

**VILLAGE OF ALEXANDRIA  
LICKING COUNTY**

**AUDIT REPORT**

**YEAR ENDED DECEMBER 31, 2006**

**Wolfe, Wilson, & Phillips, Inc.  
37 South Seventh Street  
Zanesville, Ohio 43701**





Mary Taylor, CPA  
Auditor of State

Village Council  
Village of Alexandria  
4 West Main Street  
Alexandria, Ohio 43001

We have reviewed the *Independent Auditors' Report* of the Village of Alexandria, Licking County, prepared by Wolf, Wilson & Phillips, Inc., for the audit period January 1, 2006 through December 31, 2006. 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 Alexandria is responsible for compliance with these laws and regulations.

*Mary Taylor*

Mary Taylor, CPA  
Auditor of State

September 12, 2008

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**VILLAGE OF ALEXANDRIA  
LICKING COUNTY  
YEAR ENDED DECEMBER 31, 2006**

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**WOLFE, WILSON, & PHILLIPS, INC.  
37 SOUTH SEVENTH STREET  
ZANESVILLE, OHIO 43701**

**INDEPENDENT AUDITORS' REPORT**

Village of Alexandria  
Licking County  
4 West Main Street  
Alexandria, Ohio 43001

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 Alexandria, Licking County as of and for the year ended December 31, 2006, which collectively comprised the Village's basic financial statements. 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 *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about 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 Village has prepared these financial statements and notes using the cash basis of accounting. 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 financial position-cash basis of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Village of Alexandria, Licking County, as of December 31, 2006, and the respective changes in financial position-cash basis and the respective budgetary comparison for the General Fund and Museum Fund, thereof for the year then ended in conformity with the basis of accounting Note 2 describes.

In accordance with *Government Auditing Standards*, we have also issued a report dated July 22, 2008, on our consideration of the Village of Alexandria's internal control structure over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

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

***Wolfe, Wilson, & Phillips, Inc.***  
Zanesville, Ohio  
July 22, 2008

**VILLAGE OF ALEXANDRIA, LICKING COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2006  
UNAUDITED**

This discussion and analysis of the Village of Alexandria's financial performance provides an overall review of the Village's financial activities for the year ended December 31, 2006, within the limitations of the Village's cash basis accounting. The intent of this discussion and analysis is to look at the Village's financial performance as a whole; readers should also review the financial statements and notes to the basic financial statements to enhance their understanding of the Village's financial performance.

**Highlights**

Key highlights for 2006 are as follows:

Net assets of governmental activities increased \$187,599, or 88.0 percent, a significant change from the prior year. This was due to an increase in loan and grant proceeds for capital projects.

The Village's general receipts are primarily property taxes, and intergovernmental receipts. These receipts represent respectively 3 and 40 percent of total cash received for governmental activities.

The Village's business-type activities are water charges. Net assets decreased by \$21,859 or 54 percent. This was due to a decrease in service charges and an increase in capital outlay.

In 2006, the Village started the building of a wastewater treatment plant, which is a two million dollar project.

**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 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 basic 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.

**VILLAGE OF ALEXANDRIA, LICKING COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2006  
UNAUDITED**

**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 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 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**

This annual report includes all activities for which the Village is fiscally responsible. These activities, defined as the Village's reporting entity, are operated within separate legal entities that make up the primary government. The primary government consists of the Village.

The statements of net assets and statement of activities for 2006 reflect how the Village did financially within the limitations of the cash basis of 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 programs services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General cash receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function and business-type activity draws from the Village's general receipts.

These statements report the Village's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the Village's financial health. Over time, increases or decreases in the Village's cash position is one indicator of whether the Village's financial health is improving or deteriorating. When evaluating the Village's financial condition, you should also consider other nonfinancial factors as well such as the Village's tax base, 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 real estate 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 park operations, police and capital projects. Real estate, property taxes and loans/grants finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.



**VILLAGE OF ALEXANDRIA, LICKING COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2006  
UNAUDITED**

Business-Type Activities - The Village has one business-type activities, the provision of water. 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 governmental 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 nonmajor 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 fund for 2006 is the General Fund, Museum Fund, Capital Project Fund 4905, Capital Projects Fund 4907, and Capital Projects 4908. The programs reported in governmental funds are related to those reported in the governmental activities section of the entity-wide statements. There are no reconciliations between the two reports as the Village reports on the cash basis.

**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 one enterprise fund. The major enterprise fund is the Water Operating Fund.

**VILLAGE OF ALEXANDRIA, LICKING COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2006  
UNAUDITED**

**The Government as a Whole**

Table 1 provides a summary of the Village's net assets for 2006 and 2005 on the cash basis:

Table 1  
NET ASSETS

	Governmental Activities 2006	Business-Type Activities 2006	Governmental Activities 2005	Business-Type Activities 2005	Total 2006	Total 2005
Assets:						
Cash	\$ 400,754	\$ 18,590	\$ 213,155	\$ 40,449	\$ 419,344	\$ 253,604
Total Assets	<u>\$ 400,754</u>	<u>\$ 18,590</u>	<u>\$ 213,155</u>	<u>\$ 40,449</u>	<u>\$ 419,344</u>	<u>\$ 253,604</u>
Net Assets						
Restricted For:						
Other Purposes	\$ 139,910	\$ -	\$ 35,446	\$ -	\$ 139,910	\$ 35,446
Capital Projects	122,611	-	54,370	-	122,611	54,370
Permanent Fund:						
Expendable	2,429	-	1,491	-	2,429	1,491
Nonexpendable	16,600	-	16,600	-	16,600	16,600
Unrestricted	119,204	18,590	105,248	40,449	137,794	145,697
Total Net Assets	<u>\$ 400,754</u>	<u>\$ 18,590</u>	<u>\$ 213,155</u>	<u>\$ 40,449</u>	<u>\$ 419,344</u>	<u>\$ 253,604</u>

The total net assets of the Village increased by \$165,740. Net assets of governmental activities increased by \$187,599 or 88.0% from 2005 and net assets of business type activities decreased by \$21,859 or 54%.

**VILLAGE OF ALEXANDRIA, LICKING COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2006  
UNAUDITED**

Table 2 reflects the changes in net assets in 2006 and 2005:

Table 2  
CHANGES IN NET ASSETS

	Governmental Activities 2006	Business-Type Activities 2006	Governmental Activities 2005	Business-Type Activities 2005	Totals 2006	Totals 2005
Receipts:						
Program Receipts						
Charges for Services	\$ 134,299	\$ 89,037	\$ 55,924	\$ 97,788	\$ 223,336	\$ 153,712
Operating Grants	24,232	-	24,239	-	24,232	24,239
Capital Grants	492,500	-	-	-	492,500	-
Total Program Receipts	651,031	89,037	80,163	97,788	740,068	177,951
General Receipts:						
Property and Other Tax Grants and Entitlements not Restricted	47,463	-	39,385	-	47,463	39,385
Debt Proceeds	221,091	-	33,735	-	221,091	33,735
Interest Income	841,123	-	49,985	-	841,123	49,985
Miscellaneous	3,500	117	2,149	-	3,617	2,149
Total General Receipts	62,733	-	54,451	-	62,733	54,451
Total Receipts	1,175,910	117	179,705	-	1,176,027	179,705
Total Receipts	1,826,941	89,154	259,868	97,788	1,916,095	357,656
Disbursements:						
Sec. of Persons & Prop.	57,697	-	52,106	-	57,697	52,106
Leisure Time Activities	4,260	-	989	-	4,260	989
Comm. Environment	1,927	-	1,397	-	1,927	1,397
Transportation	10,987	-	13,382	-	10,987	13,382
General Government	74,635	-	52,189	-	74,635	52,189
Miscellaneous	50	-	-	-	50	-
Capital Outlay	1,125,318	-	67,547	-	1,125,318	67,547
Debt Service:						
Principal	342,709	-	2,259	-	342,709	2,259
Interest	21,759	-	591	-	21,759	591
Water	-	111,013	-	106,797	111,013	106,797
Total Disbursements	1,639,342	111,013	190,460	106,797	1,750,355	297,257
Increase/(Decrease)						
In Net Assets	187,599	(21,859)	69,408	(9,009)	165,740	60,399
Net Assets, January 1	213,155	40,449	143,747	49,458	253,604	193,205
Net Assets, December 31	\$ 400,754	\$ 18,590	\$ 213,155	\$ 40,449	\$ 419,344	\$ 253,604

Program receipts represent 36 % and 49% of total receipts for 2006 and 2005. They are primarily comprised of water user fees and grant monies. Intergovernmental receipts such as motor vehicle license and gas tax money, licenses and permits and charges to local governments are included.

General receipts represent 64% and 51% of the Village's total receipts for 2006 and 2005. Local taxes represent 4% and 22% of the general receipts for 2006 and 2005. Grants and entitlements make up the balance of general receipts. Other receipts are insignificant and somewhat unpredictable receipt sources.

**VILLAGE OF ALEXANDRIA, LICKING COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2006  
UNAUDITED**

Disbursements for general government represent the overhead costs of running the Village and the support services provided for the other Village activities. These include the costs of council, mayor, village administrator, solicitor, clerk, and community environment departments as well as internal services such as payroll and purchasing.

Security of Persons and Property are the costs of police and fire protection; Leisure Time Activities are the costs of maintaining the parks; Basic Utility Services are costs associated with utilities in the general fund; and Transportation is the cost of maintaining roads.

**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 of Alexandria. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are for security of persons and property, general government and capital outlay, which account for 4, 5, and 69 percent of all governmental disbursements. The next three columns of the Statement entitled Program Receipts identify amounts paid by people who are directly charged for the service and grants received by the Village of Alexandria that must be used to provide a specific 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 service and the net cost for 2006 and 2005 is presented in Table 3.

	Total Cost of Services 2006	Net Cost of Services 2006	Total Cost of Services 2005	Net Cost of Services 2005
Security of Persons and Property	\$ 57,697	\$ 56,434	\$ 52,106	\$ 50,929
Leisure Time Activities	4,260	(72,246)	989	989
Community Environment	1,927	1,231	1,397	711
Transportation	10,987	(9,092)	13,382	(7,438)
General Government	74,635	14,648	52,189	(5,291)
Miscellaneous	50	50	-	-
Debt Service - Principal	342,709	342,709	2,259	2,259
Debt Service - Interest	21,759	21,759	591	591
Capital Outlay	1,125,318	632,818	67,547	67,547
Total Expenses	<u>\$ 1,639,342</u>	<u>\$ 988,311</u>	<u>\$ 190,460</u>	<u>\$ 110,297</u>

The dependence upon property and income tax is apparent as over 71% and 94% for 2006 and 2005 of governmental activities are supported through these general receipts.

**VILLAGE OF ALEXANDRIA, LICKING COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2006  
UNAUDITED**

**Business-Type Activities**

The water operations of the Village of Alexandria are relatively material to the Village and routinely reports cash receipts and cash disbursements that are not relatively equal. The Village is in the process of building a wastewater treatment plant.

**The Government's Funds**

Total governmental funds had receipts of \$1,846,941 and \$259,868 for 2006 and 2005 and disbursements of \$1,659,342 and \$190,460 for 2006 and 2005. The most significant change from the prior year in receipts is the increase in taxes and the large increase in disbursements is a increase in capital outlay.

General Fund receipts were not less than disbursements indicating the General Fund is in a surplus in its spending situation.

**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 2006 and 2005, the Village made amendments to its appropriation budget and receipts budget to reflect changing circumstances. Final budgeted receipts were above original budgeted receipts for 2006 and 2005. The difference between final budgeted receipts and actual receipts was not significant after council certified to amend resources.

Final budgeted disbursements for 2006 and 2005 were \$242,075 and \$205,748. Actual disbursements for 2006 and 2005 were \$193,950 and \$101,140. The Village kept spending close to budgeted amounts.

**Capital Assets and Debt Administration**

**Capital Assets**

The Village of Alexandria does not currently keep track of its capital assets and infrastructure in the accompanying financial statements, but records payments for capital assets as disbursements.

**Debt Administration**

At December 31, 2006, the Village had \$870,572 in loans and leases. The Village had \$788,615 in loans with the Ohio Water Development Authority for the wastewater treatment plant. The Village had \$21,142 in loans with the Ohio Public Works Commission, with \$2,013 due within one year for construction of a water tower. The Village had \$49,436 in loans with the Huntington Bank with \$2,685 due within one year for the purchase of a new municipal building. The Village had a capital lease with Huntington Bank in the amount of \$11,379 with \$3,307 due within one year. See footnote #10 for more detail.

***VILLAGE OF ALEXANDRIA, LICKING COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2006  
UNAUDITED***

**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 local taxes to help cover general expenses. In 2006, The Village started the construction of the wastewater treatment plant which required the Village to borrow money for this project.

**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 Laura Vanscoy, Clerk-Treasurer, Village of Alexandria, 4 West Main Street, Alexandria, Ohio 43001.

**VILLAGE OF ALEXANDRIA  
LICKING COUNTY**

**STATEMENT OF NET ASSETS-CASH BASIS  
December 31, 2006**

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS:</b>			
Equity in Pooled Cash and Cash Equivalents	\$ 400,754	\$ 18,590	\$ 419,344
<b>Total Assets</b>	<b>\$ 400,754</b>	<b>\$ 18,590</b>	<b>\$ 419,344</b>
<b>NET ASSETS:</b>			
Restricted for:			
Other Purposes	139,910	-	139,910
Capital Projects	122,611	-	122,611
Permanent Fund:			
Expendable	2,429		2,429
Nonexpendable	16,600		16,600
Unrestricted	119,204	18,590	137,794
<b>Total Net Assets</b>	<b>\$ 400,754</b>	<b>\$ 18,590</b>	<b>\$ 419,344</b>

See notes to basic financial statements.

**VILLAGE OF ALEXANDRIA  
LICKING COUNTY**

**STATEMENT OF ACTIVITIES-CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>Cash Disbursements</u>	<u>Charges for Services and Sales</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>Governmental Activities:</b>							
Security of Persons and Property	\$ 57,697	\$ -	\$ 1,263	\$ -	\$ (56,434)	\$ -	\$ (56,434)
Leisure Time Activities	4,260	76,506	-	-	72,246	-	72,246
Community Environment	1,927	696	-	-	(1,231)	-	(1,231)
Transportation	10,987	-	20,079	-	9,092	-	9,092
General Government	74,635	57,097	2,890	-	(14,648)	-	(14,648)
Miscellaneous	50	-	-	-	(50)	-	(50)
Debt Service-Principal	342,709	-	-	-	(342,709)	-	(342,709)
Debt Service-Interest	21,759	-	-	-	(21,759)	-	(21,759)
Capital Outlay	1,125,318	-	-	492,500	(632,818)	-	(632,818)
<b>Total Governmental Activities</b>	<u>1,639,342</u>	<u>134,299</u>	<u>24,232</u>	<u>492,500</u>	<u>(988,311)</u>	<u>-</u>	<u>(988,311)</u>
<b>Business Type Activities</b>							
Water	<u>111,013</u>	<u>89,037</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(21,976)</u>	<u>(21,976)</u>
<b>Total Business Type Activities</b>	<u>111,013</u>	<u>89,037</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(21,976)</u>	<u>(21,976)</u>
<b>Total</b>	<u>\$ 1,750,355</u>	<u>\$ 223,336</u>	<u>\$ 24,232</u>	<u>\$ 492,500</u>	<u>(988,311)</u>	<u>(21,976)</u>	<u>(1,010,287)</u>
			<b>General Receipts:</b>				
			Property Taxes		47,463	-	47,463
			Grants and Entitlements not Restricted to Specific Programs		221,091	-	221,091
			Loan Proceeds		841,123	-	841,123
			Earnings on Investments		3,500	117	3,617
			Miscellaneous		62,733	-	62,733
			<b>Total General Receipts</b>		<u>1,175,910</u>	<u>117</u>	<u>1,176,027</u>
			Change in Net Assets		187,599	(21,859)	165,740
			<b>Net Assets Beginning of Year</b>		<u>213,155</u>	<u>40,449</u>	<u>253,604</u>
			<b>Net Assets End of Year</b>		<u>\$ 400,754</u>	<u>\$ 18,590</u>	<u>\$ 419,344</u>

See notes to the basic financial statements.



**VILLAGE OF ALEXANDRIA  
LICKING COUNTY**

**STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES  
GOVERNMENTAL FUNDS  
December 31, 2006**

	<u>General</u>	<u>Museum</u>	<u>Capital Projects 4907</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS:</b>					
Equity in Pooled Cash and cash Equivalents	\$ 119,204	\$ 77,854	\$ 107,776	\$ 95,920	\$ 400,754
<b>Total Assets</b>	<u>\$ 119,204</u>	<u>\$ 77,854</u>	<u>\$ 107,776</u>	<u>\$ 95,920</u>	<u>\$ 400,754</u>
<b>Fund Balances:</b>					
Reserved:					
Reserved for Encumbrances	\$ 1,035	\$ -	\$ -	\$ 1,072	\$ 2,107
Unreserved:					
General Fund	118,169	-	-	-	118,169
Special Revenue Fund	-	77,854	-	60,984	138,838
Capital Projects Fund	-	-	107,776	14,835	122,611
Permanent Fund	-	-	-	19,029	19,029
<b>Total Fund Balances</b>	<u>\$ 119,204</u>	<u>\$ 77,854</u>	<u>\$ 107,776</u>	<u>\$ 95,920</u>	<u>\$ 400,754</u>

See notes to basic financial statements.

VILLAGE OF ALEXANDRIA  
LICKING COUNTY

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND CASH BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2006

	General	Museum	Capital Projects 4905	Capital Projects 4907	Capital Projects 4908	Other Governmental Funds	Total Governmental Funds
<b>CASH RECEIPTS</b>							
Property and Other Local Taxes	\$ 37,117	\$ -	\$ -	\$ -	\$ -	\$ 10,346	\$ 47,463
Intergovernmental	47,208	-	-	492,500	-	196,958	736,666
Special Assessment	1,853	-	-	-	-	-	1,853
Charges for Services	45	76,506	-	-	-	-	76,551
Fines, Licenses, Permits	57,052	-	-	-	-	-	57,052
Earnings on Investments	1,390	689	-	-	-	1,421	3,500
Miscellaneous	10,897	1,364	-	-	-	2,274	14,535
<b>Total Receipts</b>	<b>155,562</b>	<b>78,559</b>	<b>-</b>	<b>492,500</b>	<b>-</b>	<b>210,999</b>	<b>937,620</b>
<b>CASH DISBURSEMENTS:</b>							
Current:							
Security of Persons and Property	49,258	-	-	-	-	8,439	57,697
Leisure Time Activities	-	705	-	-	-	3,555	4,260
Community Environment	1,927	-	-	-	-	-	1,927
Transportation	-	-	-	-	-	10,987	10,987
General Government	73,873	-	-	-	-	762	74,635
Debt Service:							
Principal	3,710	-	-	-	-	338,999	342,709
Interest	1,317	-	-	-	-	20,442	21,759
Capital Outlay	42,780	-	437,273	385,408	165,274	94,583	1,125,318
<b>Total Disbursements</b>	<b>172,865</b>	<b>705</b>	<b>437,273</b>	<b>385,408</b>	<b>165,274</b>	<b>477,767</b>	<b>1,639,292</b>
<b>Excess of Receipts Over (Under) Disbursements</b>	<b>(17,303)</b>	<b>77,854</b>	<b>(437,273)</b>	<b>107,092</b>	<b>(165,274)</b>	<b>(266,768)</b>	<b>(701,672)</b>
<b>Other Cash Financing Sources (Uses)</b>							
Loan Proceeds	50,000	-	437,273	-	165,274	188,576	841,123
Transfer - In	-	-	-	-	-	20,000	20,000
Transfer - Out	(20,000)	-	-	-	-	-	(20,000)
Other Financing Sources	1,309	-	-	-	-	46,889	48,198
Other Financing (Uses)	(50)	-	-	-	-	-	(50)
<b>Total Other Financing Sources (Uses)</b>	<b>31,259</b>	<b>-</b>	<b>437,273</b>	<b>-</b>	<b>165,274</b>	<b>255,465</b>	<b>889,271</b>
<b>Net Change in Fund Balance</b>	<b>13,956</b>	<b>77,854</b>	<b>-</b>	<b>107,092</b>	<b>-</b>	<b>(11,303)</b>	<b>187,599</b>
<b>Cash Fund Balances Beginning of Year</b>	<b>105,248</b>	<b>-</b>	<b>-</b>	<b>684</b>	<b>-</b>	<b>107,223</b>	<b>213,155</b>
<b>Cash Fund Balances End of Year</b>	<b>\$ 119,204</b>	<b>\$ 77,854</b>	<b>\$ -</b>	<b>\$ 107,776</b>	<b>\$ -</b>	<b>\$ 95,920</b>	<b>\$ 400,754</b>

See notes to basic financial statements.

**VILLAGE OF ALEXANDRIA  
LICKING COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND CASH BALANCES  
BUDGET AND ACTUAL - BUDGET BASIS  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>CASH RECEIPTS</b>				
Property and Other Local Taxes	\$ 26,306	\$ 35,676	\$ 37,117	\$ 1,441
Intergovernmental	38,009	43,598	47,208	3,610
Special Assessments	160	175	1,853	1,678
Charges for Services	1,415	1,477	45	(1,432)
Fines, Licenses, Permits	58,450	52,500	57,052	4,552
Earnings on Investments	1,500	1,500	1,390	(110)
Miscellaneous	35	2,000	10,897	8,897
<b>Total Receipts</b>	<u>125,875</u>	<u>136,926</u>	<u>155,562</u>	<u>18,636</u>
<b>CASH DISBURSEMENTS:</b>				
Current:				
Security of Persons and Property	56,227	60,257	49,258	10,999
Community Environment	2,350	2,350	1,927	423
General Government	79,398	93,775	74,908	18,867
Debt Service:				
Principal	-	4,000	3,710	290
Interest	-	1,500	1,317	183
Capital Outlay	31,000	41,000	42,780	(1,780)
<b>Total Disbursements</b>	<u>168,975</u>	<u>202,882</u>	<u>173,900</u>	<u>28,982</u>
<b>Excess of Receipts Over (Under) Disbursements</b>	(43,100)	(65,956)	(18,338)	47,618
<b>Other Cash Financing Sources (Uses)</b>				
Loan Proceeds	-	-	50,000	50,000
Transfer-Out	(20,000)	(20,000)	(20,000)	-
Other Financing Sources	-	-	1,309	1,309
Other Financing Uses	(50,300)	(19,193)	(50)	19,143
<b>Total Other Financing Sources (Uses)</b>	<u>(70,300)</u>	<u>(39,193)</u>	<u>31,259</u>	<u>70,452</u>
<b>Net Change in Fund Balance</b>	(113,400)	(105,149)	12,921	118,070
<b>Cash Fund Balances Beginning of Year</b>	104,213	104,213	104,213	-
<b>Prior Year Encumbrances Appropriated</b>	<u>1,035</u>	<u>1,035</u>	<u>1,035</u>	<u>-</u>
<b>Cash Fund Balances End of Year</b>	<u>\$ (8,152)</u>	<u>\$ 99</u>	<u>\$ 118,169</u>	<u>\$ 118,070</u>

See notes to basic financial statements.

**VILLAGE OF ALEXANDRIA  
LICKING COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND CASH BALANCES  
BUDGET AND ACTUAL - BUDGET BASIS  
MUSEUM FUND  
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>CASH RECEIPTS</b>				
Charges for Services	\$ 76,506	\$ 76,506	\$ 76,506	\$ -
Earnings on Investments	20	20	689	669
Miscellaneous	1,200	1,200	1,364	164
<b>Total Receipts</b>	<u>77,726</u>	<u>77,726</u>	<u>78,559</u>	<u>833</u>
<b>CASH DISBURSEMENTS:</b>				
Current:				
Leisure Time Activities	900	900	705	195
<b>Total Disbursements</b>	<u>900</u>	<u>900</u>	<u>705</u>	<u>195</u>
<b>Excess of Receipts Over (Under) Disbursements</b>	76,826	76,826	77,854	1,028
<b>Cash Fund Balances Beginning of Year</b>	-	-	-	-
<b>Prior Year Encumbrances Appropriated</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Cash Fund Balances End of Year</b>	<u>\$ 76,826</u>	<u>\$ 76,826</u>	<u>\$ 77,854</u>	<u>\$ 1,028</u>

See notes to basic financial statements.

**VILLAGE OF ALEXANDRIA  
LICKING COUNTY**

**STATEMENT OF FUND NET ASSETS-CASH BASIS  
PROPRIETARY FUNDS  
December 31, 2006**

	<u>Water Operating</u>	<u>Total Enterprise Funds</u>
<b>ASSETS:</b>		
Equity in Pooled Cash and Cash Equivalents	\$ 18,590	\$ 18,590
<b>Total Assets</b>	<u>\$ 18,590</u>	<u>\$ 18,590</u>
<b>Net Assets:</b>		
Restricted for:		
Debt Service	-	-
Other Purposes	18,590	18,590
<b>Total Net Assets</b>	<u>\$ 18,590</u>	<u>\$ 18,590</u>

See notes to basic financial statements.

**VILLAGE OF ALEXANDRIA  
LICKING COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN NET ASSETS-CASH BASIS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<b>Water Operating</b>	<b>Enterprise Total</b>
<b>OPERATING CASH RECEIPTS</b>		
Charges for Services	\$ 89,037	\$ 89,037
<b>Total Operating Receipts</b>	89,037	89,037
<b>OPERATING CASH DISBURSEMENTS:</b>		
Personal Services	16,620	16,620
Employee Fringe Benefits	2,932	2,932
Contractual Services	62,219	62,219
Supplies and Materials	21,613	21,613
<b>Total Operating Disbursements</b>	103,384	103,384
<b>Operating Income (Loss)</b>	(14,347)	(14,347)
<b>Non-operating Cash Receipts (Disbursements)</b>		
Interest Income	117	117
Capital Outlay	(5,616)	(5,616)
Debt Service:		
Principal	(2,013)	(2,013)
<b>Total non-operating Cash Receipts (Disbursements)</b>	(7,512)	(7,512)
<b>Change in Net Assets</b>	(21,859)	(21,859)
<b>Net Assets Beginning of Year</b>	40,449	40,449
<b>Net Assets End of Year</b>	\$ 18,590	\$ 18,590

See notes to basic financial statements.

**VILLAGE OF ALEXANDRIA  
LICKING COUNTY**

**STATEMENT OF FIDUCIARY NET ASSETS-CASH BASIS  
December 31, 2006**

	<u>Agency</u>
<b>ASSETS:</b>	
Equity in Pooled Cash and Cash Equivalents	<u>\$ 942</u>
<b>Total Assets</b>	<u>\$ 942</u>
<b>NET ASSETS:</b>	
Unrestricted	<u>942</u>
<b>Total Net Assets</b>	<u><u>\$ 942</u></u>

See notes to basic financial statements.

**VILLAGE OF ALEXANDRIA  
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS**

**1. REPORTING ENTITY**

The Village of Alexandria, Licking County (the Village), is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Village is directed by a publicly-elected six-member Council. The Village provides water utilities, park operations, and police services.

A. Primary Government

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Village. The Village provides general government services, water utilities, park operations, 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. Based on these criteria, the Village has no component units.

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

**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 and the fund financial statements for the proprietary funds, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles 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 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



**VILLAGE OF ALEXANDRIA  
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Government-Wide Financial Statements

The statement of net assets and the statement of activities display information about the Village as a whole. These statements include the financial activities of the primary government and distinguish between those activities of the Village that are governmental and those that are considered business-type. Governmental activities generally are financed through taxes. Business-type activities are financed in whole or in part by fees charged to external parties for goods or service.

The statement of net assets present the cash balance of the governmental and business-type activities of the Village at year-end. The statement of activities compares disbursements with program receipts for each of the Village's governmental and business-type activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Village is responsible. Program receipts include charges paid by the recipient of the programs 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

During the year, the Village segregates transactions related to certain Village functions or activities in separate funds to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Village at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column.

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 cost of sales and services and administrative costs. The fund statements report all other receipts and disbursements as nonoperating.

**B. Fund Accounting**

The Village uses fund accounting to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Funds are used to segregate resources that are restricted 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 non-exchange transactions as governmental funds. The Village's has five major governmental funds, which are the General Fund, Museum Fund, and Capital Projects Funds 4905, 4907 and 4908.

- The General Fund is used to account for all financial resources, except those required to be accounted for in another fund. The General Fund balance is available to the Village for any purpose provided it is expended or transferred according to the general laws of Ohio.

**VILLAGE OF ALEXANDRIA  
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Governmental Funds (Continued)

- The Museum Fund is used to account for activities relating to the local museum.
- The Capital Projects Fund 4905 is used to account for loan monies from the USDA for the building of a wastewater treatment plant. Capital Projects Fund 4907 is used to account for CDBG monies used for the building of the wastewater treatment plant. Capital Projects Fund 4908 was used to account for loan monies used for the building of the wastewater treatment plant.

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

Proprietary Funds

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

Enterprise Funds – Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The Village’s major enterprise funds are the Water Operating Fund.

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

Fiduciary Funds

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds and agency funds. Trust funds are used to account for assets held by the Village under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the Village’s own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Village’s fiduciary fund is a agency fund which is used to account for Mayor’s Court fine collections and disbursements.

**C. Basis of Accounting**

The Village's financial statements are prepared using the cash basis of accounting. 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 billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

**VILLAGE OF ALEXANDRIA  
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Budgetary Process**

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

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

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the Village Clerk-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 certificate of estimated resources in effect at the time final appropriations were passed by the Village Council.

The appropriations ordinance is subject to amendment throughout the year with the 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 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 throughout Village records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents".

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains at the time of sale are recorded as receipts.

During 2006, the Village invested in STAR Ohio. STAR Ohio is an investment pool, managed by the State Treasurer's Office, which allows Villages within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on December 31, 2006.

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 2006 was \$1,390.

**VILLAGE OF ALEXANDRIA  
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

F. Restricted Assets

Cash and cash equivalents are reported as restricted when limitations on their use change the nature or normal understanding of their use. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments, or imposed by law through constitutional provisions or enabling legislation. Restricted net assets represent all funds except for general fund and water fund.

G. Inventory and Prepaid Items

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

H. Capital Assets

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

I. Accumulated Leave

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

J. Employer Contributions to Cost-Sharing Pension Plans

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

K. Long-Term Obligations

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

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

**VILLAGE OF ALEXANDRIA  
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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 balance, which is available for appropriation in future periods. Fund balance reserves have been established for encumbrances.

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 cash receipts in the seller funds and as cash 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 on the financial statements.

**3. BUDGETARY BASIS OF ACCOUNTING**

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance-Budget and Actual-Budgetary Basis presented for the General Fund is prepared on the budgetary basis to provide a meaningful comparisons of actual results with the budget. The differences between the budgetary basis and the cash basis is outstanding year-end encumbrances are treated as disbursements (budgetary basis) rather than as a reservation of fund balance (cash basis). The encumbrances outstanding at year-end (budgetary basis) amounted to \$1,035 for the General Fund.

**VILLAGE OF ALEXANDRIA  
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS**

**4. DEPOSITS AND INVESTMENTS**

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

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

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
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 obligation 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 ALEXANDRIA  
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS**

**5. 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.

Protection of the Village's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by collateral pledged to the Village by the financial institution, or by a collateral pool established by the financial institution, to secure the repayment of all public monies deposited with the institution. Huntington National Bank is the financial institution for the Village.

At year end, the Village did not have any undeposited cash on hand.

Deposits

Custodial credit risk is the risk that in the event of bank failure, the Village will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, \$338,862 of the Village's bank balance of \$438,862 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.

Investments

As of December 31, 2006, the Village had the following investment:

	<u>Carrying Value</u>	<u>Maturity</u>
STAR Ohio	\$ 19,295	Daily

Interest Rate Risk

Interest rate risk arises because the fair value of investments changes as interest rates change. The Village's investment policy addresses interest rate risk by requiring that the Village's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments, thereby avoiding that need to sell securities on the open market prior to maturity, and by investing operating funds primarily in short-term investments.

**VILLAGE OF ALEXANDRIA  
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS**

**5. DEPOSITS AND INVESTMENTS (Continued)**

STAR Ohio carries a rating of AAAm by Standard and Poor's. The Village has no investment policy dealing with investment credit risk beyond the requirement in state statutes. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service and that money market funds be rated in the highest category at the time of purchase by at least one nationally recognized standard rating service.

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Village has no investment policy dealing with investment custodial credit risk beyond the requirements in ORC 135.14(M) (2) which states, "Payment for investments shall be made only upon the delivery of securities representing such investments to the treasurer, governing board, or qualified trustee.

**6. PROPERTY TAXES**

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the Village. Real property tax receipts received in 2006 represent the collection of 2005 taxes. Real property taxes received in 2006 were levied after October 1, 2005, on the assessed values as of January 1, 2005, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstance, State statute permits alternate payment dates to be established.

Public utility property tax receipts received in 2006 represent the collection of 2005 taxes. Public utility real and tangible personal property taxes received in 2005 became a lien on December 31, 2004, were levied after October 31, 2005, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

Tangible personal property tax receipts received in 2006 (other than public utility property) represent the collection of 2006 taxes. Tangible personal property taxes received in 2006 were levied after October 1, 2005, on the true value as of December 31, 2005. Tangible personal property is currently assessed at 18.75 percent of true value for capital assets and 18.75 percent for inventory. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, the first payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.



**VILLAGE OF ALEXANDRIA  
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS**

**6. PROPERTY TAXES (Continued)**

The full tax rate for all Village operations for the year ended December 31, 2006, was \$4.80 per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which 2006 property tax receipts were based are as follows:

Real Property		
Residential	\$	6,086,630
Agriculture		30
Commercial/Industrial/Mineral		260,010
Public Utility Property		
Real		0
Personal		143,630
Tangible Personal Property		26,600
Total Assessed Value	<u>\$</u>	<u>6,516,900</u>

**7. RISK MANAGEMENT**

The Village belongs to the Ohio Municipal Joint Self-Insurance Pool, (the "Pool"), an unincorporated non-profit association available to municipal corporations and their instrumentalities. Pursuant to Section 2744.081 of the Ohio Revised Code, the Pool is deemed a separate legal entity. The Pool provides a program of property and casualty insurance for its members. The Pool pays judgments, settlements and other expenses resulting for covered claims that exceed the members' deductible.

The Pool cedes reinsurances or excess reinsurers. The Pool is contingently liable should any reinsurer become unable to meet its obligations under the reinsurance agreements. The Pool's financial statements (audited by other auditors) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained (deficit) earnings at December 31, 2006 and 2005 (the latest information available):

	<u>2006</u>	<u>2005</u>
Assets	\$ 2,331,284	\$ 2,241,661
Liabilities	(3,130,475)	(3,457,720)
Retained earnings	<u>\$ (799,191)</u>	<u>\$ (1,216,059)</u>

**VILLAGE OF ALEXANDRIA  
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS**

**8. DEFINED BENEFIT PENSION PLANS**

a. Ohio Public Employees Retirement System

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

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional and combined plans. Members of the member directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-6705 or (800) 222-7377.

For the year ended December 31, 2006, the members of all three plans, except those in law enforcement or public safety participating in the traditional plan, were required to contribute 9.0 percent of their annual covered salaries. Members participating in the traditional plan who were in law enforcement contributed 10.1 percent of their annual covered salary; members in public safety contributed 9 percent. The employer contribution rate for pension benefits for 2006 was 13.70 percent, except for those plan members in law enforcement or public safety. For those classifications, the employer's pension contributions were 16.93percent of covered payroll. The Ohio Revised Code provides statutory authority for member and employer contributions.

The Village's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2006, 2005, and 2004 were \$7,793, \$6,999, and \$7,624, respectively. The full amount has been contributed for 2006, 2005 and 2004.

**9. POSTEMPLOYMENT BENEFITS**

A. Ohio Public Employees Retirement System

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and qualified survivor benefit recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health car coverage provided by the retirement system is considered an Other Postemployment Benefit as described in *GASB Statement No. 12*. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State Statute. The 2006 local government employer contribution rate was 13.70 percent of covered payroll (16.93 percent for public safety and law enforcement); 4.5 percent of covered payroll was the portion that was used to fund health care.

**VILLAGE OF ALEXANDRIA  
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS**

**9. POSTEMPLOYMENT BENEFITS**

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as December 31, 2005, include a rate of return on investments of 6.5 percent, an annual increase in active employee total payroll of 4 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between 0.5 percent and 6.3 percent based on additional annual pay increases. Health care premiums were assumed to increase at the projected wage inflation rate plus an additional factor ranging from .5 to 6 percent annually for the next nine years and 4 percent annually after nine years.

All investments are carried at market. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets annually.

The number of active contributing participants in the traditional and combined plans was 358,804. Actual Village contributions for 2006, which were used to fund post employment benefits, were \$2,558. The actual contribution and the actuarially required contribution amounts are the same. The actuarial value of OPERS's net assets available for payment of benefits at December 31, 2005, (the latest information available) was \$11.1 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$31.3 billion and \$20.2 billion, respectively.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. The HCPP restructures OPERS's health care coverage to improve the financial solvency of the fund in response to increasing health care costs. Member and employer contribution rates increased as of January 1, 2006 and January 1, 2007, which will allow additional funds to be allocated to the health care plan.

**10. DEBT**

The Village's long -term debt activity for the year ended December 31, 2006, was as follows:

	Interest Rate	Balance January 1 2006	Additions	Deductions	Balance December 31 2006	Amount Due Within One Year
<u>Governmental-Type Activities</u>						
Capital Lease	6.64%	\$ 14,525	\$ -	\$ 3,146	\$ 11,379	\$ 3,307
OWDA Loan #3590	5.65%	336,491	2,508	338,999	-	-
OWDA Loan #4451	4.11%	-	787,516	-	787,516	-
OWDA Loan #4531	4.11%	-	1,099	-	1,099	-
Building Bonds	5.45%	-	50,000	564	49,436	2,685
<u>Business-Type Activities</u>						
OPWC Loan	0.00%	23,155	-	2,013	21,142	2,013
Total		<u>\$ 374,171</u>	<u>\$ 841,123</u>	<u>\$ 344,722</u>	<u>\$ 870,572</u>	<u>\$ 8,005</u>

**VILLAGE OF ALEXANDRIA  
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS**

**10. DEBT (CONTINUED)**

The Ohio Water Development Authority (OWDA) loan #3590 relates to a wastewater engineering loan to build a wastewater treatment plant. The Village has been awarded a total loan amount of \$338,999. However, as of December 31, 2006 the Village has only drawn down \$338,999. This loan was paid off in 2006.

The Ohio Water Development Authority (OWDA) Loans \$4451 and #4531 relate to the construction of the wastewater treatment plant construction. The Village was awarded a total combined loan amount of \$1,686,885. However, as of December 31, 2006, the Village has only drawn \$788,615. These loans are not included in the amortization schedules below.

The Ohio Public Works Commission Loan (OPWC) relates to the construction of a water storage tower. The loan will be paid in semiannual installments of \$1,007, with no interest, over 20 years. The loan is collateralized by water fees. The Village has agreed to set utility rates sufficient to cover OPWC debt service requirements.

In 2006, the Village purchased a new municipal building through the issuance of \$50,000 of Building Acquisition Bonds with the Huntington National Bank. Payments are made monthly over fifteen years.

In 2005, the Village entered into a lease-purchase agreement with the Huntington National Bank for a police cruiser. Interest is charged at 6.64% and payments of \$316 are made monthly.

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

Year	Capital Lease		OPWC	Building Bonds	
	Principal	Interest	Loans Principal	Principal	Interest
2007	\$ 3,307	\$ 493	\$ 2,013	\$ 2,685	\$ 2,345
2008	3,476	324	2,013	2,567	2,344
2009	3,654	146	2,013	2,568	2,201
2010	942	8	2,013	2,711	2,050
2011	-	-	2,013	2,863	1,900
2012-2016	-	-	10,065	18,182	7,067
2017-2021	-	-	1,012	17,860	1,828
Total	<u>\$ 11,379</u>	<u>\$ 971</u>	<u>\$ 21,142</u>	<u>\$ 49,436</u>	<u>\$ 19,735</u>

**11. COMPLIANCE AND ACCOUNTABILITY**

Contrary to Ohio Revised Code Section 5705.39, The Village had funds with appropriations greater than estimated resources.

Contrary to Ohio Revised Code 5705.41(D), The Village made expenditures prior to proper certification.

**12. TRANSFERS**

The Village General Fund transferred \$20,000 to the Parks and Recreation Fund to subsidize leisure time activities.

**WOLFE, WILSON, & PHILLIPS, INC.  
37 SOUTH SEVENTH STREET  
ZANESVILLE, OHIO 43701**

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

Village of Alexandria  
Licking County  
4 West Main Street  
Alexandria, Ohio 43001

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Village of Alexandria as of and for the years ended December 31, 2006, and have issued our report thereon dated July 22, 2008, wherein we noted the Village followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. 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 *Government Auditing Standards*, issued by the comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered Village of Alexandria's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinion on the financial statements, but not to opine 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 control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Village's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that a misstatement of the Village's financial statements that is more than inconsequential will not be prevented or detected by the Village's internal control.

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

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

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Village of Alexandria's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standard* and which are described in the accompanying schedule of findings and responses as items 2006-01. Also, we noted certain immaterial instances of noncompliance that we have reported to the management of Village of Alexandria in a separate letter dated July 22, 2008.

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

This report is intended for the information of the Village's management, Fiscal Officer, the Auditor of State, federal award agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

***Wolfe, Wilson, & Phillips, Inc.***  
Zanesville, Ohio  
July 22, 2008

**WOLFE, WILSON, & PHILLIPS, INC.  
37 SOUTH SEVENTH STREET  
ZANESVILLE, OHIO 43701**

**REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL  
CONTROL OVER COMPLIANCE IN  
ACCORDANCE WITH *OMB CIRCULAR A-133***

Village of Alexandria  
Licking County  
4 West Main Street  
Alexandria, Ohio 43001

**Compliance**

We have audited the compliance of Village of Alexandria with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal program for the year ended December 31, 2006. Village of Alexandria's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Village of Alexandria's management. Our responsibility is to express an opinion on the Village of Alexandria's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Village of Alexandria's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Village of Alexandria's compliance with those requirements.

In our opinion, Village of Alexandria complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 2006.

**Internal Control Over Compliance**

The management of Village of Alexandria is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grant agreements applicable to federal programs. In planning and performing our audit, we considered Village of Alexandria's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Village of Alexandria's internal control over compliance.

### **Internal Control Over Compliance (Continued)**

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Village's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the Village's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the Village's internal control.

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

### **Schedule of Federal Award Expenditures**

We have audited the financial statements of the governmental activities, business-type activities, each major fund and the aggregated remaining fund information of Village of Alexandria as of and for the year ended December 31, 2006, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated July 22, 2008. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The accompanying schedule of federal award expenditures is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended for the information of the Village's management, Fiscal Officer, the Auditor of State, federal award agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Wolfe, Wilson, & Phillips, Inc.*  
Zanesville, Ohio  
July 22, 2008



**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
OMB CIRCULAR A – 133 SECTION .505**

**VILLAGE OF ALEXANDRIA  
DECEMBER 31, 2006**

**1. AUDITOR'S RESULTS**

<i>(d)(1)(I)</i>	Type of Financial Statement Opinion	Unqualified
<i>(d)(1)(ii)</i>	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	NO
<i>(d)(1)(II)</i>	Were there any other significant deficiencies In internal control reported at the financial statement level (GAGAS)?	NO
<i>(d)(1)(iii)</i>	Was there any reported non-compliance at the financial statement level (GAGAS)?	Yes
<i>(d)(1)(iv)</i>	Were there any material internal control weakness conditions reported for major federal programs?	NO
<i>(d)(1)(iv)</i>	Were there any other significant deficiencies In internal control reported for major federal programs?	NO
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unqualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under section .510?	NO
<i>(d)(1)(vii)</i>	Major Programs (List):	CDBG #14.228 Disposal Systems #10.760
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A\B	Type A: >\$300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	NO

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)**  
**OMB CIRCULAR A – 133 SECTION .505**

**VILLAGE OF ALEXANDRIA**  
**DECEMBER 31, 2006**

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

**FINDING NUMBER 2006-01**

Ohio Revised Code Section 5705.41(D) states in part that no subdivision shall make any contract or give any order involving the expenditure of money unless there is attached thereto a certificate of Clerk of the subdivision. The Clerk must certify that the amount required to meet such a commitment has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrance.

Prior certification was not obtained for 13.4% in 2006 of the expenditures tested.

The Clerk should certify funds before each payment is made through the issuance of a regular, blanket, or super blanket purchase order. Blanket certificates should be issued for a certain sum of money not in excess of an amount established by resolution or ordinance adopted by a majority of the members of council against any specific line item account over a period not running beyond the end of the current fiscal year. A super blanket purchase order can be completed for any amount for expenditures and contracts from a specific line item appropriation account in a specified fund for most recurring or reasonable predictable operating expenditures. This is not to extend beyond the current year. More than one super blanket may be outstanding at one particular time for a particular line item appropriation account.

Also, as an alternative, the Village can issue then and now certificates for expenses up to \$3,000. Then and now certificates allow the Clerk to certify that both at the time the expenditure was made and at the time that the certification is completed, sufficient funds are available. These certificates can be certified by the Clerk without subsequent authorization from the Council. However, then and now certificates issued by the Clerk over \$3,000, must be authorized by the Council within thirty days after payment.

Client Response: We agree with finding and will try to improve in the future.

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

NONE

**VILLAGE OF ALEXANDRIA  
LICKING COUNTY  
SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2006**

<b>Federal Grantor/ Sub-Grantor Program Title</b>	<b>Pass Through Entity Number</b>	<b>Federal CFDA Number</b>	<b>Receipts</b>	<b>Disbursements</b>
<b><u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:</u></b>				
(Pass through Ohio Department of Development)				
Community Development Block Grant	C-W-04-338-1	14.228	<u>\$ 492,500</u>	<u>\$ 385,408</u>
<b>Total U.S. Department of Housing and Urban Development</b>			492,500	385,408
<b><u>U.S. DEPARTMENT OF AGRICULTURE:</u></b>				
Direct				
Water & Wastewater Disposal Systems For Rural Communities	n/a	10.760	<u>437,273</u>	<u>437,273</u>
<b>Total U.S. Department of Agriculture</b>			437,273	437,273
<b>Total Federal Awards Expenditures</b>			<u><u>\$ 929,773</u></u>	<u><u>\$ 822,681</u></u>

See notes to Schedule of Federal Awards Expenditures.

**VILLAGE OF ALEXANDRIA  
LICKING COUNTY**

**NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES**

**NOTE A – SIGNIFICANT ACCOUNTING POLICIES**

The accompanying schedule of federal awards expenditures is a summary of the activity of the Village's federal awards programs. The schedule has been prepared on the cash basis of accounting.

**NOTE B - MATCHING REQUIREMENTS**

Certain Federal programs require the Village contribute non-Federal funds (matching funds) to support the Federally-funded programs. The Village has complied with the matching requirements. The expenditure of non-Federal matching funds is not included on the Schedule.



**Mary Taylor, CPA**  
Auditor of State

**VILLAGE OF ALEXANDRIA**

**LICKING 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 25, 2008**