

**VILLAGE OF GIBSONBURG
SANDUSKY COUNTY**

AUDITED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2007 AND 2006



Mary Taylor, CPA
Auditor of State

Village Council
Village of Gibsonburg
120 North Main Street
Gibsonburg, Ohio 43431-1106

We have reviewed the *Independent Auditor's Report* of the Village of Gibsonburg, Sandusky County, prepared by LublinSussman Group LLP, for the audit period January 1, 2006 through December 31, 2007. 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 Gibsonburg is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

October 30, 2008

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INDEPENDENT AUDITOR'S REPORT

To the Village Council
Village of Gibsonburg
Sandusky County
120 North Main Street
Gibsonburg, OH 43431-1106

To the Village Council:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the remaining aggregate fund information of the Village of Gibsonburg, Sandusky County, (the Village) as of and for the years ended December 31, 2007 and 2006, 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 audits.

We conducted our audits 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 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 audits provide a reasonable basis for our opinion.

As described in Note 1, the accompanying financial statements and notes follow 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 cash financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Gibsonburg, Sandusky County, as of December 31, 2007 and 2006, and the respective changes in cash financial position and the respective budgetary comparison for the General Fund, the Street Construction, Maintenance and Repair Fund, the Permissive Motor Vehicle License Tax Fund, and the Economic Development Industrial Park Fund, thereof and for the years then ended in conformity with the basis of accounting described in Note 1.

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In accordance with *Government Auditing Standards*, we have also issued our report dated January 19, 2007 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, 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 required by the Governmental Accounting Standards Board. 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.

Delvin Sussman Group LLP

September 24, 2008
Toledo, Ohio

VILLAGE OF GIBSONBURG
SANDUSKY COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006
UNAUDITED

This discussion and analysis of the Village of Gibsonburg's (the Village) financial performance provides an overall review of the Village's financial activities for the years ended December 31, 2007 and 2006, within the limitations of the Village's cash basis of accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Village's financial performance.

Financial Highlights

Key highlights for 2007 and 2006 are as follows:

- The total net cash assets of the Village increased \$420,978 and \$116,472 for the years ended December 31, 2007 and 2006, respectively. Net cash assets of governmental activities increased \$230,401 and \$196,070 for the years ended December 31, 2007 and 2006, respectively, which represents a 43.0% and 57.8% increase over 2006 and 2005. Net cash assets of business-type activities increased \$190,577 or 32.9% and decreased \$79,598 or 12.1% from fiscal years 2006 and 2005, respectively.
- General cash receipts accounted for \$872,955 or 85.3% and \$830,419 or 85.0% of total governmental activities cash receipts for the years ended December 31, 2007 and 2006, respectively. Program specific cash receipts accounted for \$150,842 or 14.7% and \$146,211 or 15.0% of total governmental activities cash receipts.
- The Village had \$793,396 and \$780,560 in cash disbursements related to governmental activities for the years ended December 31, 2007 and 2006, respectively; \$150,842 and \$146,211, respectively of these cash disbursements were offset by program specific charges for services, grants or contributions. General cash receipts of \$872,955 and \$830,419, respectively were adequate to provide for these programs.
- The Village's major governmental funds for 2007 were the general fund, street construction, maintenance and repair fund, and the economic development industrial park fund. The Village's major governmental funds for 2006 were the general fund, the street construction, maintenance and repair fund, the permissive motor vehicle license tax fund, and the economic development industrial park fund.
- The general fund had cash receipts of \$842,429 and \$805,370 in 2007 and 2006, respectively. The cash disbursements of the general fund totaled \$721,408 and \$729,477 in 2007 and 2006, respectively. The general fund's cash balance increased \$121,021 and \$75,893 from 2006 to 2007 and 2005 to 2006, respectively.
- The street construction, maintenance and repair fund, a Village major fund, had cash receipts of \$114,102 and \$109,048 in 2007 and 2006, respectively. The fund had cash disbursements of \$71,500 and \$69,377 in 2007 and 2006, respectively. The fund cash balance increased \$42,602 and \$39,671 from 2006 to 2007 and 2005 to 2006, respectively.

VILLAGE OF GIBSONBURG
SANDUSKY COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006
UNAUDITED

Financial Highlights (Continued)

- The permissive motor vehicle license tax fund, a major fund in 2006, had cash receipts of \$28,693. Fund cash disbursement amounted to \$0 with a fund cash balance increase of \$28,693 for 2006.
- The economic development industrial park, a Village major fund, had cash receipts of \$110,745 and \$60,398 in 2007 and 2006, respectively. The fund had cash disbursements of \$7,829 and \$15,955 in 2007 and 2006, respectively. The fund cash balance increased \$102,916 and \$44,443, from 2006 to 2007 and 2005 to 2006, respectively.
- Net cash assets for the proprietary funds increased by \$190,577 or 32.9% and decreased \$79,598 or 12.1% for the years ended December 31, 2007 and 2006, respectively.

Using the Basic Financial Statements

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

Report Components

The Statement of Net Assets - Cash Basis and Statement of Activities - Cash Basis provide information about the cash activities of the whole Village, presenting an aggregate view of the Village's cash basis finances. Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Village as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

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

Basis of Accounting

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

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

VILLAGE OF GIBSONBURG
SANDUSKY COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006
UNAUDITED

Reporting the Village as a Whole

Statement of Net Assets and the Statement of Activities

The statement of net assets - cash basis and the statement of activities - cash basis reflect how the Government did financially during 2007 and 2006, within the limitations of cash basis accounting. The statement of net assets - cash basis presents the cash balances and investments of the governmental and business-type activities of the Village at year end. The statement of activities - cash basis compares cash disbursements with program receipts for each Village 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 village function or business-type activity draws from the Village's general receipts.

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

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

Governmental activities. Most of the Village's basic services are reported here, including health services, security of persons and property, transportation, leisure time activities and general government. 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's business-type activities include water, sewer, refuse and water and sewer improvement operations. Business-type activities are financed by a fee charged to the customers receiving the service.

Reporting the Village's Most Significant Funds

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

VILLAGE OF GIBSONBURG
SANDUSKY COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006
UNAUDITED

Reporting the Village's Most Significant Funds (Continued)

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. For 2007, the Village's major governmental funds are the General Fund, Street Construction, Maintenance and Repair Fund, and the Economic Development Industrial Park Fund. For 2006, the Village's major governmental funds are the General Fund, Street Construction, Maintenance and Repair Fund, Permissive Motor Vehicle License Tax Fund and the Economic Development Industrial Park Fund. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide 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 uses the enterprise funds to account for its water, sewer, refuse, and water and sewer improvement operations.

The Village as a Whole

The table below provides a summary of the Village's net assets for 2007 and 2006 on a cash basis:

Net Assets

	Governmental Activities <u>2007</u>	Business-type Activities <u>2007</u>	Governmental Activities <u>2006</u>	Business-type Activities <u>2006</u>	2007 Total	2006 Total
<u>Assets</u>						
Equity in pooled cash and cash equivalents	\$ <u>765,894</u>	\$ <u>769,630</u>	\$ <u>535,493</u>	\$ <u>579,053</u>	\$ <u>1,535,524</u>	\$ <u>1,114,546</u>
Total Assets	\$ <u>765,894</u>	\$ <u>769,630</u>	\$ <u>535,493</u>	\$ <u>579,053</u>	\$ <u>1,535,524</u>	\$ <u>1,114,546</u>
<u>Net Assets</u>						
Restricted for:						
Other Purposes	386,548	0	277,167	0	386,548	277,167
Unrestricted	<u>379,346</u>	<u>769,630</u>	<u>258,326</u>	<u>579,053</u>	<u>1,148,976</u>	<u>837,379</u>
Total net assets	\$ <u>765,894</u>	\$ <u>769,630</u>	\$ <u>535,493</u>	\$ <u>579,053</u>	\$ <u>1,535,524</u>	\$ <u>1,114,546</u>

The total net cash assets of the Village increased \$420,978 and \$116,472 for the years ended December 31, 2007 and 2006, respectively. Net cash assets of governmental activities increased \$230,401 and \$196,070 for the years ended December 31, 2007 and 2006, respectively, which represents a 43.0% and 57.8% increase over fiscal year 2006 and 2005. Net cash assets of business-type activities increased \$190,577 or 32.9% and decreased \$79,598 or 12.1% from fiscal year 2006 and 2005.

VILLAGE OF GIBSONBURG
SANDUSKY COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006
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The Village as a Whole (Continued)

The balance of governmental activities unrestricted net cash assets of \$379,346 may be used to meet the government's ongoing obligations to citizens and creditors.

The table below shows the change in net assets for fiscal years 2007 and 2006 for governmental activities, business-type activities and total primary government.

Change in Net Cash Assets

	Governmental <u>Activities</u>	Business-type <u>Activities</u>	Governmental <u>Activities</u>	Business-type <u>Activities</u>	<u>Total</u>	
	<u>2007</u>	<u>2007</u>	<u>2006</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Cash Receipts:						
Program cash receipts:						
Charges for						
services and sales	\$ 7,177	\$1,171,729	\$ 6,193	\$ 947,590	\$1,178,906	\$ 953,783
Operating grants						
and contributions	137,246	0	137,474	2,500	137,246	139,974
Capital grants						
and contributions	<u>6,419</u>	<u>175,000</u>	<u>2,544</u>	<u>0</u>	<u>181,419</u>	<u>2,544</u>
Total program cash receipts	150,842	1,346,729	146,211	950,090	1,497,571	1,096,301
General cash receipts and advances:						
Property and other taxes	123,781	0	111,265	0	123,781	111,265
Municipal income taxes	497,631	0	515,676	0	497,631	515,676
Cable Franchise Fees	10,745	0	10,398	0	10,745	10,398
Notes Issued	0	1,841,664	0	0	1,841,664	0
Unrestricted grants	173,571	0	131,352	0	173,571	131,352
Sale of Fixed Assets	0	0	1,624	0	0	1,624
Investment earnings	62,198	0	47,383	0	62,198	47,383
Miscellaneous	<u>5,029</u>	<u>159,836</u>	<u>12,721</u>	<u>1,215</u>	<u>164,865</u>	<u>13,936</u>
Total general cash receipts and advances	<u>872,955</u>	<u>2,001,500</u>	<u>830,419</u>	<u>1,215</u>	<u>2,874,455</u>	<u>831,634</u>
Total cash receipts and advances	1,023,797	3,348,229	976,630	951,305	4,372,026	1,927,935
Cash Disbursements:						
Security of persons and property	362,870	0	356,792	0	362,870	356,792
Community Env.	2,704	0	14,512	0	2,704	14,512
Leisure time activities	57,006	0	35,793	0	57,006	35,793
Transportation	70,689	0	44,565	0	70,689	44,565
General government	187,032	0	212,234	0	187,032	212,234

**VILLAGE OF GIBSONBURG
SANDUSKY COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006
UNAUDITED**

Change in Net Cash Assets (Continued)

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	
	<u>2007</u>	<u>2007</u>	<u>2006</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Capital Outlay	111,860	0	116,080	0	111,860	116,080
Public Health	1,235	0	584	0	1,235	584
Water	0	935,518	0	395,941	935,518	395,941
Sewer	0	2,111,838	0	512,488	2,111,838	512,488
Refuse	0	110,296	0	122,474	110,296	122,474
Total cash disbursements	<u>793,396</u>	<u>3,157,652</u>	<u>780,560</u>	<u>1,030,903</u>	<u>3,951,048</u>	<u>1,811,463</u>
Change in net cash assets	230,401	190,577	196,070	(79,598)	420,978	116,472
Net cash assets at beginning of year	<u>535,493</u>	<u>579,053</u>	<u>339,423</u>	<u>658,651</u>	<u>1,114,546</u>	<u>998,074</u>
Net cash assets at end of year	<u>\$ 765,894</u>	<u>\$ 769,630</u>	<u>\$ 535,493</u>	<u>\$ 579,053</u>	<u>\$1,535,524</u>	<u>\$1,114,546</u>

Governmental program receipts represent only 14.7 percent and 15.0 percent of total receipts and are primarily comprised of restricted intergovernmental receipts such as motor vehicle license and gas tax money, building permits and inspection fees for 2007 and 2006, respectively.

General receipts represent 85.3 percent and 85.0 percent of the Government's total receipts for 2007 and 2006, respectively, and of this amount over 71.2 percent and 75.5 percent are local taxes for 2007 and 2006, respectively. State and federal grants and entitlements make up the balance of the Government's general receipts (19.9 percent and 15.8 percent for 2007 and 2006, respectively). Other receipts are insignificant and somewhat unpredictable revenue sources.

Disbursements for General Government represent the overhead costs of running the Government and the support services provided for the other Government activities. These include the costs of council, treasurer, and income tax departments, 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.

Security of Persons and Property are the costs of police protection; Public Health Services is the health department; Leisure Time Activities are the costs of maintaining the parks and playing fields; the economic development department promotes the Government to industry and commerce as well as working with other governments in the area to attract new business; and Transportation is the cost of maintaining the roads.

VILLAGE OF GIBSONBURG
SANDUSKY COUNTY
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

Governmental Activities

If you look at the Statement of Activities on pages 15-16, 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 general government, which account for 45.7% and 23.6% of all governmental disbursements, respectively. Capital outlay also represents a significant cost, about 14.1%. The next three columns of the Statement entitled Program Receipts identify amounts paid by people who are directly charged for the service and grants received by the Village that must be used to provide a specific service. The net Receipt (Disbursement) column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented as follows:

	Governmental Activities			
	Total Cost of Services <u>2007</u>	Net Cost of Services <u>2007</u>	Total Cost of Services <u>2006</u>	Net Cost of Services <u>2006</u>
Cash Disbursements:				
Current:				
Security of Persons and Property	\$ 362,870	\$ 356,539	\$ 356,792	\$ 352,107
General Government	187,032	187,032	212,234	212,234
Leisure Time Activities	57,006	50,099	35,793	30,567
Community Environment	2,704	(4,623)	14,512	4,519
Transportation	70,689	12,572	44,565	(52,592)
Capital Outlay	111,860	39,700	116,080	86,930
Public Health Services	<u>1,235</u>	<u>1,235</u>	<u>584</u>	<u>584</u>
Total	<u>\$ 793,396</u>	<u>\$ 642,554</u>	<u>\$ 780,560</u>	<u>\$ 634,349</u>

The dependence upon general cash receipts for governmental activities is apparent; with 81.0% and 81.3% of cash disbursements supported through taxes and other general cash receipts during 2007 and 2006, respectively.

Business-Type Activities

The Village has three major proprietary funds for 2007 and 2006, the Water Operating Fund, Sewer Operating Fund and the Sewer Improvement Fund. The Village has four additional major proprietary funds for 2007, the Water Cap Fund, Hurlbut Ditch Sewer Improvement Fund, Waterline Improvement Fund, and the Waterline Park Yeasting Fund. The Village has one additional major proprietary fund for 2006, the Refuse Operating Fund. All proprietary funds had cash receipts of \$3,348,229 and \$951,305 and cash disbursements of \$3,157,652 and \$1,030,903 for fiscal years 2007 and 2006, respectively. The net cash assets of the programs increased \$190,577 from 2006 and decreased \$79,598 from 2005.

The Government's Funds

The Village's governmental funds are accounted for using the cash basis of accounting.

The Village's governmental funds reported a combined fund cash balance of \$765,894 and \$535,493, which is \$230,401 and \$196,070 above previous years balances, for fiscal years 2006 and 2005, respectively. The schedule below indicates the fund cash balance and the total change in fund cash balance as of December 31, 2007 and 2006, respectively for all major and nonmajor governmental funds.

VILLAGE OF GIBSONBURG
SANDUSKY COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

The Government's Funds (Continued)

	Fund Cash Balance December 31, <u>2007</u>	Fund Cash Balance December 31, <u>2006</u>	Increase (Decrease)
Major Funds:			
General	\$ 379,347	\$ 258,326	\$ 121,021
Street Construction, Maintenance and Repair	139,608	97,006	42,602
Permissive Motor Vehicle License Tax	45,921	74,614	(28,693)
Economic Development Industrial Park	161,085	58,169	102,916
Other Nonmajor Governmental Funds	<u>39,933</u>	<u>47,378</u>	<u>(7,445)</u>
Total	<u>\$ 765,894</u>	<u>\$ 535,493</u>	<u>\$ 230,401</u>

General Fund

The general fund had cash receipts of \$842,429 and \$805,370 in 2007 and 2006, respectively. The cash disbursements of the general fund, totaled \$721,408 and \$729,477 in 2007 and 2006, respectively. The general fund's cash balance increased \$121,021 and \$75,893 from 2006 to 2007 and from 2005 to 2006, respectively.

The table that follows assists in illustrating the cash receipts of the general fund for fiscal years 2007 and 2006, respectively.

	<u>2007</u> <u>Amount</u>	<u>2006</u> <u>Amount</u>	<u>Percentage</u> <u>Change</u>
<u>Cash Receipts:</u>			
Taxes	\$ 608,067	\$ 613,958	(1.0) %
Charges for Services	2,038	3,387	(39.8)
Intergovernmental	173,571	131,352	32.1
Fines, licenses and permits	1,927	2,731	(29.4)
Investment income	51,797	39,857	30.0
Sale of Fixed Assets	0	1,624	(100.0)
Other	<u>5,029</u>	<u>12,461</u>	<u>(59.6)</u>
Total	<u>\$ 842,429</u>	<u>\$ 805,370</u>	<u>4.6 %</u>

Investment income cash receipts increased due to higher interest earning investments and due to the timing of the maturity of certain certificates of deposit. Intergovernmental receipts increased due to inheritance tax receipts during the year.

VILLAGE OF GIBSONBURG
SANDUSKY COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

General Fund (Continued)

The table that follows assists in illustrating the expenditures of the general fund.

	<u>2007</u> <u>Amount</u>	<u>2006</u> <u>Amount</u>	<u>Percentage</u> <u>Change</u>
<u>Cash Disbursements:</u>			
Security of Persons and Property	\$ 362,870	\$ 356,792	1.7 %
Public Health Service	1,235	584	111.5
General Government	181,153	207,887	(12.9)
Capital Outlay	23,028	78,502	(70.7)
Community Environment	754	3,260	(76.9)
Transfers Out	100,000	50,000	100.0
Leisure Time Activity	<u>52,368</u>	<u>32,452</u>	<u>61.4</u>
Total	<u>\$ 721,408</u>	<u>\$ 729,477</u>	<u>(1.1) %</u>

Overall, cash disbursements decreased \$8,069 from 2006.

Street Construction, Maintenance and Repair Fund

The street construction, maintenance and repair fund, a Village major fund, had cash receipts of \$114,102 and \$109,048 in 2007 and 2006, respectively. The street construction, maintenance and repair fund had cash disbursements of \$71,500 and \$69,377 in 2007 and 2006, respectively. The street construction, maintenance and repair fund cash balance increased \$42,602 and \$39,671 from 2006 to 2007 and 2005 to 2006, respectively.

Permissive Motor Vehicle License Tax Fund

The permissive motor vehicle license tax fund, a Village major fund in 2006, had cash receipts of \$28,693 and cash disbursements of \$0 in 2006. The fund cash balance increased \$28,693 from 2005 to 2006.

Economic Development Industrial Park

The economic development industrial park fund, a Village major fund, had cash receipts of \$110,745 and \$60,398 in 2007 and 2006, respectively. The economic development industrial park fund had cash disbursements of \$7,829 and \$15,955 in 2007 and 2006, respectively. The fund cash balance increased \$102,916 and \$44,443 from 2006 to 2007 and 2005 to 2006, respectively.

General Fund Budgeting Highlights

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

For the general fund, actual cash receipts of \$842,429 and \$805,370 for 2007 and 2006, respectively, were less than final budget estimates by \$10,857 and \$26,526, respectively. Actual budgetary disbursements of \$729,628 and \$735,034 for 2007 and 2006 were less than final budget estimates by \$85,829 and \$64,966, respectively.

VILLAGE OF GIBSONBURG
SANDUSKY COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

Capital Assets and Debt Administration

Capital Assets

The Village does not record capital assets in the accompanying cash basis financial statements, but records payments for capital assets as disbursements. The Village had capital outlay disbursements of \$111,860 and \$116,080 within the governmental funds for 2007 and 2006, respectively. The Village had capital outlay disbursements of \$2,243,089 and \$285,847 within the proprietary funds for 2007 and 2006, respectively.

Debt Administration

The Village had the following long-term obligations outstanding at December 31, 2007 and 2006:

	Governmental -Type Activities <u>2007</u>	Business- Type Activities <u>2007</u>	Governmental -Type Activities <u>2006</u>	Business- Type Activities <u>2006</u>	Total <u>2007</u>	Total <u>2006</u>
OWDA 2991 Loan	\$	\$ 684,286	\$ 0	\$ 0	\$ 684,286	\$ 0
OWDA 3895 Loan	0	906,271	0	0	906,271	0
OWDA 4629 Loan	0	1,465,080	0	0	1,465,080	0
OWDA 4634 Loan	0	339,136	0	0	339,136	0
OPWC CE36F Loan	0	147,634	0	0	147,634	0
OSGCIP CT14F Loan	<u>0</u>	<u>84,362</u>	<u>0</u>	<u>0</u>	<u>84,362</u>	<u>0</u>
Total long-term obligations	<u>\$ 0</u>	<u>\$3,626,769</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$3,626,769</u>	<u>\$ 0</u>

Current Issues

The following economic factors were taken into consideration in preparing the budget for fiscal year 2007:

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 and have very little industry to support the tax base.

Our Village's financial position is anticipated to remain stable as we continue our conservative financial management.

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 show the Village's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Mr. Robert Schroeder, Clerk/Treasurer, Village of Gibsonburg, 120 North Main Street, Gibsonburg, Ohio 43431.

VILLAGE OF GIBSONBURG
SANDUSKY COUNTY
STATEMENT OF NET ASSETS - CASH BASIS
DECEMBER 31, 2007

	Governmental Activities	Business- Type Activities	Total
Assets			
Equity in Pooled Cash, Cash Equivalents and Investments	\$ <u>765,894</u>	\$ <u>769,630</u>	\$ <u>1,535,524</u>
Total Assets	\$ <u><u>765,894</u></u>	\$ <u><u>769,630</u></u>	\$ <u><u>1,535,524</u></u>
Net Assets			
Restricted for:			
Other Purposes	\$ 386,548	\$ 0	\$ 386,548
Unrestricted	<u>379,346</u>	<u>769,630</u>	<u>1,148,976</u>
Total Net Assets	\$ <u><u>765,894</u></u>	\$ <u><u>769,630</u></u>	\$ <u><u>1,535,524</u></u>

See Notes to Financial Statements

VILLAGE OF GIBSONBURG
SANDUSKY COUNTY
STATEMENT OF NET ASSETS - CASH BASIS
DECEMBER 31, 2006

	Governmental <u>Activities</u>	Business- <u>Type Activities</u>	<u>Total</u>
Assets			
Equity in Pooled Cash and Cash Equivalents	\$ <u>535,493</u>	\$ <u>579,053</u>	\$ <u>1,114,546</u>
Total Assets	\$ <u><u>535,493</u></u>	\$ <u><u>579,053</u></u>	\$ <u><u>1,114,546</u></u>
 Net Assets			
Restricted for:			
Other Purposes	\$ 277,167	\$ 0	\$ 277,167
Unrestricted	<u>258,326</u>	<u>579,053</u>	<u>837,379</u>
Total Net Assets	\$ <u><u>535,493</u></u>	\$ <u><u>579,053</u></u>	\$ <u><u>1,114,546</u></u>

See Notes to Financial Statements

VILLAGE OF GIBSONBURG
SANDUSKY COUNTY
STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Program Cash Receipts</u>				<u>Net (Cash Disbursements) Cash Receipts and Changes in Net Cash Assets</u>		
	<u>Cash Disbursement</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business Type Activities</u>	<u>Total Governmental Funds</u>
Governmental Activities							
General Government	\$ 187,032	\$ 0	\$ 0	\$ 0	\$ (187,032)	\$ 0	\$ (187,032)
Security of Persons and Property	362,870	6,331	0	0	(356,539)	0	(356,539)
Leisure Time Activities	57,006	0	488	6,419	(50,099)	0	(50,099)
Community Environment	2,704	846	6,481	0	4,623	0	4,623
Transportation	70,689	0	58,117	0	(12,572)	0	(12,572)
Capital Outlay	111,860	0	72,160	0	(39,700)	0	(39,700)
Public Health Services	<u>1,235</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(1,235)</u>	<u>0</u>	<u>(1,235)</u>
Total Governmental Activities	<u>\$ 793,396</u>	<u>\$ 7,177</u>	<u>\$ 137,246</u>	<u>\$ 6,419</u>	<u>\$ (642,554)</u>	<u>\$ 0</u>	<u>\$ (642,554)</u>
Business Type Activities							
Water	\$ 935,518	\$ 461,812	\$ 0	\$ 175,000	\$ 0	\$ (298,706)	\$ (298,706)
Sewer	2,111,838	596,266	0	0	0	(1,515,572)	(1,515,572)
Refuse	<u>110,296</u>	<u>113,651</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,355</u>	<u>3,355</u>
Total Business Type Activities	<u>3,157,652</u>	<u>1,171,729</u>	<u>0</u>	<u>175,000</u>	<u>0</u>	<u>(1,810,923)</u>	<u>(1,810,923)</u>
Total Both Governmental & Business Type Activities	<u>\$ 3,951,048</u>	<u>\$ 1,178,906</u>	<u>\$ 137,246</u>	<u>\$ 181,419</u>	<u>(642,554)</u>	<u>(1,810,923)</u>	<u>(2,453,477)</u>
General Cash Receipts and Advances							
Property Taxes Levied for:							
General Purposes					123,781	0	123,781
Municipal Income Taxes					497,631	0	497,631
Cable Franchise Fees					10,745	0	10,745
Grants and Entitlements not Restricted to							
Specific Programs					173,571	0	173,571
Notes Issued					0	1,841,664	1,841,664
Investment Earnings					62,198	0	62,198
Miscellaneous					<u>5,029</u>	<u>159,836</u>	<u>164,865</u>
Total General Cash Receipts and Advances					<u>872,955</u>	<u>2,001,500</u>	<u>2,874,455</u>
Change in Net Assets					230,401	190,577	420,978
Net Assets Beginning of Year					<u>535,493</u>	<u>579,053</u>	<u>1,114,546</u>
Net Assets End of Year					<u>\$ 765,894</u>	<u>\$ 769,630</u>	<u>\$ 1,535,524</u>

See Notes to Financial Statements

VILLAGE OF GIBSONBURG
SANDUSKY COUNTY
STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2006

	Program Cash Receipts				Net (Cash Disbursements) Cash Receipts and Changes in Net Cash Assets		
	Cash Disbursement	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business Type Activities	Total Governmental Funds
Governmental Activities							
General Government	\$ 212,234	\$ 0	\$ 0	\$ 0	\$ (212,234)	\$ 0	\$ (212,234)
Security of Persons and Property	356,792	4,685	0	0	(352,107)	0	(352,107)
Leisure Time Activities	35,793	0	2,682	2,544	(30,567)	0	(30,567)
Community Environment	14,512	1,508	8,485	0	(4,519)	0	(4,519)
Transportation	44,565	0	97,157	0	52,592	0	52,592
Capital Outlay	116,080	0	29,150	0	(86,930)	0	(86,930)
Public Health Services	<u>584</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(584)</u>	<u>0</u>	<u>(584)</u>
Total Governmental Activities	<u>\$ 780,560</u>	<u>\$ 6,193</u>	<u>\$ 137,474</u>	<u>\$ 2,544</u>	<u>\$ (634,349)</u>	<u>\$ 0</u>	<u>\$ (634,349)</u>
Business Type Activities							
Water	\$ 395,941	\$ 378,714	\$ 0	\$ 0	\$ 0	\$ (17,227)	\$ (17,227)
Sewer	512,488	451,966	0	0	0	(60,522)	(60,522)
Refuse	<u>122,474</u>	<u>116,910</u>	<u>2,500</u>	<u>0</u>	<u>0</u>	<u>(3,064)</u>	<u>(3,064)</u>
Total Business Type Activities	<u>1,030,903</u>	<u>947,590</u>	<u>2,500</u>	<u>0</u>	<u>0</u>	<u>(80,813)</u>	<u>(80,813)</u>
Total Both Governmental & Business Type Activities	<u>\$ 1,811,463</u>	<u>\$ 953,783</u>	<u>\$ 139,974</u>	<u>\$ 2,544</u>	<u>(634,349)</u>	<u>(80,813)</u>	<u>(715,162)</u>
General Cash Receipts and Advances							
Property Taxes Levied for:							
General Purposes					111,265	0	111,265
Municipal Income taxes					515,676	0	515,676
Cable Franchise Fees					10,398	0	10,398
Grants and Entitlements not Restricted to							
Specific Programs					131,352	0	131,352
Investment Earnings					47,383	0	47,383
Miscellaneous					12,721	1,215	13,936
Sale of Fixed Assets					<u>1,624</u>	<u>0</u>	<u>1,624</u>
Total General Cash Receipts and Advances					<u>830,419</u>	<u>1,215</u>	<u>831,634</u>
Change in Net Assets					196,070	(79,598)	116,472
Net Assets Beginning of Year					<u>339,423</u>	<u>658,651</u>	<u>998,074</u>
Net Assets End of Year					<u>\$ 535,493</u>	<u>\$ 579,053</u>	<u>\$ 1,114,546</u>

See Notes to Financial Statements

VILLAGE OF GIBSONBURG
SANDUSKY COUNTY
STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>General</u>	<u>Street Construction, Maintenance and Repair</u>	<u>Economic Development Industrial Park</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets					
Equity in Pooled Cash and Cash Equivalents	\$ 379,347	\$ 139,608	\$ 161,085	\$ 85,854	\$ 765,894
Total Assets	<u>\$ 379,347</u>	<u>\$ 139,608</u>	<u>\$ 161,085</u>	<u>\$ 85,854</u>	<u>\$ 765,894</u>
Fund Balances					
Reserved for Encumbrances	\$ 8,220	\$ 355		\$ 0	\$ 8,575
Unreserved, undesignated reported in:					
General Fund	371,127	0	0	0	371,127
Special Revenue Funds	<u>0</u>	<u>139,253</u>	<u>161,085</u>	<u>85,854</u>	<u>386,192</u>
Total Fund Balances	<u>\$ 379,347</u>	<u>\$ 139,608</u>	<u>\$ 161,085</u>	<u>\$ 85,854</u>	<u>\$ 765,894</u>

See Notes to Financial Statements

VILLAGE OF GIBSONBURG
SANDUSKY COUNTY
STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>General</u>	<u>Street Construction, Maintenance and Repair</u>	<u>Permissive Motor Vehicle License Tax</u>	<u>Economic Development Industrial Park</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets						
Equity in Pooled Cash and Cash Equivalents	\$ 258,326	\$ 97,006	\$ 74,614	\$ 58,169	\$ 47,378	\$ 535,493
Total Assets	<u>\$ 258,326</u>	<u>\$ 97,006</u>	<u>\$ 74,614</u>	<u>\$ 58,169</u>	<u>\$ 47,378</u>	<u>\$ 535,493</u>
Fund Balances						
Reserved for Encumbrances	\$ 5,557	\$ 299	\$ 0	\$ 0	\$ 0	\$ 5,856
Unreserved, undesignated reported in:						
General Fund	252,769	0	0	0	0	252,769
Special Revenue Funds	0	96,707	74,614	58,169	47,378	276,868
Capital Improvement Funds	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Fund Balances	<u>\$ 258,326</u>	<u>\$ 97,006</u>	<u>\$ 74,614</u>	<u>\$ 58,169</u>	<u>\$ 47,378</u>	<u>\$ 535,493</u>

See Notes to Financial Statements

VILLAGE OF GIBSONBURG
SANDUSKY COUNTY
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND
CHANGES IN CASH BASIS FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>General</u>	<u>Street Construction Maintenance and Repair</u>	<u>Economic Development Industrial Park</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Cash Receipts					
Property and Other Local Taxes	\$ 608,067	\$ 0	\$ 0	\$ 13,345	\$ 621,412
Charges for Services	2,038	0	0	0	2,038
Fines, Licenses and Permits	1,927	0	10,745	3,213	15,885
Intergovernmental	173,571	108,111	0	22,165	303,847
Interest	51,797	5,991	0	4,410	62,198
Miscellaneous	5,029	0	0	13,388	18,417
Total Cash Receipts	<u>\$ 842,429</u>	<u>\$ 114,102</u>	<u>\$ 10,745</u>	<u>\$ 56,521</u>	<u>\$ 1,023,797</u>
Cash Disbursements					
Current:					
General Government	\$ 181,153	\$ 0	\$ 5,879	\$ 0	\$ 187,032
Security of Persons and Property	362,870	0	0	0	362,870
Leisure Time Activities	52,368	0	0	4,638	57,006
Public Health Service	1,235	0	0	0	1,235
Community Environment	754	0	1,950	0	2,704
Transportation	0	65,577	0	5,112	70,689
Capital Outlay	23,028	5,923	0	82,909	111,860
Total Cash Disbursements	<u>621,408</u>	<u>71,500</u>	<u>7,829</u>	<u>92,659</u>	<u>793,396</u>
Receipts Over (Under) Disbursements	221,021	42,602	2,916	(36,138)	230,401
Other Financing Sources (Uses)					
Transfers In	0	0	100,000	0	100,000
Transfers Out	(100,000)	0	0	0	(100,000)
Total Other Financing Sources (Uses)	<u>(100,000)</u>	<u>0</u>	<u>100,000</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	121,021	42,602	102,916	(36,138)	230,401
Fund Balances Beginning of Year	258,326	97,006	58,169	121,992	535,493
Fund Balances End of Year	<u>\$ 379,347</u>	<u>\$ 139,608</u>	<u>\$ 161,085</u>	<u>\$ 85,854</u>	<u>\$ 765,894</u>

See Notes to Financial Statements

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

	<u>General</u>	<u>Street Construction Maintenance and Repair</u>	<u>Permissive Motor Vehicle License Tax</u>	<u>Economic Development Industrial Park</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Cash Receipts						
Property and Other Local Taxes	\$ 613,958	\$ 0	\$ 12,983	\$ 0	\$ 0	\$ 626,941
Charges for Services	3,387	0	0	0	0	3,387
Fines, Licenses and Permits	2,731	0	0	10,398	75	13,204
Intergovernmental	131,352	104,875	12,929	0	11,185	260,341
Interest	39,857	3,913	2,781	0	832	47,383
Miscellaneous	<u>12,461</u>	<u>260</u>	<u>0</u>	<u>0</u>	<u>11,029</u>	<u>23,750</u>
Total Cash Receipts	<u>\$ 803,746</u>	<u>\$ 109,048</u>	<u>\$ 28,693</u>	<u>\$ 10,398</u>	<u>\$ 23,121</u>	<u>\$ 975,006</u>
Cash Disbursements						
Current:						
General Government	\$ 207,887	\$ 0	\$ 0	\$ 4,347	\$ 0	\$ 212,234
Security of Persons and Property	356,792	0	0	0	0	356,792
Leisure Time Activities	32,452	0	0	0	3,341	35,793
Public Health Service	584	0	0	0	0	584
Community Environment	3,260	0	0	11,252	0	14,512
Transportation	0	40,227	0	0	4,338	44,565
Capital Outlay	<u>78,502</u>	<u>29,150</u>	<u>0</u>	<u>356</u>	<u>8,072</u>	<u>116,080</u>
Total Cash Disbursements	<u>679,477</u>	<u>69,377</u>	<u>0</u>	<u>15,955</u>	<u>15,751</u>	<u>780,560</u>
Receipts Over (Under) Disbursements	124,269	39,671	28,693	(5,557)	7,370	194,446
Other Financing Sources (Uses)						
Transfers-In	0	0	0	50,000	0	50,000
Transfers-Out	(50,000)	0	0	0	0	(50,000)
Sale of Fixed Assets	<u>1,624</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,624</u>
Total Other Financing Sources (Uses)	<u>(48,376)</u>	<u>0</u>	<u>0</u>	<u>50,000</u>	<u>0</u>	<u>1,624</u>
Net Change in Fund Balances	75,893	39,671	28,693	44,443	7,370	196,070
Fund Balances Beginning of Year	<u>182,433</u>	<u>57,335</u>	<u>45,921</u>	<u>13,726</u>	<u>40,008</u>	<u>339,423</u>
Fund Balances End of Year	<u>\$ 258,326</u>	<u>\$ 97,006</u>	<u>\$ 74,614</u>	<u>\$ 58,169</u>	<u>\$ 47,378</u>	<u>\$ 535,493</u>

See Notes to Financial Statements

VILLAGE OF GIBSONBURG
SANDUSKY COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
(BUDGETARY BASIS)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
Receipts				
Property and Other Local Taxes	\$ 101,000	\$ 113,000	\$ 110,436	\$ (2,564)
Municipal Income Tax	500,000	500,000	497,631	(2,369)
Charges for Services	3,500	3,500	2,038	(1,462)
Fines, Licenses and Permits	2,100	2,590	1,927	(663)
Intergovernmental	129,220	174,384	173,571	(813)
Earnings on Investments	30,000	51,800	51,797	(3)
Miscellaneous	<u>6,525</u>	<u>6,665</u>	<u>5,029</u>	<u>(1,636)</u>
Total Receipts	772,345	851,939	842,429	(9,510)
Disbursements				
Current:				
General Government	217,013	214,227	184,306	29,921
Security of Persons and Property	389,270	389,770	364,345	25,425
Leisure Time Activities	47,316	58,316	54,534	3,782
Public Health Services	650	1,236	1,235	1
Community Environment	4,300	2,500	754	1,746
Capital Outlay	<u>56,908</u>	<u>49,408</u>	<u>24,454</u>	<u>24,954</u>
Total Disbursements	<u>715,457</u>	<u>715,457</u>	<u>629,628</u>	<u>85,829</u>
Excess of Receipts Over Disbursements	56,888	136,482	212,801	76,319
Other Financing Sources (Uses)				
Sale of Capital Assets	1,000	1,000	0	(1,000)
Transfers Out	(100,000)	(100,000)	(100,000)	0
Other Financing Sources	<u>347</u>	<u>347</u>	<u>0</u>	<u>(347)</u>
Total Other Financing Sources (Uses)	<u>(98,653)</u>	<u>(98,653)</u>	<u>(100,000)</u>	<u>(1,347)</u>
Net Change in Fund Balance	(41,765)	37,829	112,801	74,972
Fund Balance Beginning of Year	252,769	252,769	252,769	0
Prior Year Encumbrances Appropriated	<u>5,557</u>	<u>5,557</u>	<u>5,557</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 216,561</u>	<u>\$ 296,155</u>	<u>\$ 371,127</u>	<u>\$ 74,972</u>

See Notes to Financial Statements

VILLAGE OF GIBSONBURG
SANDUSKY COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
(BUDGETARY BASIS)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
Receipts				
Property and Other Local Taxes	\$ 100,000	\$ 100,000	\$ 98,282	\$ (1,718)
Municipal Income Tax	445,000	516,000	515,676	(324)
Charges for Services	3,000	3,400	3,387	(13)
Fines, Licenses and Permits	2,100	2,760	2,731	(29)
Intergovernmental	152,215	155,965	131,352	(24,613)
Earnings on Investments	20,000	40,000	39,857	(143)
Miscellaneous	<u>5,000</u>	<u>11,800</u>	<u>12,461</u>	<u>661</u>
Total Receipts	727,315	829,925	803,746	(26,179)
Disbursements				
Current:				
General Government	249,342	252,888	212,109	40,779
Security of Persons and Property	372,787	374,787	358,123	16,664
Leisure Time Activities	33,020	36,320	32,456	3,864
Community Environment	3,500	5,000	3,260	1,740
Public Health Services	600	600	584	16
Capital Outlay	<u>90,703</u>	<u>80,357</u>	<u>78,502</u>	<u>1,855</u>
Total Disbursements	<u>749,952</u>	<u>749,952</u>	<u>685,034</u>	<u>64,918</u>
Excess of Receipts Over (Under) Disbursements	(22,637)	79,973	118,712	38,739
Other Financing Sources (Uses)				
Sale of Capital Assets	300	1,624	1,624	0
Transfers In	20,000	0	0	0
Transfers Out	(50,000)	(50,000)	(50,000)	0
Other Financing Uses	(48)	(48)	0	48
Other Financing Sources	<u>347</u>	<u>347</u>	<u>0</u>	<u>(347)</u>
Total Other Financing Uses	<u>(29,401)</u>	<u>(48,077)</u>	<u>(48,376)</u>	<u>(299)</u>
Net Change in Fund Balance	(52,038)	31,896	70,336	38,440
Fund Balance Beginning of Year	180,020	180,020	180,020	0
Prior Year Encumbrances Appropriated	<u>2,413</u>	<u>2,413</u>	<u>2,413</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 130,395</u>	<u>\$ 214,329</u>	<u>\$ 252,769</u>	<u>\$ 38,440</u>

See Notes to Financial Statements

VILLAGE OF GIBSONBURG
SANDUSKY COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
(BUDGETARY BASIS)
STREET CONSTRUCTION, MAINTENANCE, AND REPAIR FUND
FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>(NEGATIVE)</u>
Receipts				
Intergovernmental	\$ 106,000	\$ 108,330	\$ 108,111	\$ (219)
Earnings on Investments	3,000	6,000	5,991	(9)
Miscellaneous	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Receipts	109,000	114,330	114,102	(228)
Disbursements				
Current:				
Transportation	150,024	151,524	65,932	85,592
Capital Outlay	<u>50,275</u>	<u>48,775</u>	<u>5,923</u>	<u>42,852</u>
Total Disbursements	<u>200,299</u>	<u>200,299</u>	<u>71,855</u>	<u>128,444</u>
Net Change in Fund Balance	(91,299)	(85,969)	42,247	128,216
Fund Balance Beginning of Year	96,707	96,707	96,707	0
Prior Year Encumbrances Appropriated	<u>299</u>	<u>299</u>	<u>299</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 5,707</u>	<u>\$ 11,037</u>	<u>\$ 139,253</u>	<u>\$ 128,216</u>

See Notes to Financial Statements

VILLAGE OF GIBSONBURG
SANDUSKY COUNTY
 STATEMENT OF RECEIPTS, DISBURSEMENTS AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 (BUDGETARY BASIS)
 STREET CONSTRUCTION, MAINTENANCE, AND REPAIR FUND
 FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
Receipts				
Intergovernmental	\$ 90,000	\$ 105,040	\$ 104,875	\$ (165)
Earnings on Investments	500	3,950	3,913	(37)
Miscellaneous	<u>500</u>	<u>500</u>	<u>260</u>	<u>(240)</u>
Total Receipts	91,000	109,490	109,048	(442)
Disbursements				
Current:				
Transportation	48,595	55,395	40,526	14,869
Capital Outlay	<u>71,405</u>	<u>64,605</u>	<u>29,150</u>	<u>35,455</u>
Total Disbursements	<u>120,000</u>	<u>120,000</u>	<u>69,676</u>	<u>50,324</u>
Net Change in Fund Balance	(29,000)	(10,510)	39,372	49,882
Fund Balance Beginning of Year	56,977	56,977	56,977	0
Prior Year Encumbrances Appropriated	<u>358</u>	<u>358</u>	<u>358</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 28,335</u>	<u>\$ 46,825</u>	<u>\$ 96,707</u>	<u>\$ 49,882</u>

See Notes to Financial Statements

VILLAGE OF GIBSONBURG
SANDUSKY COUNTY
 STATEMENT OF RECEIPTS, DISBURSEMENTS AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 (BUDGETARY BASIS)
 PERMISSIVE MOTOR VEHICLE LICENSE TAX FUND
 FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
Receipts				
Property and Other Local Taxes	\$ 12,500	\$ 13,000	\$ 12,983	\$ (17)
Intergovernmental	13,000	13,000	12,929	(71)
Earnings on Investments	<u>400</u>	<u>2,800</u>	<u>2,781</u>	<u>(19)</u>
Total Receipts	25,900	28,800	28,693	(107)
Disbursements				
Capital Outlay	<u>65,000</u>	<u>65,000</u>	<u>0</u>	<u>65,000</u>
Total Disbursements	<u>65,000</u>	<u>65,000</u>	<u>0</u>	<u>65,000</u>
Net Change in Fund Balance	(39,100)	(36,200)	28,693	64,893
Fund Balance Beginning of Year	<u>45,921</u>	<u>45,921</u>	<u>45,921</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 6,821</u>	<u>\$ 9,721</u>	<u>\$ 74,614</u>	<u>\$ 64,893</u>

See Notes to Financial Statements

VILLAGE OF GIBSONBURG
SANDUSKY COUNTY
 STATEMENT OF RECEIPTS, DISBURSEMENTS AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 (BUDGETARY BASIS)
 ECONOMIC DEVELOPMENT INDUSTRIAL PARK FUND
 FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
Receipts				
Property and Other Local Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Fines, Licenses, and Permits	10,725	10,745	10,745	0
Interest	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Receipts	10,725	10,745	10,745	0
Disbursements				
Current:				
Community Environment	15,000	15,000	1,950	13,050
General Government	10,500	10,500	5,879	4,621
Capital Outlay	<u>124,500</u>	<u>124,500</u>	<u>0</u>	<u>124,500</u>
Total Disbursements	<u>150,000</u>	<u>150,000</u>	<u>7,829</u>	<u>142,171</u>
Excess of Receipts Over (Under) Disbursements	(139,275)	(139,255)	2,916	142,171
Other Financing Sources				
Transfers In	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>0</u>
Total Other Financing Sources	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>0</u>
Net Change in Fund Balance	(39,275)	(39,255)	102,916	142,171
Fund Balance Beginning of Year	<u>58,169</u>	<u>58,169</u>	<u>58,169</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 18,894</u>	<u>\$ 18,914</u>	<u>\$ 161,085</u>	<u>\$ 142,171</u>

See Notes to Financial Statements

VILLAGE OF GIBSONBURG
SANDUSKY COUNTY
 STATEMENT OF RECEIPTS, DISBURSEMENTS AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 (BUDGETARY BASIS)
 ECONOMIC DEVELOPMENT INDUSTRIAL PARK FUND
 FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
Receipts				
Property and Other Local Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Fines, Licenses, and Permits	10,700	10,700	10,398	(302)
Interest	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Receipts	10,700	10,700	10,398	(302)
Disbursements				
Current:				
Community Environment	9,500	16,500	11,252	5,248
General Government	3,150	9,650	4,347	5,303
Capital Outlay	<u>52,350</u>	<u>38,850</u>	<u>356</u>	<u>38,494</u>
Total Disbursements	<u>65,000</u>	<u>65,000</u>	<u>15,955</u>	<u>49,045</u>
Excess of Receipts Over (Under) Disbursements	(54,300)	(54,300)	(5,557)	48,743
Other Financing Sources				
Transfers In	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>0</u>
Total Other Financing Sources	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>0</u>
Net Change in Fund Balance	(4,300)	(4,300)	44,443	48,743
Fund Balance Beginning of Year	<u>13,726</u>	<u>13,726</u>	<u>13,726</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 9,426</u>	<u>\$ 9,426</u>	<u>\$ 58,169</u>	<u>\$ 48,743</u>

See Notes to Financial Statements

VILLAGE OF GIBSONBURG
SANDUSKY COUNTY
STATEMENT OF FUND NET ASSETS - CASH BASIS
PROPRIETARY FUNDS
DECEMBER 31, 2007

	<u>Water Operating Fund</u>	<u>Sewer Operating Fund</u>	<u>Sewer Improvement Fund</u>	<u>Water Cap Fund</u>	<u>Hurlbut Ditch Sewer Improve- ment Fund</u>	<u>Waterline Improve- ment Fund</u>	<u>Waterline Park Yeasting Fund</u>	<u>Other Enterprise Funds</u>	<u>Total Enterprise Funds</u>
Assets									
Equity in Pooled Cash Cash Equivalents	\$ 252,844	\$ 109,655	\$ 137,235	\$ 194,270	\$ 0	\$ 0	\$ 0	\$ 75,626	\$ 769,630
Total Assets	<u>\$ 252,844</u>	<u>\$ 109,655</u>	<u>\$ 137,235</u>	<u>\$ 194,270</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 75,626</u>	<u>\$ 769,630</u>
Net Assets									
Unrestricted	\$ 252,844	\$ 109,655	\$ 137,235	\$ 194,270	\$ 0	\$ 0	\$ 0	\$ 75,626	\$ 769,630
Total Fund Balances	<u>\$ 252,844</u>	<u>\$ 109,655</u>	<u>\$ 137,235</u>	<u>\$ 194,270</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 75,626</u>	<u>\$ 769,630</u>

See Notes to Financial Statements

VILLAGE OF GIBSONBURG
SANDUSKY COUNTY
STATEMENT OF FUND NET ASSETS - CASH BASIS
PROPRIETARY FUNDS
DECEMBER 31, 2006

	<u>Water Operating Fund</u>	<u>Sewer Operating Fund</u>	<u>Sewer Cap- Septic Replacement Fund</u>	<u>Sewer Improvement Fund</u>	<u>Refuse Operating Fund</u>	<u>Other Enterprise Funds</u>	<u>Total Enterprise Funds</u>
Assets							
Equity in Pooled Cash and Cash Equivalents	\$ <u>223,506</u>	\$ <u>65,394</u>	\$ <u>73,233</u>	\$ <u>84,667</u>	\$ <u>48,375</u>	\$ <u>83,878</u>	\$ <u>579,053</u>
Total Assets	<u>\$ 223,506</u>	<u>\$ 65,394</u>	<u>\$ 73,233</u>	<u>\$ 84,667</u>	<u>\$ 48,375</u>	<u>\$ 83,878</u>	<u>\$ 579,053</u>
Net Assets							
Unrestricted	\$ <u>223,506</u>	\$ <u>65,394</u>	\$ <u>73,233</u>	\$ <u>84,667</u>	\$ <u>48,375</u>	\$ <u>83,878</u>	\$ <u>579,053</u>
Total Fund Balances	<u>\$ 223,506</u>	<u>\$ 65,394</u>	<u>\$ 73,233</u>	<u>\$ 84,667</u>	<u>\$ 48,375</u>	<u>\$ 83,878</u>	<u>\$ 579,053</u>

See Notes to Financial Statements

VILLAGE OF GIBSONBURG
SANDUSKY COUNTY
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND
CHANGES IN FUND NET ASSETS - CASH BASIS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2007

	BUSINESS-TYPE ACTIVITIES								
	<u>Water Operating Fund</u>	<u>Sewer Operating Fund</u>	<u>Sewer Improvement Fund</u>	<u>Water Cap Fund</u>	<u>Hurlbut Ditch Sewer Improvement Fund</u>	<u>Waterline Improvement Fund</u>	<u>Waterline Park Yeasting Fund</u>	<u>Other Enterprise Funds</u>	<u>Total Enterprise Funds</u>
Operating Receipts									
Charges for Services	\$ 300,200	\$ 320,975	\$ 241,783	\$ 161,612	\$ 0	\$ 0	\$ 0	\$ 147,159	\$ 1,171,729
Other Operating Receipts	<u>35,566</u>	<u>357</u>	<u>123,693</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>220</u>	<u>159,836</u>
Total Receipts	<u>335,766</u>	<u>321,332</u>	<u>365,476</u>	<u>161,612</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>147,379</u>	<u>1,331,565</u>
Operating Disbursements									
Personal Services	107,199	95,729	0	0	0	0	0	7,969	210,897
Fringe Benefits	46,843	43,859	0	0	0	0	0	3,071	93,773
Contractual Services	121,851	106,499	0	0	0	0	0	96,066	324,416
Supplies and Materials	18,563	30,984	0	0	0	0	0	3,190	52,737
Capital Outlay	<u>11,972</u>	<u>0</u>	<u>172,214</u>	<u>17,398</u>	<u>1,497,018</u>	<u>344,646</u>	<u>175,000</u>	<u>24,841</u>	<u>2,243,089</u>
Total Operating Disbursements	<u>306,428</u>	<u>277,071</u>	<u>172,214</u>	<u>17,398</u>	<u>1,497,018</u>	<u>344,646</u>	<u>175,000</u>	<u>135,137</u>	<u>2,924,912</u>
Operating Income (Loss)	29,338	44,261	193,262	144,214	(1,497,018)	(344,646)	(175,000)	12,242	(1,593,347)
Non-Operating Receipts/(Disbursements)									
Intergovernmental Receipts	0	0	0	0	0	0	175,000	0	175,000
Proceeds of Notes	0	0	0	0	1,497,018	344,646	0	0	1,841,664
Debt Service: Principal Payments	0	0	(89,032)	(34,661)	0	0	0	0	(123,693)
Debt Service: Interest Payments	<u>0</u>	<u>0</u>	<u>(51,662)</u>	<u>(57,385)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(109,047)</u>
Total Non-Operating Receipts/(Disbursements)	<u>0</u>	<u>0</u>	<u>(140,694)</u>	<u>(92,046)</u>	<u>1,497,018</u>	<u>344,646</u>	<u>175,000</u>	<u>0</u>	<u>1,783,924</u>
Change in Net Assets	29,338	44,261	52,568	52,168	0	0	0	12,242	190,577
Net Assets Beginning of Year	<u>223,506</u>	<u>65,394</u>	<u>84,667</u>	<u>142,102</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>63,384</u>	<u>579,053</u>
Net Assets End of Year	<u>\$ 252,844</u>	<u>\$ 109,655</u>	<u>\$ 137,235</u>	<u>\$ 194,270</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 75,626</u>	<u>\$ 769,630</u>

See Notes to Financial Statements

VILLAGE OF GIBSONBURG
SANDUSKY COUNTY
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND
CHANGES IN FUND NET ASSETS - CASH BASIS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2006

BUSINESS-TYPE ACTIVITIES

	<u>Water Operating Fund</u>	<u>Sewer Operating Fund</u>	<u>Sewer Cap-Septic Replacement Fund</u>	<u>Sewer Improvement Fund</u>	<u>Refuse Operating Fund</u>	<u>Other Enterprise Funds</u>	<u>Total Enterprise Funds</u>
Operating Receipts							
Charges for Services	\$ 329,368	\$ 281,484	\$ 13,307	\$ 137,215	\$ 116,910	\$ 69,306	\$ 947,590
Miscellaneous	0	0	0	500	0	450	950
Other Operating Receipts	<u>265</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>265</u>
Total Receipts	<u>329,633</u>	<u>281,484</u>	<u>13,307</u>	<u>137,715</u>	<u>116,910</u>	<u>69,756</u>	<u>948,805</u>
Operating Disbursements							
Personal Services	95,725	90,322	0	0	13,896	0	199,943
Fringe Benefits	38,390	45,867	0	0	6,022	0	90,279
Contractual Services	52,012	100,121	0	0	99,559	0	251,692
Supplies and Materials	16,016	26,361	0	650	2,998	0	46,025
Capital Outlay	<u>99,484</u>	<u>0</u>	<u>6,913</u>	<u>143,463</u>	<u>0</u>	<u>35,987</u>	<u>285,847</u>
Total Operating Disbursements	<u>301,627</u>	<u>262,671</u>	<u>6,913</u>	<u>144,113</u>	<u>122,475</u>	<u>35,987</u>	<u>873,786</u>
Operating Income	28,006	18,813	6,394	(6,398)	(5,565)	33,769	75,019
Non-Operating Receipts/(Disbursements)							
Intergovernmental Receipts	0	0	0	0	2,500	0	2,500
Debt Service: Principal Payments	(27,147)	0	0	(51,650)	0	0	(78,797)
Debt Service: Interest Payments	<u>(51,841)</u>	<u>0</u>	<u>0</u>	<u>(26,479)</u>	<u>0</u>	<u>0</u>	<u>(78,320)</u>
Total Non-Operating Receipts/(Disbursements)	<u>(78,988)</u>	<u>0</u>	<u>0</u>	<u>(78,129)</u>	<u>2,500</u>	<u>0</u>	<u>(154,617)</u>
Change in Net Assets	(50,982)	18,813	6,394	(84,527)	(3,065)	33,769	(79,598)
Net Assets Beginning of Year	<u>274,488</u>	<u>46,581</u>	<u>66,839</u>	<u>169,194</u>	<u>51,440</u>	<u>50,109</u>	<u>658,651</u>
Net Assets End of Year	<u>\$ 223,506</u>	<u>\$ 65,394</u>	<u>\$ 73,233</u>	<u>\$ 84,667</u>	<u>\$ 48,375</u>	<u>\$ 83,878</u>	<u>\$ 579,053</u>

See Notes to Financial Statements

VILLAGE OF GIBSONBURG
SANDUSKY COUNTY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

ORGANIZATION

The Village of Gibsonburg, Sandusky County, (the Village) is a body corporate and politic 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, sewer and refuse utilities, park operations, and police services. The Village appropriates general fund money to support the Gibsonburg-Madison Township Volunteer Fire Department.

A. Joint Venture and Public Entity Risk Pool

A joint venture is a legal entity or other organization that results from a contractual arrangement and that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control, in which the participants retain (a) an ongoing financial interest or (b) an ongoing financial responsibility. Under the cash basis of accounting, the Village does not report assets for equity interest in joint ventures.

The Village participates in one jointly governed organization (Gibsonburg-Madison Township Volunteer Fire Department) and one public entity risk pool (Public Entities Pool of Ohio). Notes five and ten to the financial statements provide additional information for these entities.

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

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As discussed further in Note 1.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 Boards (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 and Measurement Focus

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

VILLAGE OF GIBSONBURG
SANDUSKY COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

(1) 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, except for fiduciary funds. These 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 balance and net assets 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

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. Nonmajor 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 costs of sales and services and administrative costs. The fund statements report all other receipts and disbursements as non-operating.

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.

VILLAGE OF GIBSONBURG
SANDUSKY COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Funds

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

2007	2006
General Fund	General Fund
Street Construction, Maintenance, and Repair Fund	Street Construction, Maintenance, and Repair Fund
Economic Development Industrial Park Fund	Permissive Motor Vehicle License Tax Fund
	Economic Development Industrial Park Fund

General Fund - This fund is used to account for all financial resources of the Village 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 the Village streets.

Permissive Motor Vehicle License Tax Fund - This fund receives motor vehicle license tax money for constructing, maintaining and repairing the Village streets.

Economic Development Industrial Park Fund - This fund accounts for the receipt of cable franchise fees and transfers from the general fund for the future development of an industrial park. Expenses consist of property maintenance and street construction.

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

Proprietary Funds

The Proprietary Funds are used to account for activities that are financed and operated in a manner similar to private business enterprises where the intent is that costs of providing services to the general public on a continuing basis be financed or recovered primarily through user charges. The Village's major enterprise funds are as follows:

2007	2006
Water Operating Fund	Water Operating Fund
Sewer Operating Fund	Sewer Operating Fund
Sewer Improvement Fund	Sewer Cap-Septic Replacement Fund
Water Cap Fund	Sewer Improvement Fund
Hurlbut Ditch Sewer Improvement Fund	
Waterline Improvement Fund	
Waterline Park Yeasting Fund	

VILLAGE OF GIBSONBURG
SANDUSKY COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Water Operating Fund - The water fund accounts for the provision of water to residents and commercial users located outside and within the Village and debt service payments.

Sewer Operating Fund - The wastewater (sewer) fund accounts for the provision of sanitary sewer services to the residents and commercial users outside and within the Village.

Sewer Improvement Fund - The sewer improvement fund accounts for the allocation of sanitary sewer receipts for improvements and debt service payments.

Refuse Operating Fund - The refuse operating fund accounts for the provision of refuse services to residents and commercial users located outside and within the Village.

Sewer Cap-Septic Replacement Fund - The sewer cap-septic replacement fund accounts for the allocation of sanitary sewer receipts for improvements.

Water Cap Fund - The water cap fund accounts for the allocation of water receipts for improvements and debt service payments.

Hurlbut Ditch Sewer Improvement Fund - The Hurlbut ditch sewer improvement was used to record loan proceeds and expenses of a sewer replacement project.

Waterline Improvement Fund - The waterline improvement fund was used to record loan proceeds and expenses for a water and sewer replacement project for four location in the Village.

Waterline Park Yeasting Fund - The waterline park yeasting fund was used to record grant proceeds and expenses for a waterline replacement project.

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

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 for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

VILLAGE OF GIBSONBURG
SANDUSKY COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

(1) 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 ordinances, all of which are prepared on the budgetary basis of accounting and submitted to the County Auditor. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Village may appropriate.

Contrary to Ohio law, the certificate of estimated resources was not timely filed with the County Auditor for 2007.

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

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts is identified by the Village Fiscal Officer. 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.

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 appropriations amount passed by the Village during the year.

As part of the formal budgetary control, purchase orders, contracts and other commitments for the expenditure of monies are recorded as the equivalent of expenditures in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. The Ohio Revised Code prohibits expenditures plus encumbrances from exceeding appropriations at the legal levy of budgetary control. Encumbrances outstanding at 2007 (budgetary basis) amounted to \$8,220 for the general fund and \$355 for the street construction fund. Encumbrances outstanding at 2006 (budgetary basis) amounted to \$5,557 for the general fund and \$299 for the street construction fund.

Contrary to Ohio law, budgetary appropriations exceeded estimated resources in the proprietary funds by \$477,087 during 2007.

Also, approved estimated resources were not reflected accurately in the accounting records.

VILLAGE OF GIBSONBURG
SANDUSKY COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Cash and Cash Equivalents

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 a nonnegotiable certificate of deposit is presented on the financial statements as cash and cash equivalents.

During 2007 and 2006, the Village invested in a nonnegotiable certificate of deposit with an original maturity less than 12 months. This certificate of deposit is reported at cost.

Interest earnings are allocated as authorized by state statute.

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 recognized the disbursement for their employer contributions to cost-sharing pension plans when they are paid. As described in Notes 6 and 7, 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.

VILLAGE OF GIBSONBURG
SANDUSKY COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

M. Fund Balance Reserves

The Village reserves any portion of fund balance which is not available for appropriation or which is legally segregated for a specific future use. Unreserved fund balances indicate 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 receipts in the seller funds and as disbursements in the purchaser funds. Subsidies from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources (uses) in governmental funds and after nonoperating receipts/disbursements in proprietary funds. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented in the financial statements.

O. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of management and are either unusual in nature or infrequent in occurrence. The Village had neither extraordinary nor special items during 2007 and 2006.

(2) EQUITY IN POOLED CASH

The Village maintains a cash pool used by all funds. The Ohio Revised Code prescribes allowable deposits. The carrying amount of cash at December 31 was as follows:

	<u>2007</u>	<u>2006</u>
Demand Deposits	\$1,480,419	\$1,062,183
Certificate of Deposit	<u>55,105</u>	<u>52,363</u>
Total Deposits	<u>\$1,535,524</u>	<u>\$1,114,546</u>

VILLAGE OF GIBSONBURG
SANDUSKY COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

(2) EQUITY IN POOLED CASH (CONTINUED)

Custodial credit risk for deposits 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, 2007 and 2006, \$1,453,011 and \$1,043,027, respectively, of the Village's bank balance of \$1,608,116 and \$1,195,290, respectively, was exposed to custodial credit risk because it was 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 policy for custodial credit 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 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.

(3) PROPERTY TAXES

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

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

Real property taxes are payable annually or semi-annually. 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 circumstances, State statute permits alternate payment dates to be established.

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

2007 tangible property taxes are levied after October 1, 2006 on the value as of December 31, 2006. Collections are made in 2007. Tangible personal property assessments are being phased out - the assessment percentage for all property including inventory for 2007 is 12.5 percent. This will be reduced to 6.25 percent for 2008, and zero for 2009. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 20; if paid semi-annually, the first payment is due April 3, with the remainder due September 20.

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

VILLAGE OF GIBSONBURG
SANDUSKY COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

(4) LOCAL INCOME TAX

The Village levies a municipal income tax of one percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village.

Employers within the Village withhold income tax on employee compensation and remit the tax to the Village either monthly or quarterly, as required. Corporations and other individual taxpayers pay estimated taxes quarterly and file a declaration annually.

(5) RISK MANAGEMENT

Risk Pool Membership

The Village belongs to the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio local governments. PEP provides property and casualty coverage for its members. PEP is a member of the American Public Entity Excess Pool (APEEP). Member governments pay annual contributions to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty Insurance

For occurrences on or after January 1, 2006, PEP retains casualty risk up to \$350,000 per claim, including automobile loss adjustment expenses. PEP pays a percentage of its contributions to APEEP. APEEP reinsures claims exceeding \$350,000, up to \$2,650,000 per claim and \$10,000,000 in aggregate per year. Governments can elect additional coverage, from \$3,000,000 to \$13,000,000, from General Reinsurance Corporation.

If losses exhaust PEP's retained earnings, APEEP covers PEP losses up to \$5,000,000 per year, subject to an annual aggregate of \$10,000,000.

Property Insurance

Travelers reinsures specific losses exceeding \$250,000 up to \$600,000,000 per occurrence. APEEP reinsures members for a specific loss exceeding \$100,000 up to \$250,000 per occurrence, subject to an annual aggregate loss payment. Travelers provides aggregate stop-loss coverage based upon the combined members' total insurable value. If the stop loss is reached by payment of losses between \$100,000 and \$250,000, Travelers will reinsure specific losses exceeding \$100,000 up to their \$600,000,000 per occurrence limit. The aggregate loss limit for 2006 and 2005 were \$1,901,127 and \$1,712,113, respectively.

The aforementioned casualty and property reinsurance agreements do not discharge PEP's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective government.

Members may withdraw in each anniversary of the date they joined PEP. They must provide written notice to PEP 60 days in advance of their anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contribution, minus subsequent year's premium. Also, upon withdrawal, payments of all property and casualty claims and claims expenses become the sole responsibility of the withdrawing member, regardless of whether a claim was incurred or reported prior to the withdrawal.

VILLAGE OF GIBSONBURG
SANDUSKY COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

(5) RISK MANAGEMENT (CONTINUED)

Financial Position

PEP's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2006 (the latest information available):

<u>Casualty Insurance</u>	<u>2006</u>
Assets	\$ 30,997,868
Liabilities	<u>(15,875,741)</u>
Retained Earnings	<u>\$ 15,122,127</u>
 <u>Property Insurance</u>	 <u>2006</u>
Assets	\$ 5,125,326
Liabilities	<u>(863,163)</u>
Retained Earnings	<u>\$ 4,262,163</u>

The casualty coverage assets and retained earnings above include approximately \$14.4 million of unpaid claims to be billed to approximately 447 member governments in the future, as of December 31, 2006. PEP will collect these amounts in the future annual premium billings when PEP's related liabilities are due for payment.

Settled claims have not exceeded this commercial coverage in any of the last three years. There have been no significant reductions in insurance coverage from prior years.

(6) DEFINED BENEFIT PENSION PLANS

Ohio Public Employee 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 systems 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 (generally sheriffs, deputy sheriffs and township police) and public safety divisions exist only within the traditional plan.

VILLAGE OF GIBSONBURG
SANDUSKY COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

(6) DEFINED BENEFIT PENSION PLANS (CONTINUED)

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to member 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 Charter 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) 222-5601 or (800) 222-7377.

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions. For the year ended December 31, 2007, members in state and local classifications contributed 9.5 percent, and law enforcement members contributed 10.1 percent.

The Village's contribution rate for 2007 was 13.85 percent, except for those plan members in law enforcement or public safety, for whom the Village's contribution rate was 17.17 percent of covered payroll. For the period January 1 through June 30, 2007, a portion of the Village's contribution equal to 5.0 percent of covered payroll was allocated to fund the postemployment healthcare plan; for the period July 1 through December 31, 2007 this amount was increased to 6.0 percent. Employer contribution rates are actuarially determined. State statute sets a maximum contribution rate of the Village of 14.0 percent, except for public safety and law enforcement, where the maximum employer contribution rate is 18.1 percent.

The Village's required contributions to the pension obligations to the traditional and combined plans for the years ended December 31, 2007 and 2006 were \$28,936 and \$30,244, respectively. The full amount has been contributed for 2007 and 2006.

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 benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. That report may be obtained by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary to fund pension obligations. The Village's contribution was 19.5 percent for police officers. Contribution rates are established by State statute. For 2007, a portion of the Village's contribution equal to 34.6 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, 2007 and 2006 were \$33,885 and \$33,217. The full amount has been contributed for 2007 and 2006.

VILLAGE OF GIBSONBURG
SANDUSKY COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

(7) POSTRETIREMENT BENEFITS

A. Ohio Public Employees Retirement System

Plan Description – 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 postemployment 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. 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 postemployment 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 postemployment healthcare.

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2007, local government employers contributed 13.85 percent of covered payroll (17.17 percent for public safety and law enforcement). Each year, the OPERS retirement board determines the portion of the employer contribution rate that will be set aside for funding postemployment healthcare benefits. The amount of the employer contributions which was allocated to fund postemployment healthcare was 36.1 percent of covered payroll from January 1 through June 30, 2007, and 43.32 percent from July 1 to December 31, 2007.

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 postemployment healthcare plan.

The Village's contributions allocated to fund postemployment healthcare benefits for the years ended December 31, 2007 and 2006 were \$18,597 and \$14,796, respectively. The full amount has been contributed for 2007 and 2006.

On September 9, 2004 the OPERS Retirement Board adopted a Health Care Preservation Plan which was effective January 1, 2007. Member and employer contribution rates increased as of January 1, 2007 and January 1, 2008, which allowed additional funds to be allocated to the healthcare plan.

VILLAGE OF GIBSONBURG
SANDUSKY COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

(7) POSTRETIREMENT BENEFITS (CONTINUED)

B. Ohio Police and Fire Pension Fund

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

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

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

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the Plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding policy – OP&F's postemployment healthcare plan was established and is administered as an Internal Revenue Code 401(h) account within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OP&F Board of Trustees. The Ohio Revised Code sets the contribution rates for participating employers and for plan members to the OP&F. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.5 percent and 24.0 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, 2007, the employer contribution allocated to the healthcare plan was 6.75 percent of covered payroll. The amount of employer contributions allocated to the healthcare plan each year is subject to the trustees' primary responsibility to ensure that pension benefits are adequately funded and also is limited by the provisions of Section 401(h).

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 police were \$11,724 for the year ended December 31, 2007 and \$13,187 for the year ended December 31, 2006. The full amount has been contributed for 2007 and 2006.

**VILLAGE OF GIBSONBURG
SANDUSKY COUNTY**
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

(8) DEBT OBLIGATIONS

A summary of the note transactions for the year ended December 31, 2007 was as follows:

	Interest Rate	Balance January 1, 2007	Additions	Reductions	Balance December 31, 2007	Due Within One Year
<u>Business-Type Activities</u>						
Ohio Water Development Authority Loan 2991	7.38%	713,437	0	29,151	684,286	31,879
Ohio Water Development Authority Loan 3895	3.03%	949,719	0	43,448	906,271	48,509
Ohio Water Development Authority Loan 4629	2.75%	0	1,497,018	31,938	1,465,080	71,621
Ohio Water Development Authority Loan 4634	4.32%	0	344,646	5,510	339,136	11,381
Ohio Public Works Commission CE36F	0%	156,318	0	8,684	147,634	8,684
Ohio Small Government Capital Improvement Program CT14F	0%	<u>89,324</u>	<u>0</u>	<u>4,962</u>	<u>84,362</u>	<u>4,962</u>
Total		<u>\$ 1,908,798</u>	<u>\$ 1,841,664</u>	<u>\$ 123,693</u>	<u>\$ 3,626,769</u>	<u>\$ 177,036</u>

A summary of the note transactions for the year ended December 31, 2006 was as follows:

	Interest Rate	Balance January 1, 2006	Additions	Reductions	Balance December 31, 2006	Due Within One Year
<u>Business-Type Activities</u>						
Ohio Water Development Authority Loan 2991	7.38%	740,584	0	27,147	713,437	29,151
Ohio Water Development Authority Loan 3895	3.03%	987,723	0	38,004	949,719	43,448
Ohio Public Works Commission CE36F	0%	165,002	0	8,684	156,318	8,684
Ohio Small Government Capital Improvement Program CT14F	0%	<u>94,286</u>	<u>0</u>	<u>4,962</u>	<u>89,324</u>	<u>4,962</u>
Total		<u>\$ 1,987,595</u>	<u>\$ 0</u>	<u>\$ 78,797</u>	<u>\$ 1,908,798</u>	<u>\$ 86,245</u>

**VILLAGE OF GIBSONBURG
SANDUSKY COUNTY**
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

(8) DEBT OBLIGATIONS (CONTINUED)

Year	OWDA Authority Loan 2991		OWDA Authority Loan 3895		OWDA Authority Loan 4629		OWDA Authority Loan 4634		OPWC Loan CE36F		Ohio Small Government Capital Improvement Program CT14F	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2008	\$ 31,879	\$ 49,923	\$ 48,509	\$ 27,095	\$ 71,621	\$ 39,801	\$ 11,381	\$ 14,529	\$ 8,684	\$ 0	\$ 4,962	\$ 0
2009	34,275	47,527	49,990	25,614	73,604	37,818	11,878	14,032	8,684	0	4,962	0
2010	36,851	44,951	51,516	24,088	75,642	35,780	12,397	13,513	8,684	0	4,962	0
2011	39,621	42,181	53,089	22,516	77,737	33,685	12,938	12,972	8,684	0	4,962	0
2012	42,599	39,203	54,709	20,895	79,889	31,533	13,503	12,407	8,684	0	4,962	0
2013-2017	266,115	142,894	299,644	78,376	433,877	123,232	76,891	52,659	43,420	0	24,810	0
2018-2022	232,946	33,537	348,263	29,757	497,365	29,744	95,210	34,340	43,420	0	24,810	0
2023-2027	0	0	552	9	155,345	4,188	104,938	11,656	17,374	0	9,932	0
Totals	\$ 684,286	\$ 400,216	\$ 906,272	\$ 228,350	\$ 1,465,080	\$ 335,781	\$ 339,136	\$ 166,108	\$ 147,634	\$ 0	\$ 84,362	\$ 0

The Ohio Water Development Authority (OWDA) loan 2991 relates to a well field, lines and plant improvement project. The loan will be repaid in semiannual installments of \$40,901, including interest, over 25 years. The loan is collateralized by water receipts. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Ohio Water Development Authority (OWDA) loan 3895 relates to waste water treatment plan improvements. The loan will be repaid in semiannual installments of \$37,802, including interest, over 20 years. The loan is collateralized by sewer receipts. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Ohio Water Development Authority (OWDA) loan 4629 relates to the Hurlbut ditch sewer improvements. The loan will be repaid in semiannual installments of \$55,711, including interest, over 18 years. The loan is collateralized by sewer receipts. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Ohio Water Development Authority (OWDA) loan 4634 relates to the Yeasting Road waterline replacement. The loan will be repaid in semiannual installments of \$12,955, including interest, over 18 years. The loan is collateralized by water receipts. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Ohio Public Works Commission (OPWC) loan CE36F relates to waste water treatment plan improvements. The loan will be repaid in semiannual installments of \$4,342 over 20 years. The loan is collateralized by sewer receipts. The Village has agreed to set utility rates sufficient to cover the OPWC debt service requirements.

The Ohio Small Government Capital Improvement Program (OSGCIP) loan CT14F relates to waste water treatment plan improvements. The loan will be repaid in semiannual installments of \$2,481 over 20 years. The loan is collateralized by sewer receipts. The Village has agreed to set utility rates sufficient to cover the OSGCIP debt service requirements.

See Notes to Financial Statements

VILLAGE OF GIBSONBURG
SANDUSKY COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

(9) CONTINGENT LIABILITIES

Amounts received from grantor agencies are subject to audit and adjustment by the grantor, principally the federal government. Any disallowed costs may require refunding to the grantor. Amounts which may be disallowed, if any, are not presently determinable. However, based on prior experience, management believes such refunds, if any, would not be material.

(10) JOINT VENTURE

The Gibsonburg-Madison Township Volunteer Fire Department is managed by Madison Township and the Village of Gibsonburg. The Township pays all of the fire department bills and is reimbursed quarterly for half of the expenses by the Village of Gibsonburg. The Village paid \$16,860 during 2007 and \$12,834 during 2006.

(11) SUBSEQUENT EVENTS

Subsequent to December 31, 2007, The Village incurred additional costs of \$294,273 on the Hurlbut ditch sewer improvement and increased their Ohio Water Development Authority Loan 4629 accordingly to fund these disbursements.

(12) 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, street construction, maintenance, and repair fund, permissive motor vehicle license tax fund, and the economic development industrial park fund are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis are outstanding year end encumbrances are treated as disbursements (budgetary basis) rather than as a reservation of fund balance (cash basis).

(13) INTERFUND TRANSFERS AND ADVANCES

Interfund transfers for the years ended December 31, 2007 and 2006, consisted of the following, as reported in the fund financial statements:

<u>Transfers from General Fund to:</u>	<u>December 31,</u> <u>2007</u>	<u>December 31,</u> <u>2006</u>
Economic Development Industrial Park Fund	\$ <u>100,000</u>	\$ <u>50,000</u>
Total Transfers	\$ <u>100,000</u>	\$ <u>50,000</u>

VILLAGE OF GIBSONBURG
SANDUSKY COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

(13) INTERFUND TRANSFERS AND ADVANCES (CONTINUED)

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. All transfers were made in accordance with Ohio Revised Code Sections 5705.14 and 5705.15. Interfund transfers between governmental funds are eliminated for reporting in the statement of activities.

(14) ADVANCES NOT REPAID

The Village advanced monies from the General Fund to the Sewer Operating Fund in anticipation of future receipts. At December 31, 2004, total advances in the amount of \$30,000 were outstanding and due to the Village's General Fund. During 2005, \$10,000 of these outstanding advances was repaid. At December 31, 2007, \$20,000 of advances remain outstanding due to the General Fund from the Sewer Operating Fund.

(15) CONTRACT NONCOMPLIANCE

Contrary to Ohio law, a \$30,110 change order related to a sewer improvement project was not documented with a written change order. In addition, there were several contracts of which a search for unresolved findings for recovery was not performed.

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

Village of Gibsonburg
Sandusky County
120 North Main Street
Gibsonburg, OH 43431-1106

To the 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 Village of Gibsonburg, Sandusky County, (the Village) as of and for the years ended December 31, 2007 and 2006, which collectively comprise the Village's basic financial statements and have issued our report thereon dated September 24, 2008 wherein we noted the Village prepared its financial statements on the cash basis, a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with 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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the 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.

The results of our tests disclosed two instances of control deficiencies that are required to be disclosed under Governmental Auditing Standards, and are described in the accompanying schedule of findings as Findings No. 2007-001 and 2007-002.

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 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 financial reporting that we consider to be material weaknesses, as defined above.

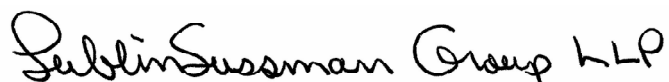
Compliance and Other Matters

As part of obtaining reasonable assurance as to whether the Village's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grants, 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 such an opinion. The results of our tests 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 2007-003 through 2007-006.

We also noted certain additional matters that we reported to management of the Village in a separate letter dated September 24, 2008.

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

This report is intended solely for the information and use of the audit committee, management, and Village Council. It is not intended for anyone other than these specified parties.



September 24, 2008
Toledo, Ohio

VILLAGE OF GIBSONBURG
SANDUSKY COUNTY

SCHEDULE OF FINDINGS AND RESPONSES
DECEMBER 31, 2007

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

FINDING NUMBER 2007-001

Significant Deficiency

During our testing of utility billings, we noted that for the period October 2006 through December 2006 the rate that was in effect during that period was entered into the billing system incorrectly. The rate was entered as \$1.10 per unit when it should have been entered as \$1.15 per unit. The amount of underbilling was approximately \$950 for the three month period. Larger differences or differences not corrected for long periods of time could result in a substantial loss of revenue.

Response: In the future, when a rate change occurs, the amount entered into the billing system will be verified by several Village personnel.

FINDING NUMBER 2007-002

Significant Deficiency

During our tests of budgetary compliance, we noted that Council approved certificate of estimated resources were not reflected accurately in the accounting records. Such differences could cause deficit spending and spending not in accordance with the legislative authority. We recommend all Council approved certificate of estimated resources that are filed with the county auditor be duplicated in the accounting system.

Response: Council approved certificate of estimated resources that are filed with the county auditor will be duplicated in the accounting system.

FINDING NUMBER 2007-003

Noncompliance Citation

Ohio Revised Code Section 5705.36 states that or or about the first day of each year, the Village is to certify to the county auditor the total amounts from all sources available for expenditure from each fund. For 2007, the Village did not file the required information with the county auditor until February 19, 2007 which is after the required filing date. Delays in providing this information could result in budgetary overspending for the Village.

Response: The certificate of estimated resources will be filed with the county auditor prior to January 1 of each year.

VILLAGE OF GIBSONBURG
SANDUSKY COUNTY

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN
ACCORDANCE WITH GAGAS (CONTINUED)

FINDING NUMBER 2007-004

Noncompliance Citation

Ohio Revised Code Section 731.16 states that a change to a contract must be done with a change order and agreed upon in writing and signed by the legislative authority and the contractor.

For the East Madison Street Sanitary Sewer Improvements project, the cost of the project increased by \$30,110 over the original contract with no evidence of a change order to approve this increase

Response: Any future changes to a contract will be accomplished with a written change order and authorized with the proper signatures.

FINDING NUMBER 2007-005

Noncompliance Citation

Ohio Revised Code Section 5705.36(A)(2) allows all subdivisions to request increased amended certificates of estimated resources and reduced amended certificates upon determination by the fiscal officer that revenue to be collected will be greater or less than the amount in the official certificate of estimated resources. Ohio Revised Code Section 5705.36(A)(4) states that a reduced amended certificate must be obtained if the amount of the deficiency will reduce available resources below the current level of appropriation.

It was noted that appropriations exceeded actual available resources in the enterprise funds in the amount of \$477,087 for 2007. We recommend that the Village review the estimated resources and appropriation calculations throughout the year to protect funds from being overspent.

Response: The Village will compare estimated resources to appropriations throughout the year and obtain an amended certificate of estimated resources if actual revenues are less than anticipated. Appropriations will also be adjusted accordingly to estimated resources available.

FINDING NUMBER 2007-006

Noncompliance Citation

Ohio Revised Code Section 9.24 states that before the Village can award a contract for goods, services, or construction which exceeds \$25,000, they must perform a search in the Auditor of State database for unresolved findings for recovery. This database is available at the Auditor of State's website: www.auditor.state.oh.us. Any individual or entity that appears in this database is ineligible to be awarded contracts by the Village. We noted that a search was performed for some contracts but not all. We recommend the Village perform a search of this database for all contract applicants to determine their eligibility.

Response: On all future contracts, the Village will perform a search for unresolved findings for recovery.

VILLAGE OF GIBSONBURG
SANDUSKY COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS
December 31, 2007 AND 2006

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2005-001	Noncompliance: Appropriations for three capital projects funds were not certified by the county auditor as required by Ohio Revised Code Section 5705.41(B).	Yes	
2005-002	Noncompliance: Two construction projects exceeding \$25,000 each in material and labor costs were not subjected to the competitive bidding procedures as required by Ohio Revised Code Section 731.14.	Yes	
2005-003	Noncompliance: The Village did not obtain a change order for a project cost increase in accordance with Ohio Revised Code Section 731.16.	No	Repeated as Finding 2007-003.
2005-004	Reportable Condition: Council approved appropriations and estimated resources were not accurately reflected in the accounting records.	No	Partially Corrected. Appropriations were accurately reflected in the accounting system, however, estimated resources were not. Repeated as Finding 2007-004.



Mary Taylor, CPA
Auditor of State

VILLAGE OF GIBSONBURG

SANDUSKY 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
NOVEMBER 13, 2008**