

**Village of West Liberty
Logan County, Ohio
Financial Statements
December 31, 2010 and 2009**



Dave Yost • Auditor of State

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

We have reviewed the *Independent Auditor's Report* of the Village of West Liberty, Logan County, prepared by Taylor, Applegate, Hughes & Associates, Ltd., for the audit period January 1, 2009 through December 31, 2010. 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.

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

Dave Yost
Auditor of State

August 31, 2011

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**Village of West Liberty
Logan County, Ohio
Financial Statements
December 31, 2010 and 2009**

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INDEPENDENT AUDITOR'S 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, 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, 2010 and 2009, 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, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of West Liberty, Logan County, Ohio, as of December 31, 2010 and 2009, 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 years December 31, 2010 and 2009 in conformity with the basis of accounting Note 2 describes.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 8, 2011, 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.

Accounting principles generally accepted in the United States of America require this presentation to include Management's discussion and analysis. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statement in an appropriate operation, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any other assurance.

Taylor, Applegate, Hughes & Assoc., Ltd.

Taylor, Applegate, Hughes and Associates, Ltd.
June 8, 2011

Village of West Liberty, Logan County Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2010
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, 2010, 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

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 2010 decreased compared to 2009 as most resident taxes decreased. The General Fund balance is down a little because of the purchase of a new cruiser and engineering fees for the Columbus St. Project. We also received two inheritance checks in the amount of \$68,000 which was a blessing. A new tornado siren was installed from a Logan County EMA grant, with the remaining balance split among Green Hills, Adriel School and the Village. (Our portion was \$5,100).

The Garbage/Rubbish Fund has decreased because we had to pay for curbside recycling the entire year. However trash taken to the dump was down, with 956.60 TN for 2009 and 888.03 TN for 2010. Trash rates were increased by \$1.00 for all residents in December, 2009.

Emergency Medical Services revenue for the EMS Fund has decreased since runs were down to 560, compared to 628 in 2009. Salaries were increased by about \$15,000 for on-call employees, and the ambulance needed repairs in the amount of \$5,500.

The Police Department is still mentoring for Adriel School, but only 20 hours per week were needed.

The Fire Department is still paying on the fire truck in the amount of \$16,600 per year.

Water and Sewer Funds are looking up. Water Fund revenue was up because the Board of Public Affairs decided to raise water rates by \$5.00 over a 6-month period. Sewer Fund revenue was up because the Board of Public Affairs decided to raise sewer rates by \$5.00 over a 6-month period. We cannot receive any grants because our water/sewer rates are too low, so this prompted the Board to increase rates. Expenditures stayed about the same, except that a new well was installed at WTP for the amount of \$22,000.

Brown Fund revenue increased by about \$16,000 because the farm lease was renegotiated at an increased charge per acre.

Village of West Liberty, Logan County Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2010
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.

Reporting the Government as a Whole

The statement of net assets and the statement of activities reflect how the Village did financially during 2010, 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.

Village of West Liberty, Logan County Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2010
Unaudited

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, an increase or decrease 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 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 Government 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 two business-type activities, the provision of water and the collection of garbage. Business-type activities are financed by a fee charged to the customers receiving the service.

Reporting the Government'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, Street Construction Maintenance and Repair, EMS Operating, and Brown Expendable 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 Operating, Sewer Operating, and Garbage/Rubbish Funds.

Village of West Liberty, Logan County Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2010
Unaudited

The Government as a Whole

Table 1 provides a summary of the Village's net assets for 2010 compared to 2009 on a cash basis:

(Table 1)
Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Assets						
Cash and Cash Equivalents	\$ 683,755	\$ 664,905	\$ 446,181	\$ 371,051	\$ 1,129,936	\$ 1,035,956
Total Assets	<u>\$ 683,755</u>	<u>\$ 664,905</u>	<u>\$ 446,181</u>	<u>\$ 371,051</u>	<u>\$ 1,129,936</u>	<u>\$ 1,035,956</u>
Net Assets						
Restricted for:						
Permanent Fund:						
Expendable	6,453	6,335	-	-	6,453	6,335
Nonexpendable	22,252	22,252	-	-	22,252	22,252
Other Purpose	259,931	232,096	43,405	42,405	303,336	274,501
Unrestricted	<u>395,119</u>	<u>404,222</u>	<u>402,776</u>	<u>328,646</u>	<u>797,895</u>	<u>732,868</u>
Total Net Assets	<u>\$ 683,755</u>	<u>\$ 664,905</u>	<u>\$ 446,181</u>	<u>\$ 371,051</u>	<u>\$ 1,129,936</u>	<u>\$ 1,035,956</u>

- 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 \$21,000, but Logan County Engineering had money to cover this cost.

Village of West Liberty, Logan County Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2010
Unaudited

Table 2 reflects the changes in net assets on a cash basis in 2010 and 2009 for governmental activities, business-type activities and total primary government.

(Table 2)

Changes in Net Assets

	Governmental Activities		Business Type Activities		Total 2010	Total 2009
	2010	2009	2010	2009		
Receipts:						
Program Receipts:						
Charges for Services & Sales	\$ 280,339	\$ 282,783	\$ 822,150	\$ 730,887	\$ 1,102,489	\$ 1,013,670
Operating Grants & Contributions	74,817	75,379	-	-	74,817	75,379
Capital Grants & Contributions	-	1,000	-	-	-	1,000
Total Program Receipts	<u>355,156</u>	<u>359,162</u>	<u>822,150</u>	<u>730,887</u>	<u>1,177,306</u>	<u>1,090,049</u>
General Receipts:						
Property & Other Taxes	284,016	282,379	-	-	284,016	282,379
Grants & Entitlements	150,145	155,033	-	-	150,145	155,033
Interest	12,540	17,388	-	-	12,540	17,388
Miscellaneous	86,663	78,382	3,973	600	90,636	78,982
Proceeds from Loan	-	-	-	114,540	-	114,540
Total General Receipts	<u>533,364</u>	<u>533,182</u>	<u>3,973</u>	<u>115,140</u>	<u>537,337</u>	<u>648,322</u>
Total Receipts	<u>888,520</u>	<u>892,344</u>	<u>826,123</u>	<u>846,027</u>	<u>1,714,643</u>	<u>1,738,371</u>
Disbursements:						
General Government	130,906	136,874	-	-	130,906	136,874
Security of Persons & Property	393,413	355,713	-	-	393,413	355,713
Public Health Services	195,280	175,200	-	-	195,280	175,200
Leisure Time Activities	14,436	13,807	-	-	14,436	13,807
Community Environment	2,189	2,135	-	-	2,189	2,135
Transportation	112,621	120,554	-	-	112,621	120,554
Capital Outlay	980	9,029	-	-	980	9,029
Debt Service	16,600	16,600	-	-	16,600	16,600
Other	-	55,602	-	-	-	55,602
Water	-	-	272,482	274,684	272,482	274,684
Sewer	-	-	272,141	398,285	272,141	398,285
Garbage/Rubbish Collection	-	-	<u>209,615</u>	<u>201,323</u>	<u>209,615</u>	<u>201,323</u>
Total Disbursements	<u>866,425</u>	<u>885,514</u>	<u>754,238</u>	<u>874,292</u>	<u>1,620,663</u>	<u>1,759,806</u>
Change in Net Assets Before Transfers	22,095	6,830	71,885	(28,265)	93,980	(21,435)
Net Transfers	<u>(3,245)</u>	<u>(4,993)</u>	<u>3,245</u>	<u>4,993</u>	<u>-</u>	<u>-</u>
Change in Net Assets	18,850	1,837	75,130	(23,272)	93,980	(21,435)
Net Assets, January 1	<u>664,905</u>	<u>663,068</u>	<u>371,051</u>	<u>394,323</u>	<u>1,035,956</u>	<u>1,057,391</u>
Net Assets, December 31	<u>\$ 683,755</u>	<u>\$ 664,905</u>	<u>\$ 446,181</u>	<u>\$ 371,051</u>	<u>\$ 1,129,936</u>	<u>\$ 1,035,956</u>

Village of West Liberty, Logan County Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2010
Unaudited

Program receipts represent only 40 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 security of persons and property and public health services, which account for 45 percent and 23 percent of all governmental disbursements, respectively. General government also represents a significant cost, about 15 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.

(Table 3)

Governmental Activities

	Total Cost of Services 2010	Net Cost of Services 2010	Total Cost of Services 2009	Net Cost of Services 2009
General Government	\$ 130,906	\$ 87,714	\$ 136,874	\$ 94,189
Security of Persons & Property	393,413	288,392	355,713	265,443
Public Health Services	195,280	25,844	175,200	(11,141)
Leisure Time Activities	14,436	14,436	13,807	13,807
Community Environment	2,189	1,834	2,135	340
Basic Utilities	-	(4,175)	-	(3,548)
Transportation	112,621	79,644	120,554	86,031
Capital Outlay	980	980	9,029	9,029
Principal Retirement	16,600	16,600	16,600	16,600
Other	-	-	55,602	55,602
	<u>\$ 866,425</u>	<u>\$ 511,269</u>	<u>\$ 885,514</u>	<u>\$ 526,352</u>

Village of West Liberty, Logan County Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2010
Unaudited

The dependence upon property and income tax receipts is apparent as over 32 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. Receipts have increased this year due to increasing the water/sewer rates by \$10 over the last 6 months. The infrastructure is beginning to age and the Village has begun discussing the need for major repairs.

The Government's Funds

Total governmental funds had receipts of \$888,518 and disbursements of \$866,424. The fund balance of the General Fund has decreased by about \$9,100 in spite of receiving \$68,000 in inheritance tax. We have paid about \$15,000 for engineering fees and we purchased a cruiser which was \$27,000.

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 2010, the Village amended its General Fund budget several times to reflect changing circumstances. Final budgeted receipts were above original budgeted receipts due to an unexpected inheritance tax check of \$68,000.

Final disbursements were budgeted at \$622,850. Actual disbursements were \$537,809, which is about typical.

Debt Administration

Debt

At December 31, 2009, the Village's outstanding debt included \$87,150 in a general interest-free loan for the fire truck, and \$514,618 in water/sewer interest-free loans. For further information regarding the Village's debt, refer to Loan CM631, CM14A, CM10F, and revolving loan.

Village of West Liberty, Logan County Ohio
Management's Discussion and Analysis
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Unaudited

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.

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, 201 N. Detroit St., P.O. Box 187, West Liberty, Ohio 43357.

VILLAGE OF WEST LIBERTY
LOGAN COUNTY, OHIO
Statement of Net Assets - Cash Basis
December 31, 2010

	Governmental Activities	Business - Type Activities	Total
Assets			
Equity in Pooled Cash and Cash Equivalents	\$ 683,755	\$ 446,181	\$ 1,129,936
Total Assets	<u>\$ 683,755</u>	<u>\$ 446,181</u>	<u>\$ 1,129,936</u>
Net Assets			
Restricted for:			
Permanent Fund: flowers for graves			
Expendable	\$ 6,453	\$ -	\$ 6,453
Nonexpendable	22,252	-	22,252
Other Purposes	259,931	43,405	303,336
Unrestricted	<u>395,119</u>	<u>402,776</u>	<u>797,895</u>
Total Net Assets	<u>\$ 683,755</u>	<u>\$ 446,181</u>	<u>\$ 1,129,936</u>

See accompanying notes to the basic financial statement

**VILLAGE OF WEST LIBERTY
LOGAN COUNTY, OHIO
Statement of Activities - Cash Basis
For the Year Ended December 31, 2010**

	Program Cash Receipts				Net (Disbursements) Receipts and Changes in Net Assets		
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
Security of Persons and Property	\$ 393,413	\$ 105,021	\$ -	\$ -	\$ (288,392)	\$ -	\$ (288,392)
Public Health Services	195,280	169,436	-	-	(25,844)	-	(25,844)
Leisure Time Activities	14,436	-	-	-	(14,436)	-	(14,436)
Community Environment	2,189	355	-	-	(1,834)	-	(1,834)
Basic Utility Services	-	4,175	-	-	4,175	-	4,175
Transportation	112,621	-	32,977	-	(79,644)	-	(79,644)
General Government	130,906	1,352	41,840	-	(87,714)	-	(87,714)
Capital Outlay	980	-	-	-	(980)	-	(980)
Debt Service:					-		
Principal	16,600	-	-	-	(16,600)	-	(16,600)
Total Governmental Activities	<u>866,425</u>	<u>280,339</u>	<u>74,817</u>	<u>-</u>	<u>(511,269)</u>	<u>-</u>	<u>(511,269)</u>
Business Type Activities							
Water Operating/Pumping	270,404	315,337	-	-	-	44,933	44,933
Advance Water/Sewer Deposits	2,078	2,812	-	-	-	734	734
Sewer Operating/Pumping	272,141	318,463	-	-	-	46,322	46,322
Garbage/Rubbish Advance Deposits	660	927	-	-	-	267	267
Garbage/Rubbish Collection Fund	208,955	184,611	-	-	-	(24,344)	(24,344)
Total Business Type Activities	<u>754,238</u>	<u>822,150</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>67,912</u>	<u>67,912</u>
Total Primary Government	<u>\$ 1,620,663</u>	<u>\$ 1,102,489</u>	<u>\$ 74,817</u>	<u>\$ -</u>	<u>\$ (511,269)</u>	<u>\$ 67,912</u>	<u>\$ (443,357)</u>
General Receipts							
Property Taxes					\$ 232,852	\$ -	\$ 232,852
Other Taxes					16,739	-	16,739
Grants and Entitlements not Restricted to Specific Programs					196,774	-	196,774
Earnings on Investments					12,540	-	12,540
Miscellaneous					74,459	3,973	78,432
Total General Receipts					<u>533,364</u>	<u>3,973</u>	<u>537,337</u>
Transfers					(3,245)	3,245	-
Total General Receipts, Special, Transfers and Advances					<u>530,119</u>	<u>7,218</u>	<u>537,337</u>
Change in Net Assets					18,850	75,130	93,980
Net Assets Beginning of Year					<u>664,905</u>	<u>371,051</u>	<u>1,035,956</u>
Net Assets End of Year					<u>\$ 683,755</u>	<u>\$ 446,181</u>	<u>\$ 1,129,936</u>

See accompanying notes to the basic financial statements

**VILLAGE OF WEST LIBERTY
LOGAN COUNTY, OHIO
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2010**

	GENERAL	STREET CONSTRUCTION MAINT./REPAIR	EMS OPERATING/ REVENUE	BROWN EXPENDABLE	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
Assets						
Equity in Pooled Cash and Cash Equivalents	\$ 395,119	\$ 12,918	\$ 13,609	\$ 97,820	\$ 164,289	\$ 683,755
Total Assets	<u>\$ 395,119</u>	<u>\$ 12,918</u>	<u>\$ 13,609</u>	<u>\$ 97,820</u>	<u>\$ 164,289</u>	<u>\$ 683,755</u>
Fund Balances						
Reserved:						
Reserved for Encumbrances	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved:						
Undesignated, Reported in:						
General Fund	395,119	-	-	-	-	395,119
Special Revenue Funds	-	12,918	13,609	97,820	135,584	259,931
Permanent Fund	-	-	-	-	28,705	28,705
Total Fund Balances	<u>\$ 395,119</u>	<u>\$ 12,918</u>	<u>\$ 13,609</u>	<u>\$ 97,820</u>	<u>\$ 164,289</u>	<u>\$ 683,755</u>

See accompanying notes to the basic 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, 2010

	GENERAL	STREET CONSTRUCTION MAINT./REPAIR	EMS OPERATING/ REVENUE	BROWN EXPENDABLE	OTHER GOVERNMENTAL FUNDS	TOTAL
Receipts						
Property and Other Local Taxes	\$ 232,852	\$ -	\$ -	\$ -	\$ 8,336	\$ 241,188
Intergovernmental	196,774	69,206	-	-	5,611	271,591
Charges for Services	89,271	1,175	142,575	3,000	42,611	278,632
Fines, Licenses and Permits	10,110	-	-	-	-	10,110
Earnings on Investments	11,950	54	-	-	536	12,540
Miscellaneous	21,798	-	4,974	47,685	-	74,457
Total Receipts	<u>562,755</u>	<u>70,435</u>	<u>147,549</u>	<u>50,685</u>	<u>57,094</u>	<u>888,518</u>
Disbursements						
Current:						
Security of Persons and Property	359,354	-	18,827	-	15,231	393,412
Public Health Services	-	-	142,069	31,434	21,776	195,279
Leisure Time Activities	14,436	-	-	-	-	14,436
Community Environment	2,189	-	-	-	-	2,189
Transportation	14,323	96,229	-	-	2,069	112,621
General Government	130,907	-	-	-	-	130,907
Capital Outlay	-	-	-	980	-	980
Debt Service:						
Principal Retirement	16,600	-	-	-	-	16,600
Total Disbursements	<u>537,809</u>	<u>96,229</u>	<u>160,896</u>	<u>32,414</u>	<u>39,076</u>	<u>866,424</u>
Excess of Receipts Over (Under) Disbursements	<u>24,946</u>	<u>(25,794)</u>	<u>(13,347)</u>	<u>18,271</u>	<u>18,018</u>	<u>22,094</u>
Other Financing Sources (Uses)						
Transfers In	-	30,000	-	406	399	30,805
Transfers Out	(34,049)	-	-	-	-	(34,049)
Total Other Financing Sources (Uses)	<u>(34,049)</u>	<u>30,000</u>	<u>-</u>	<u>406</u>	<u>399</u>	<u>(3,244)</u>
Net Change in Fund Balances	(9,103)	4,206	(13,347)	18,677	18,417	18,850
Fund Balances Beginning of Year	<u>404,222</u>	<u>8,712</u>	<u>26,956</u>	<u>79,143</u>	<u>145,872</u>	<u>664,905</u>
Fund Balances End of Year	<u>\$ 395,119</u>	<u>\$ 12,918</u>	<u>\$ 13,609</u>	<u>\$ 97,820</u>	<u>\$ 164,289</u>	<u>\$ 683,755</u>

See accompanying notes to the basic 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, 2010

	Budgeted Amounts			(Optional)
	Original	Final	Actual	Variance with Final Budget Positive (Negative)
Receipts				
Property and Other Local Taxes	\$ 240,000	\$ 240,000	\$ 232,852	\$ (7,148)
Intergovernmental	75,050	75,050	196,774	121,724
Special Assessments	400	400	-	(400)
Charges for Services	128,050	128,050	89,271	(38,779)
Fines, Licenses and Permits	2,500	2,500	10,110	7,610
Earnings on Investments	16,000	16,000	11,950	(4,050)
Miscellaneous	25,000	25,000	21,798	(3,202)
Total receipts	487,000	487,000	562,755	75,755
Disbursements				
Current:				
Security of Persons and Property	386,050	386,050	359,354	26,696
Leisure Time Activities	23,400	23,400	14,436	8,964
Community Environment	2,500	2,500	2,189	311
Transportation	52,000	48,000	14,323	33,677
General Government	146,400	146,300	130,907	15,393
Debt Service:				
Principal Retirement	16,600	16,600	16,600	-
Total Disbursements	626,950	622,850	537,809	85,041
Excess of Receipts Over (Under) Disbursements	(139,950)	(135,850)	24,946	160,796
Other Financing Sources (Uses)				
Transfers In	8,000	8,000	-	(8,000)
Transfers Out	(30,000)	(34,100)	(34,049)	51
Other Financing Uses	(25,000)	(25,000)	-	25,000
Total Other Financing Sources (Uses)	(47,000)	(51,100)	(34,049)	17,051
Net Change in Fund Balance	(186,950)	(186,950)	(9,103)	177,847
Unencumbered Cash Balance Beginning of Year	404,222	404,222	404,222	-
Unencumbered Cash Balance End of Year	\$ 217,272	\$ 217,272	395,119	\$ 177,847
Unclaimed Money			-	
Permanent Funds (Nonexpendable)			-	
Unencumbered Undesignated Fund Balance			\$ 395,119	

See accompanying notes to the basic 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, 2010

	Budgeted Amounts		Actual	(Optional) Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Intergovernmental	\$ 63,000	\$ 63,000	\$ 69,206	\$ 6,206
Charges for Services	1,800	1,800	1,175	(625)
Earnings on Investments	200	200	54	(146)
Total receipts	65,000	65,000	70,435	5,435
Disbursements				
Current:				
Transportation	97,600	97,600	96,229	1,371
Total Disbursements	97,600	97,600	96,229	1,371
Excess of Receipts Over (Under) Disbursements	(32,600)	(32,600)	(25,794)	6,806
Other Financing Sources (Uses)				
Transfers In	30,000	30,000	30,000	-
Total Other Financing Sources (Uses)	30,000	30,000	30,000	-
Net Change in Fund Balance	(2,600)	(2,600)	4,206	6,806
Unencumbered Cash Balance Beginning of Year	8,712	8,712	8,712	-
Unencumbered Cash Balance End of Year	\$ 6,112	\$ 6,112	12,918	\$ 6,806
Unclaimed Money			-	
Permanent Funds (Nonexpendable)			-	
Unencumbered Undesignated Fund Balance			\$ 12,918	

See accompanying notes to the basic 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, 2010

	Budgeted Amounts		Actual	(Optional)
	Original	Final		Variance with Final Budget Positive (Negative)
Receipts				
Intergovernmental	\$ 130,000	\$ 135,000	\$ -	\$ (135,000)
Charges for Services	-	-	142,575	142,575
Miscellaneous	<u>10,000</u>	<u>10,000</u>	<u>4,974</u>	<u>(5,026)</u>
Total receipts	<u>140,000</u>	<u>145,000</u>	<u>147,549</u>	<u>2,549</u>
Disbursements				
Current:				
Security of Persons and Property	17,600	18,900	18,827	73
Public Health Services	<u>143,500</u>	<u>147,200</u>	<u>142,069</u>	<u>5,131</u>
Total Disbursements	161,100	166,100	160,896	5,204
Excess of Receipts Over (Under) Disbursements	(21,100)	(21,100)	(13,347)	7,753
Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(21,100)	(21,100)	(13,347)	7,753
Unencumbered Cash Balance Beginning of Year	<u>26,956</u>	<u>26,956</u>	<u>26,956</u>	<u>-</u>
Unencumbered Cash Balance End of Year	<u>\$ 5,856</u>	<u>\$ 5,856</u>	13,609	<u>\$ 7,753</u>
Unclaimed Money			0.00	
Permanent Funds (Nonexpendable)			-	
Unencumbered Undesignated Fund Balance			<u>\$ 13,609</u>	

See accompanying notes to the basic 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, 2010**

	Budgeted Amounts		Actual	(Optional) Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Charges for Services	\$ 3,000	\$ 3,000	\$ 3,000	\$ -
Miscellaneous	<u>46,500</u>	<u>46,500</u>	<u>47,685</u>	<u>1,185</u>
Total receipts	<u>49,500</u>	<u>49,500</u>	<u>50,685</u>	<u>1,185</u>
Disbursements				
Current:				
Public Health Services	40,150	40,150	31,434	8,716
Capital Outlay	<u>6,000</u>	<u>6,000</u>	<u>980</u>	<u>5,020</u>
Total Disbursements	<u>46,150</u>	<u>46,150</u>	<u>32,414</u>	<u>13,736</u>
Excess of Receipts Over (Under) Disbursements	<u>3,350</u>	<u>3,350</u>	<u>18,271</u>	<u>14,921</u>
Other Financing Sources (Uses)				
Transfers In	<u>500</u>	<u>500</u>	<u>406</u>	<u>(94)</u>
Total Other Financing Sources (Uses)	<u>500</u>	<u>500</u>	<u>406</u>	<u>(94)</u>
Net Change in Fund Balance	3,850	3,850	18,677	14,827
Unencumbered Cash Balance Beginning of Year	<u>79,143</u>	<u>79,143</u>	<u>79,143</u>	<u>-</u>
Unencumbered Cash Balance End of Year	<u>\$ 82,993</u>	<u>\$ 82,993</u>	97,820	<u>\$ 14,827</u>
Unclaimed Money			-	
Permanent Funds (Nonexpendable)			-	
Unencumbered Undesignated Fund Balance			<u>\$ 97,820</u>	

See accompanying notes to the basic financial statements

**VILLAGE OF WEST LIBERTY
LOGAN COUNTY, OHIO
Statement of Fund Net Assets - Cash Basis
Business-Type Funds
December 31, 2010**

	<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	\$ 174,851	\$ 168,893	\$ 59,032	\$ 43,405	\$ 446,181
Total Assets	<u>\$ 174,851</u>	<u>\$ 168,893</u>	<u>\$ 59,032</u>	<u>\$ 43,405</u>	<u>\$ 446,181</u>
Net Assets					
Restricted for:					
Other Purposes	\$ -	\$ -	\$ -	\$ 43,405	\$ 43,405
Unrestricted	<u>174,851</u>	<u>168,893</u>	<u>59,032</u>	<u>-</u>	<u>402,776</u>
Total Net Assets	<u>\$ 174,851</u>	<u>\$ 168,893</u>	<u>\$ 59,032</u>	<u>\$ 43,405</u>	<u>\$ 446,181</u>

See accompanying notes to the basic financial statements

VILLAGE OF WEST LIBERTY
LOGAN COUNTY, OHIO
Statement of Cash Receipts,
Cash Disbursements and Changes in Net Cash Assets
Proprietary Funds
For the Year Ended December 31, 2010

	WATER OPERATING/ PUMPING FUN	SEWER OPERATING/ PUMPING FUND	GARBAGE/ RUBBISH COLLECTION FUND	OTHER ENTERPRISE FUNDS	TOTAL ENTERPRISE FUNDS
Operating Receipts					
Charges for Services	\$ 315,337	\$ 318,462	\$ 184,611	\$ 3,739	\$ 822,149
Other Operating Receipts	<u>1,981</u>	<u>1,993</u>	<u>-</u>	<u>-</u>	<u>3,974</u>
Total Operating Receipts	<u>317,318</u>	<u>320,455</u>	<u>184,611</u>	<u>3,739</u>	<u>826,123</u>
Operating Disbursements					
Personal Services	91,750	84,321	67,917	-	243,988
Employee Fringe Benefits	47,003	42,041	41,382	-	130,426
Contractual Services	58,273	68,849	78,462	-	205,584
Supplies and Materials	47,681	24,719	21,194	-	93,594
Other	-	-	-	2,739	2,739
Total Operating Disbursements	<u>244,707</u>	<u>219,930</u>	<u>208,955</u>	<u>2,739</u>	<u>676,331</u>
Operating Income (Loss)	<u>72,611</u>	<u>100,525</u>	<u>(24,344)</u>	<u>1,000</u>	<u>149,792</u>
Non-Operating Receipts (Disbursements)					
Capital Outlay	(21,314)	(6,144)	-	-	(27,458)
Principal Payments	(3,834)	(44,934)	-	-	(48,768)
Interest	(549)	(1,132)	-	-	(1,681)
Total Non-Operating Receipts (Disbursements)	<u>(25,697)</u>	<u>(52,210)</u>	<u>-</u>	<u>-</u>	<u>(77,907)</u>
Income (Loss) before Transfers and Advances	<u>46,914</u>	<u>48,315</u>	<u>(24,344)</u>	<u>1,000</u>	<u>71,885</u>
Transfers In	<u>1,622</u>	<u>1,623</u>	<u>-</u>	<u>-</u>	<u>3,245</u>
Change in Net Assets	48,536	49,938	(24,344)	1,000	75,130
Net Assets Beginning of Year	<u>126,315</u>	<u>118,955</u>	<u>83,376</u>	<u>42,405</u>	<u>371,051</u>
Net Assets End of Year	<u>\$ 174,851</u>	<u>\$ 168,893</u>	<u>\$ 59,032</u>	<u>\$ 43,405</u>	<u>\$ 446,181</u>

See accompanying notes to the basic financial statements

Village of West Liberty, Logan County Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2009
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, 2009, 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

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 2009 increased compared to 2008 as most resident taxes increased. The General Fund balance is down a little because a new roof was needed on the town hall, and the walking track at Lion's Park was resurfaced. We also received an inheritance check in the amount of \$73,000, which was a blessing.

The Garbage/Rubbish Fund has decreased because we had to pay for curbside recycling half of the year and we bought a 2009 F150 Pick-Up Truck in the amount of \$15,000.

Emergency Medical Services has paid off the General Fund for the 12 leads purchased a few years ago. Revenue for EMS collections was up by about \$15,000 from 2008 and expenditures are about the same. EMS runs were up to 628 compared to 552 in 2008.

The police department is still mentoring for Adriel School, but only 20 hours per week were needed. Adriel mentoring ended November 30, 2008, and picked back up May 11, 2009.

The Fire Department is still paying on the fire truck in the amount of \$16,600 per year.

The Water and Sewer Funds are still in bad shape. The water revenue was about the same compared to last year and the expenditures were down a little. Sewer revenue was up about \$85,000 because of the sewer Headworks Improvement Project. A screen was installed at the WWTP, a 2006 GMC truck was bought, a smoke test was done in 2009 and new census meter system was purchased. All these things elevated the expenditures for 2009.

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.

Village of West Liberty, Logan County Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2009
Unaudited

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.

Reporting the Government as a Whole

The statement of net assets and the statement of activities reflect how the Village did financially during 2009, 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.

Village of West Liberty, Logan County Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2009
Unaudited

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, an increase or decrease 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 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 Government 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 two business-type activities, the provision of water and the collection of rubbish/garbage. Business-type activities are financed by a fee charged to the customers receiving the service.

Reporting the Government'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, Street Construction Maintenance and Repairs, EMS Operating, and Brown Expendable 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 Operating Fund, Sewer Operating Fund, and Garbage/Rubbish Fund.

Village of West Liberty, Logan County Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2009
Unaudited

The Government as a Whole

Table 1 provides a summary of the Government's net assets for 2009 compared to 2008 on a cash basis:

(Table 1)
Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Assets						
Cash and Cash Equivalents	\$ 664,905	\$ 663,068	\$ 371,051	\$ 394,323	\$ 1,035,956	\$ 1,057,391
Total Assets	<u>\$ 664,905</u>	<u>\$ 663,068</u>	<u>\$ 371,051</u>	<u>\$ 394,323</u>	<u>\$ 1,035,956</u>	<u>\$ 1,057,391</u>
Net Assets						
Restricted for:						
Permanent Fund:						
Expendable	\$ 6,335	\$ 5,887	\$ -	\$ -	\$ 6,335	\$ 5,887
Nonexpendable	22,252	22,252	-	-	22,252	22,252
Other Purposes	232,096	212,170	42,405	41,276	274,501	253,446
Unrestricted	<u>404,222</u>	<u>422,759</u>	<u>328,646</u>	<u>353,047</u>	<u>732,868</u>	<u>775,806</u>
Total Net Assets	<u>\$ 664,905</u>	<u>\$ 663,068</u>	<u>\$ 371,051</u>	<u>\$ 394,323</u>	<u>\$ 1,035,956</u>	<u>\$ 1,057,391</u>

- 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 \$21,000.

Village of West Liberty, Logan County Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2009
Unaudited

Table 2 reflects the changes in net assets on a cash basis in 2009 and 2008 for governmental activities, business-type activities and total primary government.

(Table 2)

Changes in Net Assets

	Governmental Activities		Business Type Activities		Total 2009	Total 2008
	2009	2008	2009	2008		
Receipts:						
Program Receipts:						
Charges for Services & Sales	\$ 282,783	\$ 109,585	\$ 730,887	\$ 718,438	\$ 1,013,670	\$ 828,023
Operating Grants & Contributions	75,379	105,162	-	-	75,379	105,162
Capital Grants & Contributions	1,000	-	-	3,400	1,000	3,400
Total Program Receipts	359,162	214,747	730,887	721,838	1,090,049	936,585
General Receipts:						
Property & Other Taxes	282,379	243,453	-	-	282,379	243,453
Grants & Entitlements	155,033	368,152	-	-	155,033	368,152
Interest	17,388	22,746	-	-	17,388	22,746
Miscellaneous	78,382	109,176	600	6,836	78,982	116,012
Proceeds from Loan	-	-	114,540	17,265	114,540	17,265
Total General Receipts	533,182	743,527	115,140	24,101	648,322	767,628
Total Receipts	892,344	958,274	846,027	745,939	1,738,371	1,704,213
Disbursements:						
General Government	136,874	98,136	-	-	136,874	98,136
Security of Persons & Property	355,713	358,417	-	-	355,713	358,417
Public Health Services	175,200	178,336	-	-	175,200	178,336
Leisure Time Activities	13,807	19,505	-	-	13,807	19,505
Community Environment	2,135	1,953	-	-	2,135	1,953
Transportation	120,554	97,166	-	-	120,554	97,166
Capital Outlay	9,029	11,820	-	-	9,029	11,820
Debt Service	16,600	16,600	-	-	16,600	16,600
Other	55,602	-	-	-	55,602	-
Water	-	-	274,684	297,888	274,684	297,888
Sewer	-	-	398,285	267,194	398,285	267,194
Garbage/Rubbish Collection	-	-	201,323	165,637	201,323	165,637
Total Disbursements	885,514	781,933	874,292	730,719	1,759,806	1,512,652
Change Before Transfers	6,830	176,341	(28,265)	15,220	(21,435)	191,561
Net Transfers	(4,993)	(7,015)	4,993	7,015	-	-
Change in Net Assets	1,837	169,326	(23,272)	22,235	(21,435)	191,561
Net Assets, January 1	663,068	493,742	394,323	374,088	1,057,391	867,830
Net Assets, December 31	<u>\$ 664,905</u>	<u>\$ 663,068</u>	<u>\$ 371,051</u>	<u>\$ 396,323</u>	<u>\$ 1,035,956</u>	<u>\$ 1,059,391</u>

Village of West Liberty, Logan County Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2009
Unaudited

Program receipts represent only 40 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 for security of persons and property and public health services, which account for 40 percent and 20 percent of all governmental disbursements, respectively. General government also represents a significant cost, about 15 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.

(Table 3)

Governmental Activities

	Total Cost of Services 2009	Net Cost of Services 2009	Total Cost of Services 2008	Net Cost of Services 2008
General Government	\$ 136,874	\$ 94,189	\$ 98,136	\$ 55,400
Security of Persons & Property	355,713	265,443	358,417	273,518
Public Health Services	175,200	(11,141)	178,336	128,218
Leisure Time Activities	13,807	13,807	19,505	19,505
Community Environment	2,135	340	1,953	1,568
Basic Utilities	-	(3,548)	-	(5,548)
Transportation	120,554	86,031	97,166	66,105
Capital Outlay	9,029	9,029	11,820	11,820
Principal Retirement	16,600	16,600	16,600	16,600
Other	55,602	55,602	-	-
	<u>\$ 885,514</u>	<u>\$ 526,352</u>	<u>\$ 781,933</u>	<u>\$ 567,186</u>

Village of West Liberty, Logan County Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2009
Unaudited

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 Waste Water Treatment Plant (WWTP) and this project was finished in 2009. This project was awarded by bid. The contractor was Thomas & Marker Construction, and the engineer was Jones and Henry.

The Government's Funds

Total governmental funds had receipts of \$892,344 and disbursements of \$885,514. The balance of the General Fund decreased \$18,537 in spite of receiving \$73,000 in inheritance tax. However, a new roof was put on the town hall in the amount of \$40,000, and a walking track at Lion's Park was resurfaced in the amount of \$15,000.

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 2009, the Government amended its General Fund budget several times to reflect changing circumstances. Final budgeted receipts were above original budgeted receipts due to an unexpected inheritance tax check of \$73,000.

Final disbursements were budgeted at \$575,460 while actual disbursements were \$518,630. The Village appropriated \$50,000 to open a CD, and the fire department appropriated \$20,000 for new air pacs, which were not purchased. All other accounts did not spend as much as appropriated.

Debt Administration

Debt

At December 31, 2009, the Village's outstanding debt included \$87,150 in a general interest-free loan for a fire truck, and \$642,171 in water/sewer interest-free loans. For further information regarding the Village's debt, refer to Loan CM631, CM14A, CM10F, and revolving loan.

Current Issues

The challenge for all Governments 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 Government.

Village of West Liberty, Logan County Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2009
Unaudited

Contacting the Government'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, 201 N. Detroit Street, P.O. Box 187, West Liberty, Ohio 43357.

VILLAGE OF WEST LIBERTY
LOGAN COUNTY, OHIO
Statement of Net Assets - Cash Basis
December 31, 2009

	Governmental Activities	Business - Type Activities	Total
Assets			
Equity in Pooled Cash and Cash Equivalents	\$ 664,905	\$ 371,051	\$ 1,035,956
Total Assets	\$ 664,905	\$ 371,051	\$ 1,035,956
 Net Assets			
Restricted for:			
Permanent Fund: flowers for graves			
Expendable	\$ 6,335	\$ -	\$ 6,335
Nonexpendable	22,252	-	22,252
Other Purposes	232,096	42,405	274,501
Unrestricted	404,222	328,646	732,868
Total Net Assets	\$ 664,905	\$ 371,051	\$ 1,035,956

See accompanying notes to the basic financial statement

VILLAGE OF WEST LIBERTY
LOGAN COUNTY, OHIO
Statement of Activities - Cash Basis
For the Year Ended December 31, 2009

	Program Cash Receipts				Net (Disbursements) Receipts and Changes in Net Assets		
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
Security of Persons and Property	\$ 355,713	\$ 89,270	\$ -	\$ 1,000	\$ (265,443)	\$ -	\$ (265,443)
Public Health Services	175,200	186,341	-	-	11,141	-	11,141
Leisure Time Activities	13,807	-	-	-	(13,807)	-	(13,807)
Community Environment	2,135	1,795	-	-	(340)	-	(340)
Basic Utility Services	-	3,548	-	-	3,548	-	3,548
Transportation	120,554	-	34,523	-	(86,031)	-	(86,031)
General Government	136,874	1,829	40,856	-	(94,189)	-	(94,189)
Capital Outlay	9,029	-	-	-	(9,029)	-	(9,029)
Debt Service:							
Principal	16,600	-	-	-	(16,600)	-	(16,600)
Other	55,602	-	-	-	(55,602)	-	(55,602)
Total Governmental Activities	885,514	282,783	75,379	1,000	(526,352)	-	(526,352)
Business Type Activities							
Water Operating/Pumping	273,060	276,918	-	-	-	3,858	3,858
Advance Water/Sewer Deposits	1,624	2,260	-	-	-	636	636
Sewer Operating/Pumping	398,285	279,231	-	-	-	(119,054)	(119,054)
Garbage/Rubbish Advance Deposits	674	774	-	-	-	100	100
Garbage/Rubbish Collection Fund	200,649	171,704	-	-	-	(28,945)	(28,945)
Total Business Type Activities	874,292	730,887	-	-	-	(143,405)	(143,405)
Total Primary Government	<u>\$ 1,759,806</u>	<u>\$ 1,013,670</u>	<u>\$ 75,379</u>	<u>\$ 1,000</u>	<u>\$ (526,352)</u>	<u>\$ (143,405)</u>	<u>\$ (669,757)</u>
General Receipts							
Property Taxes					\$ 250,413	\$ -	\$ 250,413
Other Taxes					16,205	-	16,205
Grants and Entitlements not Restricted to Specific Programs					191,654	-	191,654
Other Debt Proceeds					-	114,540	114,540
Earnings on Investments					17,388	-	17,388
Miscellaneous					57,522	600	58,122
Total General Receipts					533,182	115,140	648,322
Transfers					(4,993)	4,993	-
Total General Receipts, Special, Transfers and Advances					528,189	120,133	648,322
Change in Net Assets					1,837	(23,272)	(21,435)
Net Assets Beginning of Year					663,068	394,323	1,057,391
Net Assets End of Year					<u>\$ 664,905</u>	<u>\$ 371,051</u>	<u>\$ 1,035,956</u>

See accompanying notes to the basic financial statements

**VILLAGE OF WEST LIBERTY
LOGAN COUNTY, OHIO
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2009**

	GENERAL	STREET CONSTRUCTION MAINT./REPAIR	EMS OPERATING/ REVENUE	BROWN EXPENDABLE	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
Assets						
Equity in Pooled Cash and Cash Equivalents	\$ 404,222	\$ 8,712	\$ 26,956	\$ 79,143	\$ 145,872	\$ 664,905
Total Assets	<u>\$ 404,222</u>	<u>\$ 8,712</u>	<u>\$ 26,956</u>	<u>\$ 79,143</u>	<u>\$ 145,872</u>	<u>\$ 664,905</u>
Fund Balances						
Reserved:						
Reserved for Encumbrances	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved:						
Undesignated, Reported in:						
General Fund	404,222	-	-	-	-	404,222
Special Revenue Funds	-	8,712	26,956	79,143	117,285	232,096
Permanent Fund	-	-	-	-	28,587	28,587
Total Fund Balances	<u>\$ 404,222</u>	<u>\$ 8,712</u>	<u>\$ 26,956</u>	<u>\$ 79,143</u>	<u>\$ 145,872</u>	<u>\$ 664,905</u>

See accompanying notes to the basic 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, 2009

	GENERAL	STREET CONSTRUCTION MAINT./REPAIR	EMS OPERATING/ REVENUE	BROWN EXPENDABLE	OTHER GOVERNMENTAL FUNDS	TOTAL
Receipts						
Property and Other Local Taxes	\$ 250,412	\$ -	\$ -	\$ -	\$ 8,327	\$ 258,739
Intergovernmental	192,654	69,726	-	-	5,654	268,034
Charges for Services	89,270	548	150,545	3,000	35,796	279,159
Fines, Licenses and Permits	11,503	-	-	-	-	11,503
Earnings on Investments	16,796	69	-	-	523	17,388
Miscellaneous	26,251	-	-	31,270	-	57,521
Total Receipts	<u>586,886</u>	<u>70,343</u>	<u>150,545</u>	<u>34,270</u>	<u>50,300</u>	<u>892,344</u>
Disbursements						
Current:						
Security of Persons and Property	327,513	-	15,603	-	12,598	355,714
Public Health Services	-	-	120,245	36,981	17,974	175,200
Leisure Time Activities	13,807	-	-	-	-	13,807
Community Environment	2,135	-	-	-	-	2,135
Transportation	21,701	97,686	-	-	1,168	120,555
General Government	136,874	-	-	-	-	136,874
Capital Outlay	-	-	4,272	4,756	-	9,028
Debt Service:						
Principal Retirement	16,600	-	-	-	-	16,600
Total Disbursements	<u>518,630</u>	<u>97,686</u>	<u>140,120</u>	<u>41,737</u>	<u>31,740</u>	<u>829,913</u>
Excess of Receipts Over (Under) Disbursements	<u>68,256</u>	<u>(27,343)</u>	<u>10,425</u>	<u>(7,467)</u>	<u>18,560</u>	<u>62,431</u>
Other Financing Sources (Uses)						
Transfers In	5,000	30,000	-	625	574	36,199
Transfers Out	(36,192)	-	(5,000)	-	-	(41,192)
Advances In	-	-	-	-	-	-
Advances Out	-	-	-	-	-	-
Other Financing Uses	(55,601)	-	-	-	-	(55,601)
Total Other Financing Sources (Uses)	<u>(86,793)</u>	<u>30,000</u>	<u>(5,000)</u>	<u>625</u>	<u>574</u>	<u>(60,594)</u>
Net Change in Fund Balances	(18,537)	2,657	5,425	(6,842)	19,134	1,837
Fund Balances Beginning 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>
Fund Balances End of Year	<u>\$ 404,222</u>	<u>\$ 8,712</u>	<u>\$ 26,956</u>	<u>\$ 79,143</u>	<u>\$ 145,872</u>	<u>\$ 664,905</u>

See accompanying notes to the basic 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, 2009

	Budgeted Amounts			(Optional)
	Original	Final	Actual	Variance with Final Budget Positive (Negative)
Receipts				
Property and Other Local Taxes	\$ 243,000	\$ 243,000	\$ 250,412	\$ 7,412
Intergovernmental	100,050	101,050	192,654	91,604
Special Assessments	500	500	-	(500)
Charges for Services	105,000	105,000	89,270	(15,730)
Fines, Licenses and Permits	3,000	3,000	11,503	8,503
Earnings on Investments	20,000	20,000	16,796	(3,204)
Miscellaneous	20,450	20,450	26,252	5,802
Total receipts	492,000	493,000	586,887	93,887
Disbursements				
Current:				
Security of Persons and Property	355,300	359,400	327,513	31,887
Leisure Time Activities	24,600	24,600	13,807	10,793
Community Environment	2,400	2,400	2,135	265
Transportation	27,000	23,000	21,701	1,299
General Government	137,850	149,460	136,874	12,586
Debt Service:				
Principal Retirement	16,600	16,600	16,600	-
Total Disbursements	563,750	575,460	518,630	56,830
Excess of Receipts Over (Under) Disbursements	(71,750)	(82,460)	68,257	150,717
Other Financing Sources (Uses)				
Transfers In	8,000	8,000	5,000	(3,000)
Transfers Out	(30,000)	(36,390)	(36,192)	198
Other Financing Uses	(100,000)	(82,000)	(55,601)	26,399
Total Other Financing Sources (Uses)	(122,000)	(110,390)	(86,793)	23,597
Net Change in Fund Balance	(193,750)	(192,850)	(18,536)	174,314
Unencumbered Cash Balance Beginning of Year	422,759	422,759	422,759	-
Unencumbered Cash Balance End of Year	\$ 229,009	\$ 229,909	\$ 404,223	\$ 174,314
Unclaimed Money			-	
Permanent Funds (Nonexpendable)			-	
Unencumbered Undesignated Fund Balance			\$ 404,223	

See accompanying notes to the basic 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, 2009

	Budgeted Amounts			(Optional) Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Intergovernmental	\$ 63,000	\$ 63,000	\$ 69,726	\$ 6,726
Charges for Services	200	1,800	548	(1,252)
Earnings on Investments	30,000	200	69	(131)
Total receipts	93,200	65,000	70,343	5,343
Disbursements				
Current:				
Transportation	99,600	99,200	97,686	1,514
Total Disbursements	99,600	99,200	97,686	1,514
Excess of Receipts Over (Under) Disbursements	(6,400)	(34,200)	(27,343)	6,857
Other Financing Sources (Uses)				
Transfers In	1,800	30,000	30,000	-
Total Other Financing Sources (Uses)	1,800	30,000	30,000	-
Net Change in Fund Balance	(4,600)	(4,200)	2,657	6,857
Unencumbered Cash Balance Beginning of Year	6,055	6,055	6,055	-
Unencumbered Cash Balance End of Year	\$ 1,455	\$ 1,855	8,712	\$ 6,857
Unclaimed Money			-	
Permanent Funds (Nonexpendable)			-	
Unencumbered Undesignated Fund Balance			\$ 8,712	

See accompanying notes to the basic 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, 2009

	Budgeted Amounts		Actual	(Optional)
	Original	Final		Variance with Final Budget Positive (Negative)
Receipts				
Intergovernmental	\$ 120,000	\$ 130,000	\$ -	\$ (130,000)
Special Assessments	-	-	-	-
Charges for Services	-	-	150,545	150,545
Total receipts	120,000	130,000	150,545	20,545
Disbursements				
Current:				
Security of Persons and Property	15,300	15,700	15,603	97
Public Health Services	114,300	123,900	120,245	3,655
Capital Outlay	4,670	4,670	4,272	398
Total Disbursements	134,270	144,270	140,120	4,150
Excess of Receipts Over (Under) Disbursements	(14,270)	(14,270)	10,425	24,695
Other Financing Sources (Uses)				
Transfers Out	(5,000)	(5,000)	(5,000)	-
Total Other Financing Sources (Uses)	(5,000)	(5,000)	(5,000)	-
Net Change in Fund Balance	(19,270)	(19,270)	5,425	24,695
Unencumbered Cash Balance Beginning of Year	21,531	21,531	21,531	-
Unencumbered Cash Balance End of Year	\$ 2,261	\$ 2,261	26,956	\$ 24,695
Unclaimed Money			-	
Permanent Funds (Nonexpendable)			-	
Unencumbered Undesignated Fund Balance			\$ 26,956	

See accompanying notes to the basic 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, 2009

	Budgeted Amounts			(Optional) Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Charges for Services	\$ 3,000	\$ 3,000	\$ 3,000	\$ -
Miscellaneous	32,000	32,000	31,270	(730)
Total receipts	35,000	35,000	34,270	(730)
Disbursements				
Current:				
Public Health Services	42,900	42,900	36,981	5,919
Capital Outlay	6,000	6,000	4,756	1,244
Total Disbursements	48,900	48,900	41,737	7,163
Excess of Receipts Over (Under) Disbursements	(13,900)	(13,900)	(7,467)	6,433
Other Financing Sources (Uses)				
Transfers In	500	500	625	125
Total Other Financing Sources (Uses)	500	500	625	125
Net Change in Fund Balance	(13,400)	(13,400)	(6,842)	6,558
Unencumbered Cash Balance Beginning of Year	85,985	85,985	85,985	-
Unencumbered Cash Balance End of Year	\$ 72,585	\$ 72,585	79,143	\$ 6,558
Unclaimed Money			-	
Permanent Funds (Nonexpendable)			-	
Unencumbered Undesignated Fund Balance			\$ 79,143	

See accompanying notes to the basic financial statements

VILLAGE OF WEST LIBERTY
LOGAN COUNTY, OHIO
Statement of Fund Net Assets - Cash Basis
Proprietary Funds
December 31, 2009

	WATER OPERATING/ PUMPING	SEWER OPERATING/ PUMPING	GARBAGE/ RUBBISH COLLECTION	OTHER ENTERPRISE FUNDS	TOTAL ENTERPRISE FUNDS
Assets					
Equity in Pooled Cash and Cash Equivalents	\$ 126,315	\$ 118,955	\$ 83,376	\$ 42,405	\$ 371,051
Total Assets	<u>\$ 126,315</u>	<u>\$ 118,955</u>	<u>\$ 83,376</u>	<u>\$ 42,405</u>	<u>\$ 371,051</u>
Net Assets					
Restricted for:					
Other Purposes	\$ -	\$ -	\$ -	\$ 42,405	\$ 42,405
Unrestricted	<u>126,315</u>	<u>118,955</u>	<u>83,376</u>	<u>-</u>	<u>328,646</u>
Total Net Assets	<u>\$ 126,315</u>	<u>\$ 118,955</u>	<u>\$ 83,376</u>	<u>\$ 42,405</u>	<u>\$ 371,051</u>

VILLAGE OF WEST LIBERTY
LOGAN COUNTY, OHIO
Statement of Cash Receipts,
Cash Disbursements and Changes in Net Cash Assets
Proprietary Funds
For the Year Ended December 31, 2009

	WATER OPERATING/ PUMPING FUND	SEWER OPERATING/ PUMPING FUND	GARBAGE/ RUBBISH COLLECTION FUND	OTHER ENTERPRISE FUNDS	TOTAL ENTERPRISE FUNDS
Operating Receipts					
Charges for Services	\$ 276,918	\$ 279,231	\$ 171,704	\$ 3,034	\$ 730,887
Other Operating Receipts	600	-	-	-	600
Total Operating Receipts	<u>277,518</u>	<u>279,231</u>	<u>171,704</u>	<u>3,034</u>	<u>731,487</u>
Operating Disbursements					
Personal Services	92,720	86,878	61,679	-	241,277
Employee Fringe Benefits	43,750	44,254	36,017	-	124,021
Contractual Services	53,105	61,512	72,826	-	187,443
Supplies and Materials	62,630	22,533	13,865	-	99,028
Other	-	-	-	2,298	2,298
Total Operating Disbursements	<u>252,205</u>	<u>215,177</u>	<u>184,387</u>	<u>2,298</u>	<u>654,067</u>
Operating Income (Loss)	<u>25,313</u>	<u>64,054</u>	<u>(12,683)</u>	<u>736</u>	<u>77,420</u>
Non-Operating Receipts (Disbursements)					
Other Debt Proceeds	-	114,540	-	-	114,540
Capital Outlay	(16,471)	(143,281)	(16,261)	-	(176,013)
Principal Payments	(3,721)	(39,733)	-	-	(43,454)
Interest	(663)	(95)	-	-	(758)
Total Non-Operating Receipts (Disbursements)	<u>(20,855)</u>	<u>(68,569)</u>	<u>(16,261)</u>	<u>-</u>	<u>(105,685)</u>
Income (Loss) before Transfers and Advances	<u>4,458</u>	<u>(4,515)</u>	<u>(28,944)</u>	<u>736</u>	<u>(28,265)</u>
Transfers In	2,496	2,497	-	393	5,386
Transfers Out	(393)	-	-	-	(393)
Change in Net Assets	6,561	(2,018)	(28,944)	1,129	(23,272)
Net Assets Beginning of Year	<u>119,754</u>	<u>120,973</u>	<u>112,320</u>	<u>41,276</u>	<u>394,323</u>
Net Assets End of Year	<u>\$ 126,315</u>	<u>\$ 118,955</u>	<u>\$ 83,376</u>	<u>\$ 42,405</u>	<u>\$ 371,051</u>

See accompanying notes to the basic financial statements

**VILLAGE OF WEST LIBERTY
LOGAN COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED
DECEMBER 31, 2010 AND 2009**

Note 1 – Description of the Entity

The Village of West Liberty, Logan County, Ohio (the Village) 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.

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.

Note 2 – Summary of Significant Accounting Policies

As discussed further in Note 2.C. these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. 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. The Village does not apply FASB statements issued after November 30, 1989, to its business-type

**VILLAGE OF WEST LIBERTY
LOGAN COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED
DECEMBER 31, 2010 AND 2009**

Note 2 – Summary of Significant Accounting Policies (continued)

activities and to its enterprise funds. 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, except for fiduciary funds. The statements distinguish between those activities of the Village that are governmental and those that are considered business-type. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The statement of net 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.

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.

**VILLAGE OF WEST LIBERTY
LOGAN COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED
DECEMBER 31, 2010 AND 2009**

Note 2 – Summary of Significant Accounting Policies (continued)

A. Basis of Presentation (continued)

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.

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.

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

**VILLAGE OF WEST LIBERTY
LOGAN COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED
DECEMBER 31, 2010 AND 2009**

Note 2 – Summary of Significant Accounting Policies (continued)

B. Fund Accounting (continued)

Proprietary Funds

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

Water Operating Fund – This fund receives charges for the provision of water to the residents and commercial users located within the Village.

Sewer Operating Fund – This fund receives charges for the provision of sanitary sewer services to the residents and commercial users within the Village.

Garbage/Rubbish Collection Fund – This fund receives charges for the provision of garbage and recycling services to the residents and commercial users within the Village.

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.

**VILLAGE OF WEST LIBERTY
LOGAN COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED
DECEMBER 31, 2010 AND 2009**

Note 2 – Summary of Significant Accounting Policies (continued)

D. Budgetary Process (continued)

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.

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.

E. Cash and Investments

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

Investments of the cash management pool and investments with an original maturity of three months or less at the time of purchase are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments. Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or negative receipts, respectively.

During 2010 and 2009, the Village invested in nonnegotiable certificates of deposit. The nonnegotiable certificates of deposit are reported at cost.

**VILLAGE OF WEST LIBERTY
LOGAN COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED
DECEMBER 31, 2010 AND 2009**

Note 2 – Summary of Significant Accounting Policies (continued)

E. Cash and Investments (continued)

Interest earnings are allocated to Village funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to the general fund during 2010 and 2009 were \$11,950 and \$16,796, respectively. Interest receipts credited to all other funds were \$590 and \$592, respectively.

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.

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.

**VILLAGE OF WEST LIBERTY
LOGAN COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED
DECEMBER 31, 2010 AND 2009**

Note 2 – Summary of Significant Accounting Policies (continued)

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, Fairview Cemetery, contracted police services, and water, sewer, and garbage/rubbish customer deposits. 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.

M. Fund Balance Reserves

The Village reserves any portion of fund balances which is not available for appropriation or which is legally segregated for a specific future use. Unreserved fund balance indicates that portion of fund balances which are available for appropriation in future periods.

N. Interfund Transactions

Transfers between governmental and business-type activities on the government-wide financial statements are reported in the same manner as general receipts.

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

**VILLAGE OF WEST LIBERTY
LOGAN COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED
DECEMBER 31, 2010 AND 2009**

Note 3 – Accountability and Compliance

Compliance

The Village is aware of no violations of finance-related legal or contractual provisions. The Village includes all funds required by law or regulation to help assure restrictions on disbursements.

The Village made no excess disbursements over appropriations in the general or major special revenue funds included in the budgetary statements, nor did the Village make any excess disbursements over appropriations in any other fund.

In the event of necessity, the general fund may advance to another fund for the short term. The Village will take advantage of such advances when necessary. In 2010 and 2009 no advances were made.

The Village appropriated more than the actual resources in the Community Service Fund by \$21,541 in 2009 and by \$189 in 2010.

The Village did not have a deficit in any fund.

The Village is not aware of any violations of debt covenants or contracts.

The Village did not have any violations of grant requirements such as disallowed costs or failure to meet eligibility requirements or matching requirements that may require repayment.

The Village did not violate any laws relating to investments and deposits.

Note 4 – 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.

**VILLAGE OF WEST LIBERTY
LOGAN COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED
DECEMBER 31, 2010 AND 2009**

Note 4 – Deposits and Investments (continued)

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;
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).

**VILLAGE OF WEST LIBERTY
LOGAN COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED
DECEMBER 31, 2010 AND 2009**

Note 4 – Deposits and Investments (continued)

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 December 31, 2010 and 2009, \$422,983 and \$326,909 of the Village's bank balance of \$1,172,983 and \$1,076,909 was exposed to custodial credit risk because those deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Village's name.

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.

Note 5 – 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. There were no outstanding encumbrances at December 31, 2010 or 2009. The outstanding advances at December 31, 2010 and 2009 amounted to \$2,138 to the General Fund from the Community Services fund and \$3,138 to the Grants fund from the Community Services fund.

**VILLAGE OF WEST LIBERTY
LOGAN COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED
DECEMBER 31, 2010 AND 2009**

Note 6 – Property Tax

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the Village. Property tax receipts received in 2009 (2010) represent the collection of 2008 (2009) taxes. Property tax payments received during 2009 (2010) for tangible personal property (other than public utility property) is for 2009 (2010) taxes.

2009 (2010) real property taxes are levied after October 1, 2009 (2010), on the assessed values as of January 1, 2009 (2010), the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. 2009 (2010) real property taxes are collected in and intended to finance 2010 (2011).

Real property taxes are payable annually or semi-annually. If semiannually, the first payment is due on the third Wednesday in February, with the remainder payable by the second Wednesday in July. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility tangible property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2009 (2010) public utility property taxes which became a lien on December 31, 2008 (2009), are levied after October 1, 2009 (2010), and are collected in 2010 (2011) with real property taxes.

The tangible personal property tax is being phased out.

The full tax rate for all village operations for 2010 and 2009 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:

	<u>2010</u>	<u>2009</u>
Real Property		
Residential	\$ 18,872,310	\$ 18,827,320
Agriculture	42,180	25,650
Industrial	1,186,120	1,197,380
Commercial	4,454,360	4,583,030
Public Utility Property	379,690	364,360
Tangible Personal Property	106,710	276,990
Total Assessed Value	<u>\$ 25,041,370</u>	<u>\$ 25,274,730</u>

**VILLAGE OF WEST LIBERTY
LOGAN COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED
DECEMBER 31, 2010 AND 2009**

Note 6 – Property Tax (continued)

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.

Note 7 – Risk Management

The Village is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; error and omissions; injuries to employees; and natural disasters. During 2009 and 2010 the Village contracted with Wichert Insurance for property, auto, inland marine, general liability, umbrella, employer's liability insurance, and terrorism insurance coverage.

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

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

Note 8 – Defined 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. While members in the State and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the traditional plan.

**VILLAGE OF WEST LIBERTY
LOGAN COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED
DECEMBER 31, 2010 AND 2009**

Note 8 – Defined Benefit Pension Plans (continued)

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. The 2010 and 2009 member contribution rates were 10 percent for members in state and local classifications and 10.1 percent for those in the public safety and law enforcement classifications. The 2010 and 2009 employer contribution rate for state and local employers was 14 percent of covered payroll. The employer contribution rate for those in the law enforcement and public safety divisions was 17.63% for 2009 and 17.87% for 2010.

The portion of Village contributions allocated to fund pension benefits is net of postemployment healthcare benefits. The portion of Village contributions allocated to healthcare for members was 7 percent for the period January 1 through March 31, 2009; 5.5 percent for the period April 1, 2009 through February 28, 2010; and 5 percent from March 1, 2010 through December 31, 2010.

The Village's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2010, 2009, and 2008 were \$74,593, \$73,479, and \$71,261 respectively. The full amount has been contributed for 2010, 2009, and 2008.

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.

**VILLAGE OF WEST LIBERTY
LOGAN COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED
DECEMBER 31, 2010 AND 2009**

Note 8 – Defined Benefit Pension Plans (continued)

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% respectively for police officers and firefighters. Contribution rates are established by State Statute. For 2010 and 2009, a portion of the Village's contribution equal to 7.5 percent of covered payroll was allocated to fund the postemployment healthcare plan. The Village's required contributions to OP&F for the years ended December 31, 2010, 2009, and 2008 were \$15,449, \$14,905, and \$14,496, respectively. The full amount has been contributed for 2010, 2009, and 2008.

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 postemployment 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.

To qualify for postemployment 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. The healthcare coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45. 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 postemployment 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.

**VILLAGE OF WEST LIBERTY
LOGAN COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED
DECEMBER 31, 2010 AND 2009**

Note 9 - Post Employment Benefits (continued)

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2010 and 2009, local government employers contributed 14 percent of covered payroll, and public safety and law enforcement employers contributed at 17.87 and 17.63 percent, respectively. 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 portion of Village contributions allocated to healthcare for members was 7 percent for the period January 1, 2009 through March 31, 2009; 5.5 percent for the period April 1, 2009 through February 28, 2010; and 5 percent from March 1, 2010 through December 31, 2010.

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 required contributions allocated to fund postemployment healthcare benefits for the years ended December 31, 2010, 2009, and 2008 were \$74,593, \$73,479, and \$71,261 respectively. The full amount has been contributed for 2010, 2009, and 2008.

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. The healthcare coverage provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45.

The Ohio Revised Code allows, but does not mandate, OP&F to provide OPEB benefits. Authority for the OP&F Board of Trustees to provide 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.

**VILLAGE OF WEST LIBERTY
LOGAN COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED
DECEMBER 31, 2010 AND 2009**

Note 9 - Post Employment Benefits (continued)

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, 19.5 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, 2010 and 2009, 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).

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 postemployment healthcare benefits for the years ended December 31, 2010, 2009, and 2008 were \$15,449, \$14,905, and \$14,496, respectively. The full amount has been contributed for 2010, 2009, and 2008.

C. Social Security

Sixteen officials and employees contributed to Social Security in 2010 and 2009. This plan provides retirement benefits, including survivor and disability benefits to participants. For 2010 and 2009, employees contributed 6.2 percent of their gross salaries. The Village contributed an amount equal to 6.2 percent of participant’s gross salaries.

**VILLAGE OF WEST LIBERTY
LOGAN COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED
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Note 10 – Debt

The Village's long-term debt activity for the year ended December 31, 2010, was as follows:

	Interest Rate	Balance 12/31/09	Proceeds	Payments	Balance 12/31/10	Due Within One Year
<u>Governmental:</u>						
2005 Small Gov't Fire Dept. Loan	0%	\$ 87,150	\$ -	(\$ 16,600)	\$ 70,550	\$ 16,600
Total		<u>\$ 87,150</u>	<u>\$ -</u>	<u>(\$ 16,600)</u>	<u>\$ 70,550</u>	<u>\$ 16,600</u>

Business-type:

1998 OPWC Loan #1	0%	\$ 78,477	\$ -	(\$ 9,810)	\$ 68,667	\$ 9,810
1998 OPWC Loan #2	0%	2,250	-	(500)	1,750	500
2003 OPWC Loan #3	0%	433,888	-	(29,923)	403,964	29,923
2008 Bank Loan	4.66%	13,016	-	(3,334)	9,681	3,522
2008 OPWC Loan #4	.01%	<u>114,540</u>	<u>-</u>	<u>(5,201)</u>	<u>109,339</u>	<u>5,253</u>
Total		<u>\$ 642,171</u>	<u>\$ -</u>	<u>(\$ 48,768)</u>	<u>\$ 593,401</u>	<u>\$ 49,008</u>

The Village's long-term debt activity for the year ended December 31, 2009, was as follows:

	Interest Rate	Balance 12/31/08	Proceeds	Payments	Balance 12/31/09	Due Within One Year
<u>Governmental:</u>						
2005 Small Gov't Fire Dept. Loan	0%	\$ 103,750	\$ -	(\$ 16,600)	\$ 87,150	\$ 16,600
Total		<u>\$ 103,750</u>	<u>\$ -</u>	<u>(\$ 16,600)</u>	<u>\$ 87,150</u>	<u>\$ 16,600</u>

Business-type:

1998 OPWC Loan #1	0%	\$ 88,287	\$ -	(\$ 9,810)	\$ 78,477	\$ 9,810
1998 OPWC Loan #2	0%	2,750	-	(500)	2,250	500
2003 OPWC Loan #3	0%	463,811	-	(29,923)	433,888	29,923
2008 Bank Loan	4.66%	16,236	-	(3,221)	13,016	3,334
2008 OPWC Loan #4	.01%	<u>-</u>	<u>114,540</u>	<u>-</u>	<u>114,540</u>	<u>5,253</u>
Total		<u>\$ 571,084</u>	<u>\$ 114,540</u>	<u>(\$ 43,454)</u>	<u>\$ 642,171</u>	<u>\$ 48,820</u>

**VILLAGE OF WEST LIBERTY
LOGAN COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED
DECEMBER 31, 2010 AND 2009**

Note 11 – Debt (continued)

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.

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 Ohio Public Works Commission (OPWC) loan #4 relates to a headworks improvement project for the waste water treatment plant. The \$114,540 loan was approved in 2008 at a .01% interest rate; however, the Village did not draw on the loan until 2009. The OPWC approved a \$598,500 loan to the Village for this project. Semi-annual installments of \$3,167 are required over a twenty year period.

**VILLAGE OF WEST LIBERTY
LOGAN COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED
DECEMBER 31, 2010 AND 2009**

Note 11 – Debt (continued)

The debt service requirements for governmental activities outstanding at December 31, 2010 are as follows:

Year	Small Gov't Fire Loan
2011	\$ 16,600
2012	16,600
2013	16,600
2014	16,600
2015	<u>4,150</u>
Totals	<u>\$ 70,550</u>

The debt service requirements for business type activities outstanding at December 31, 2010 are as follows:

Year	OPWC Note #1	OPWC Note #2	OPWC Note #3	2008 Bank Loan	OPWC Note #3
2011	\$ 9,810	\$ 500	\$ 29,923	\$ 3,522	\$ 5,253
2012	9,810	500	29,923	3,675	5,305
2013	9,810	500	29,923	2,485	5,359
2014	9,810	250	29,923	0	5,412
2015	9,810	0	29,923	0	5,467
2016-2020	19,617	0	149,617	0	28,166
2020-2025	0	0	104,732	0	29,606
2026-2029	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>24,771</u>
Totals	<u>\$ 68,667</u>	<u>\$ 1,750</u>	<u>\$403,964</u>	<u>\$ 9,682</u>	<u>\$109,339</u>

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, 2010 AND 2009**

Note 11 – Interfund Transfers and Advances

During 2010 the following transfers were made:

Transfers from the General Fund to:	
Street Construction, Maintenance and Repair	\$ 30,000
Brown Expendable Trust	406
Cemetery Endowment	398
Water Operating	1,622
Sewer Operating	1,623
Total Transfers from the General Fund	<u>\$ 34,049</u>

During 2009 the following transfers were made:

Transfers from the General Fund to:	
Street Construction, Maintenance, and Repair	\$ 30,000
Brown Expendable	625
Cemetery Endowment	574
Water Operating	2,496
Sewer Operating	2,497
Total Transfers from the General Fund	<u>\$ 36,192</u>
Transfer from EMS Operating to General Fund:	<u>\$ 5,000</u>
Transfer from Water Operating to Advance Water/Sewer Deposits Fund	<u>\$ 393</u>

Interfund advances at December 31, 2010 and 2009, consisted of the following individual fund receivable and payable:

Due to Community Service Fund from General Fund	<u>\$ 2,138</u>
Due to Grant Fund from Police Community Service 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. At December 31, 2010 and 2009, these loans were not yet repaid.

**VILLAGE OF WEST LIBERTY
LOGAN COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED
DECEMBER 31, 2010 AND 2009**

Note 13 - Related Party Transactions

A Village Council Member who was appointed in November 2010 owns Liberty Oil and Gas and Firestone, which provides gasoline and vehicle services to the Village. During November and December 2010 the amount paid to Liberty Oil and Gas and Firestone was \$2,849.

Note 14 – Subsequent Events

Subsequent events have been evaluated through June 8, 2011, the date of the independent auditor's report.

The Village is participating in discussions with local Townships to consider the possibility of establishing an EMS District. The Village is also discussing the possibility of establishing a satellite station in a local Township.

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

Village of 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, 2010 and December 31, 2009, which collectively comprise the Village's basic financial statements and have issued our report thereon dated June 8, 2011, wherein we noted the uses a comprehensive accounting basis other than generally accepted accounting principles. 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*.

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 opining on the effectiveness of the Village's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Village's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A material weakness is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the Village's financial statements will not be prevented, or detected and timely corrected. We consider findings 2010-01 through 2010-03 to be a material weakness.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. However, as described in the accompanying schedule of findings, we identified certain deficiencies in internal control over financial reporting, that we consider material weaknesses.

Compliance and Other Matters

As part of reasonably assuring whether the Village's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our test disclosed instances of noncompliance or other matters that we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2010-01 and 2010-02 and 2010-04.

We did note certain matters not requiring inclusion in this report that we reported to the Village's management in a separate letter dated June 8, 2011.

The Village's responses to the findings identified in our audit are described in the accompanying schedule of findings. We did not audit the Village's responses and, accordingly, we express no opinion on them.

We intend this report solely for the information and use of management and the Village Council and others within the Village. We intend it for no one other than these specified parties.

Taylor, Applegate, Hughes & Assoc., Ltd.

Taylor, Applegate, Hughes and Associates, Ltd.
June 8, 2011

**VILLAGE OF WEST LIBERTY
LOGAN COUNTY, OHIO
SCHEDULE OF FINDINGS
DECEMBER 31, 2010 AND 2009**

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

FINDING NUMBER 2010-01

Noncompliance/Material Weakness

Ohio Rev. Code, Section 5705.41(D) 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 an amount established by resolution or ordinance adopted by the legislative authority, 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.
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.

**VILLAGE OF WEST LIBERTY
LOGAN COUNTY, OHIO
SCHEDULE OF FINDINGS
DECEMBER 31, 2010 AND 2009**

FINDING NUMBER 2010-01 (continued)

The Village used purchase orders as though they were blanket certificates or super blanket certificates for recurring expenditures such as utilities, landfill charges, etc. for 24.1% and 24.0% of the expenditures examined in 2009 and 2010. Blanket certificates or super blanket certificates may be used for recurring expenses. Otherwise, a new purchase order should be used for each monthly charge. No blanket certificates or super blanket certificates were used by the Village in 2009 or 2010.

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 an ordinance or resolution.

Officials' Response: I will work on using blanket and super blanket certificate purchase orders.

FINDING NUMBER 2010-02

Noncompliance/Material Weakness

Ohio Revised Code Section 5705.36 (A) (4) states that upon a determination by the fiscal officer of a subdivision that the revenue to be collected will be less than the amount included in an official certificate and that the amount of the deficiency will reduce available resources below the level of current appropriations, the fiscal officer shall certify the amount of the deficiency to the commission, and the commission shall certify an amended certificate reflecting the deficiency.

**VILLAGE OF WEST LIBERTY
LOGAN COUNTY, OHIO
SCHEDULE OF FINDINGS
DECEMBER 31, 2010 AND 2009**

FINDING NUMBER 2010-02 (continued)

At December 31, 2010 and 2009, the Village had appropriations greater than actual resources, in the following fund:

	<u>Actual Resources</u>	<u>Appropriations</u>	<u>Variance</u>
2009 – Community			
Service Fund	\$14,359	\$35,900	(\$21,541)
2010 – Community			
Service Fund	\$17,211	\$17,400	(\$189)

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.

Officials’ Response: The Community Service/Adriel School Fund was appropriated assuming the Village would provide an officer the entire year. The police department and Adriel School decreased the hours considerably.

FINDING NUMBER 2010-03

Material Weakness

Accuracy of Financial Reporting

As a result of the audit procedures performed, errors were noted in the financial statements that required audit adjustments and reclassifications. The financial statements have been adjusted for the following errors:

- Government-type unrestricted net assets were initially overstated and net assets restricted for other purposes were initially understated by \$114,812 in 2009 and \$124,346 in 2010.
- Intergovernmental revenue was initially understated in the General Fund by \$38,151 in 2009 and \$49,126 in 2010.
- Disbursements for general government were initially understated in the General Fund by \$1,789 in 2009 and \$2,497 in 2010.
- Charges for services were initially overstated in the General Fund by \$45,763 in 2009 and \$46,630 in 2010.
- Intergovernmental revenue was initially overstated and charges for services were understated in the EMS Fund by \$150,545 in 2009 and \$142,575 in 2010.

**VILLAGE OF WEST LIBERTY
LOGAN COUNTY, OHIO
SCHEDULE OF FINDINGS
DECEMBER 31, 2010 AND 2009**

FINDING NUMBER 2010-03 (continued)

- Intergovernmental revenue was initially overstated and charges for services were understated in the Community Services/Adriel Fund by \$13,453 in 2009 and \$15,751 in 2010.
- Debt service principal was initially overstated and debt service interest was initially understated in the Water Fund by \$663 in 2009 and \$525 in 2010.
- Debt service principal was initially overstated and debt service interest was initially understated in the Sewer Fund by \$95 in 2009 and \$1,132 in 2010.
- Other debt proceeds were initially understated in the Sewer Fund by \$114,540 in 2009.
- Special assessments were initially overstated in the Sewer Fund by \$85,250 in 2009.
- Capital Outlay was initially understated by \$29,290 in 2009. This was due to the non-posting of one on-half of payment made by the Ohio Public Works Commission (OPWC) to the contractor as part of OPWC Loan #4.

Sound financial reporting is the responsibility of the Clerk-Treasurer and the Village Council and is essential to ensure the information provided to the readers of the financial statements is complete and accurate.

The Clerk-Treasurer should review the Ohio Village Handbook, Auditor of State Bulletins, and other resources for guidance in correctly classifying receipts and disbursements. Additionally the Village Council should periodically perform a review of the receipt and disbursement ledgers to help identify any misclassifications.

Officials' Response: I will change the EMS codes to correct this problem. Sometimes when I want to open one code it defaults to a different code.

FINDING NUMBER 2010-04

Noncompliance

26 CFR 1.6041-1 Return of Information as to payments of \$600 or more states that (a) General rule (1) Information returns required (i) Payments required to be reported. Except as otherwise provided in Sections 1.6041-3 and 1.6041-4, every person engaged in a trade or business shall make an information return for each calendar year with respect to payments it makes during the calendar year in the course of its trade or business to another person of fixed or determinable income described in paragraph (a) (1) (i) (A) or (B) of this section. For purposes of the regulations under this section, the person described in this paragraph (a)(1)(I) is a payor (A) Salaries, wages, commissions, fees, and other forms of compensation for services rendered aggregating \$600 or more. (B) Interest (including original issue discount), rents, royalties, annuities, pensions, and

**VILLAGE OF WEST LIBERTY
LOGAN COUNTY, OHIO
SCHEDULE OF FINDINGS
DECEMBER 31, 2010 AND 2009**

FINDING NUMBER 2010-04 (continued)

other gains, profits, and income aggregating \$600 or more. Further, 26 USC Section 6041 (a) states that all persons engaged in a trade or business and making payment in the course of such trade or business to another person, of rent, salaries, wages, premiums, annuities, compensations, remunerations, emoluments, or other fixed or determinable gains, profits, and income (other than payments to which section 6042(a)(1), 6047(e), 6049(a), or 6050(a) applies, shall render a true and accurate return to the Secretary, under such regulations and in such a form and manner and to such extent as any be prescribed by the Secretary, setting forth the amount of such gains, profits and income and the name and address of the recipient of such payment. The Secretary prescribed Form 1099-MISC for such returns.

The Village did not issue any 1099 forms to its vendors receiving payments of \$600 or more during 2010 and 2009. The Village should establish procedures to verify that payments in excess of \$600 for services provided to the Village are reported on Form 1099-MISC each year. Failure to do so could result in assessment of fines and penalties by the Internal Revenue Service.

Officials' Response: I will be issuing 1099s to all applicable businesses this year.

**VILLAGE OF WEST LIBERTY
LOGAN COUNTY, OHIO
SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2010 AND 2009**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2008-01	ORC Sec. 5705.41(D) – Village did not properly certify the availability of funds prior to purchase commitments	No	Not corrected. Repeated as Finding 2010-01.
2008-02	ORC 5705.36 (A)(4) – Appropriations were greater than actual resources	No	Not corrected. Repeated as Finding 2010-02.
2008-03	ORC 5705.39 – Appropriations exceeded estimated resources	Yes	



Dave Yost • 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 13, 2011