECEMBER 31, 2008 AND 2007**

Note 10 – Debt (continued)

The bank loan note is for a 1990 International 4900 Septic Vacuum Tank Truck. The loan was issued in 2008 at a 4.66% interest rate. The Citizens Bank approved a \$17,265 loan to the Village. Monthly principal and interest installments of \$324 are required for 60 months. The loan is secured by the vacuum truck. The first payment was made in September of 2008.

The debt service requirements for governmental activities outstanding at December 31, 2008 are as follows:

Year	Small Gov't Fire Loan
2009	\$ 16,600
2010	16,600
2011	16,600
2012	16,600
2013	16,600
2014–2018	20,750
2018-2023	0
Totals	\$ 103,750

The debt service requirements for business type activities outstanding at December 31, 2008 are as follows:

Year	OPWC Note #1	OPWC Note #2	OPWC Note #3	2008 Bank Loan
2009	\$ 9,810	\$ 500	\$ 29,923	\$ 3,884
2010	9,810	500	29,923	3,884
2011	9,810	500	29,923	3,884
2012	9,810	500	29,923	3,884
2013	9,810	500	29,923	2,229
2014–2018	39,239	250	149,617	0
2018-2023	0	0	149,617	0
2024-2028	0	0	14,962	0
Totals	\$ 88,287	\$ 2,750	\$463,811	\$ 17,765

The Ohio Revised Code provides that net general obligation debt of the Village, exclusive of certain exempt debt, issued without a vote of the electors shall never exceed 5.5 percent of the tax valuation of the Village. The Revised Code further provides that total voted and unvoted net debt of the Village less the same exempt debt shall never exceed amount equal to 10.5 percent of its tax valuation. The Village has no general obligation debt.

**VILLAGE OF WEST LIBERTY
LOGAN COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED
DECEMBER 31, 2008 AND 2007**

Note 11 – Interfund Transfers and Advances

During 2008 the following transfers were made:

Transfers from the General Fund to:	
Street Construction, Maintenance and Repair	\$ 15,000
Brown Expendable Trust	877
Cemetery Endowment	861
Water Operating	3,507
Sewer Operating	3,508
Total Transfers from the General Fund	<u>\$ 23,753</u>
Transfer from EMS Operating to General Fund	<u>\$ 5,000</u>

Interfund advances at December 31, 2008, consisted of the following individual fund receivable and payable:

Due to Community Service Fund from General	<u>\$ 2,138</u>
Due to Grant Fund from Police Community Service Fund	<u>\$ 3,138</u>

During 2007 the following transfers were made:

Transfers from the General Fund to:	
Street Construction, Maintenance, and Repair	\$ 15,000
Brown Expendable	501
Cemetery Endowment	1,109
Water Operating	4,124
Sewer Operating	3,600
Total Transfers from the General Fund	<u>\$ 24,334</u>
Transfers from EMS Operating to General Fund:	<u>\$ 8,890</u>

Interfund advances at December 31, 2007, consisted of the following individual fund receivable and payable:

Due to Grant Fund from Police Community Service Fund	<u>\$ 3,138</u>
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In 2007, the Police Community Service Fund paid \$1,200 toward this loan. At December 31, 2008, this loan was not yet repaid.

**VILLAGE OF WEST LIBERTY
LOGAN COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED
DECEMBER 31, 2008 AND 2007**

Note 12 – Fund Cash Balances

The Governmental Net Assets at January 1, 2008 reflect an increase of \$1 from the Governmental Net Assets at December 31, 2007. The January 1, 2007 balance reflects clearing adjustments of \$1 for warrants written in 2007 and cashed in 2008.

Note 13 - Related Party Transactions

A 2007 Village Council Member owns Liberty Oil and Gas and Firestone, which provides gasoline and vehicle services to the Village. During 2007 the amount paid to Liberty Oil and Gas and Firestone was \$12,381.

A Village Council Member is related to a secretary employed by the Village.

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**Report on Internal Control Over Financial Reporting and on Compliance
and Other Matters Based on an Audit of Financial Statements Performed in
Accordance with *Government Auditing Standards***

Village of West Liberty
Logan County
P.O. Box 187
West Liberty, Ohio 43357

To the Honorable Mayor and Village Council:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of West Liberty, Logan County, Ohio (the Village) as of and for the years ended December 31, 2008, and December 31, 2007, and have issued our report thereon dated June 18, 2009, wherein we noted the Village of West Liberty prepared its financial statements on the cash basis, a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Village's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

Village of West Liberty

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Page 2

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify and deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our test disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings as items 2008-01 through 2008-03. We have also noted certain immaterial instances of noncompliance that we have reported to the management of the Village in a separate letter dated June 18, 2009.

In addition, we noted other matters involving control and its operations and compliance and other matters that we reported to the management of the Village in a separate letter dated June 18, 2009.

This report is intended for the information and use of the Village Council and its management, and is not intended to be and should not be used by anyone other than these specified parties.

Taylor, Applegate, Hughes & Assoc., Ltd.

Taylor, Applegate, Hughes and Associates, Ltd.
June 18, 2009

**VILLAGE OF WEST LIBERTY
LOGAN COUNTY, OHIO
SCHEDULE OF FINDINGS
DECEMBER 31, 2008 AND 2007**

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

FINDING NUMBER 2008-01

Noncompliance

Ohio Rev. Code, Section 5705.41(D)(1) prohibits a subdivision or taxing entity from making any contract or ordering any expenditure of money unless a certificate signed by the fiscal officer is attached thereto. The fiscal officer must certify that the amount required to meet any such contract or expenditure has been lawfully appropriated and is in the treasury, or is in the process of collection to the credit of an appropriate fund free from any previous encumbrance.

There are several exceptions to the standard requirement state above that a fiscal officer's certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The main exceptions are: "then and now" certificates, blanket certificates, and super blanket certificates, which are provided for in sections 5705.41(D)(1) and 5705.41(D)(3), respectively, of the Ohio Revised Code.

1. **"Then and Now" Certificate** – If the fiscal officer can certify that both at the time that the contract or order was made ("then"), and at the time that the fiscal officer is completing the certification ("now"), that sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the Village can authorize the drawing of a warrant for the payment of the amount due. The Village has thirty days from the receipt of the "then and now" certificate to approve payment by ordinance or resolution. Amounts of less than \$3,000 may be paid by the fiscal officer without a resolution or ordinance upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the Village.
2. **Blanket Certificate** – Fiscal officers may prepare "blanket" certificates not exceeding \$5,000 (an amount established by resolution or ordinance adopted by a majority of the members of the legislative authority, effective September 26, 2003) against any specific line item account over a period not running beyond the end of the current fiscal year. The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.

**VILLAGE OF WEST LIBERTY
LOGAN COUNTY, OHIO
SCHEDULE OF FINDINGS
DECEMBER 31, 2008 AND 2007**

FINDING NUMBER 2008-01 (continued)

3. **Super Blanket Certificate** – The Village may also make expenditures and contracts for any amount from a specific line-item appropriation account in a specified fund upon certification of the fiscal officer for most professional services, fuel, oil, food items, and any other specific recurring and reasonably predictable operating expense. This certification is not to extend beyond the current year. More than one super blanket certificate may be outstanding at a particular time for any line item appropriation.

During 2008 and 2007, the Village used purchase orders as though they were blanket certificates or super blanket certificates for recurring expenditures such as utilities, landfill charges, etc. Blanket certificates or super blanket certificates may be used for recurring expenses. Otherwise, a new purchase order should be used for each monthly charge.

Unless the exceptions noted above are used, prior certification is not only required by statute but is a key control in the disbursement process to assure that purchase commitments receive prior approval. To improve controls over disbursements and to help reduce the possibility of the Village's funds exceeding budgetary spending limitations, the Village Fiscal Officer should certify that the funds are or will be available prior to the obligation by the Village. When prior certification is not possible, "then and now" certification should be used.

The Village should certify purchases to which section 5705.41(D) applies. The most convenient certification method is to use purchase orders that include the certification language 5705.41(D) requires to authorize disbursements. The Fiscal Officer should sign the certification at the time the Village incurs a commitment, and only when the requirements of 5705.41(D) are satisfied. The Fiscal Officer should post approved purchase commitments to the proper appropriation code, to reduce the available appropriation.

The Village should also establish a dollar amount for blanket purchase orders via a resolution. Failure to establish a dollar amount for blanket purchase orders could result in overspending and misappropriation of funds. We recommend that Council establish a dollar amount for blanket purchase orders via a resolution in the minutes.

Official's Response: The Fiscal Officer has conveyed to Village employees the importance of turning in requests for purchases as soon as possible so she can certify the funds properly.

**VILLAGE OF WEST LIBERTY
LOGAN COUNTY, OHIO
SCHEDULE OF FINDINGS
DECEMBER 31, 2008 AND 2007**

FINDING NUMBER 2008-02

Noncompliance

Ohio Revised Code Section 5705.36 (A)(4) states that upon a determination by the fiscal officer that the revenue to be collected will be less than the amount in the official certificate of estimated resources, requires obtaining a reduced amended certificate if the amount of the deficiency will reduce available resources below the current level of appropriation.

At December 31, 2008, the Village had appropriations greater than actual resources, in the following fund:

	<u>Actual Resources</u>	<u>Appropriations</u>	<u>Variance</u>
Sewer Fund	\$388,134	\$484,145	(\$96,011)

By appropriating more funds than actual resources, the Village is at risk of spending more money than is available; this may result in deficit fund balances. The appropriations ledger should be monitored by Village officials to periodically compare appropriations to actual resources and obtain decreased amended appropriations as needed.

Official's Response: The Village planned to borrow \$100,000 for the Sewer Fund and then decided not borrowing funds.

FINDING NUMBER 2008-03

Noncompliance

Ohio Revised Code Section 5705.39 states that total appropriations from each fund shall not exceed the total official estimate or amended official estimated revenue available for expenditure.

At December 31, 2008, the following fund had appropriations in excess of estimated resources:

	<u>Estimated Resources</u>	<u>Appropriations</u>	<u>Variance</u>
Sewer Fund	\$397,403	\$484,145	(\$86,742)

Failure to determine that appropriations are within estimated resources could lead to deficit spending and deficit fund balances. The appropriation ledger should be monitored by Village officials to periodically verify that appropriations are within total estimated resources.

Official's Response: The Village planned to borrow \$100,000 for the Sewer Fund and then decided not borrowing funds.

**VILLAGE OF WEST LIBERTY
LOGAN COUNTY, OHIO
SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2008 AND 2007**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2006-001	O.R.C. Sec. 5705.41(D) – Village did not properly certify the availability of funds prior to purchase commitments	No	Partially corrected. Repeated as finding number 2008-01.



Mary Taylor, CPA
Auditor of State

VILLAGE OF WEST LIBERTY

LOGAN 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
SEPTEMBER 8, 2009