

Village of Gordon
Darke County
Regular Audit
For the Years Ended December 31, 2009 and 2008
Fiscal Years Audited Under GAGAS: 2009 and 2008



Balestra, Harr & Scherer, CPAs, Inc.

528 South West St, P.O. Box 687, Piketon, Ohio 45661 Phone: (740) 289-4131 Fax: (740) 289-3639



Mary Taylor, CPA

Auditor of State

Village Council
Village of Gordon
300 Center Street
Gordon, Ohio 45305

We have reviewed the *Independent Auditor's Report* of the Village of Gordon, Darke County, prepared by Balestra, Harr & Scherer, CPAs, Inc., for the audit period January 1, 2008 through December 31, 2009. 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.

The financial statements in the attached report are presented in accordance with a regulatory basis of accounting prescribed or permitted by the Auditor of State. Due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA), modifications were required to the *Independent Auditor's Report* on your financial statements. While the Auditor of State does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. The attached report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the statements are misstated under the non-GAAP regulatory basis. The *Independent Auditor's Report* also includes an opinion on the financial statements using the regulatory format the Auditor of State permits.

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 Gordon is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

May 10, 2010

This Page is Intentionally Left Blank.

**VILLAGE OF GORDON
DARKE COUNTY**

TABLE OF CONTENTS

<u>TITLE</u>	<u>PAGE</u>
Independent Auditor’s Report.....	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes In Fund Cash Balances – All Governmental Fund Types For the Year Ended December 31, 2009	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes In Fund Cash Balances – All Governmental Fund Types For the Year Ended December 31, 2008	4
Notes to the Financial Statements	5
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required By <i>Government Auditing Standards</i>	10
Schedule of Findings	12
Schedule of Prior Year Findings.....	13



INDEPENDENT AUDITOR'S REPORT

Village of Gordon
Darke County
300 Center Street
Gordon, OH 45305

To the Village Council:

We have audited the accompanying financial statements of the Village of Gordon, Darke County, (the Village) as of and for the years ended December 31, 2009 and 2008. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As described more fully in Note 2, the Village has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

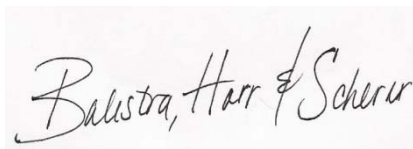
Instead of the combined funds the accompanying financial statements present, GAAP require presenting entity wide statements and also presenting the Village's larger (i.e. major) funds separately. While the Village does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require Villages to reformat their statements. The Village has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2009 and 2008 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Village as of December 31, 2009 and 2008, or its changes in financial position for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the Village of Gordon, Darke County, as of December 31, 2009 and 2008, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 2 describes.

The Village has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 19, 2010, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

A handwritten signature in cursive script that reads "Balestra, Harr & Scherer". The signature is written in black ink on a light-colored background.

Balestra, Harr & Scherer, CPAs, Inc.

February 19, 2010

**VILLAGE OF GORDON
DARKE COUNTY**

**COMBINED STATEMENTS OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Property and Local Taxes	\$ 9,031	\$ 1,068	\$ 10,099
Intergovernmental	30,676	9,691	40,367
Charges for Services	225	-	225
Earnings on Investments	71	29	100
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	40,003	10,788	50,791
Cash Disbursements:			
Current:			
Security of Persons & Property	10,740	-	10,740
Public Health Service	960	-	960
Leisure Time Activities	3,016	-	3,016
Basic Utility Services	12,707	-	12,707
Transportation	-	6,296	6,296
General Government	15,514	-	15,514
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	42,937	6,296	49,233
Total Cash Receipts Over Cash Disbursements	<hr/> (2,934) <hr/>	<hr/> 4,492 <hr/>	<hr/> 1,558 <hr/>
Other Financing Receipts and (Disbursements):			
Other Financing Uses	<hr/> (882) <hr/>	<hr/> - <hr/>	<hr/> (882) <hr/>
Total Other Financing Receipts/(Disbursements)	<hr/> (882) <hr/>	<hr/> - <hr/>	<hr/> (882) <hr/>
Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements and Other Financing Disbursements	(3,816)	4,492	676
Fund Cash Balances, January 1	<hr/> 75,263 <hr/>	<hr/> 66,480 <hr/>	<hr/> 141,743 <hr/>
Fund Cash Balances, December 31	<hr/> <u>\$ 71,447</u> <hr/>	<hr/> <u>\$ 70,972</u> <hr/>	<hr/> <u>\$ 142,419</u> <hr/>

The notes to the financial statements are an integral part of this statement.

**VILLAGE OF GORDON
DARKE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Property and Local Taxes	9,447	\$ 993	\$ 10,440
Intergovernmental	33,871	9,925	43,796
Charges for Services	198	-	198
Earnings on Investments	272	167	439
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	43,788	11,085	54,873
Cash Disbursements:			
Current:			
Security of Persons & Property	10,167	-	10,167
Public Health Service	646	-	646
Leisure Time Activities	2,713	-	2,713
Basic Utility Services	11,750	-	11,750
Transportation	-	6,700	6,700
General Government	28,109	-	28,109
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	53,385	6,700	60,085
Total Cash Receipts Over Cash Disbursements	<hr/>	<hr/>	<hr/>
	(9,597)	4,385	(5,212)
Other Financing Receipts and (Disbursements):			
Other Financing Uses	<hr/>	<hr/>	<hr/>
	(2,061)	-	(2,061)
Total Other Financing Receipts/(Disbursements)	<hr/>	<hr/>	<hr/>
	(2,061)	-	(2,061)
Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements and Other Financing Disbursements	(11,658)	4,385	(7,273)
Fund Cash Balances, January 1	<hr/>	<hr/>	<hr/>
	86,921	62,095	149,016
Fund Cash Balances, December 31	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	\$ 75,263	\$ 66,480	\$ 141,743

The notes to the financial statements are an integral part of this statement.

**VILLAGE OF GORDON
DARKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008**

NOTE 1 - DESCRIPTION OF THE ENTITY

The constitution and laws of the State of Ohio establish the rights and privileges of the Village of Gordon, Darke County, (the "Village") as a body corporate and politic. A publicly-elected six-member Council directs the Village. The Village provides general government, street maintenance and basic utility services. The Village contracts with the Darke County Sheriff's Department to provide security of persons and property. The Village contracts with Verona to receive fire protection services.

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The most significant of the Village's accounting policies are described below.

A. BASIS OF PRESENTATION – FUND ACCOUNTING

The accounts of the Village are maintained on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts. The following fund types are used by the Village:

GOVERNMENTAL FUNDS

General Fund

The general fund is used to account for all activities of the Village not required to be included 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.

Special Revenue Funds

These funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. The Village had the following significant special revenue funds:

Street Construction, Maintenance and Repair and Permissive Sales Tax Fund: This fund receives gasoline tax and motor vehicle tax monies for constructing, maintaining and repairing Village streets.

State Highway Improvement Fund: This fund receives shared revenue from gasoline sales for constructing, maintaining and repairing State Highways.

B. BASIS OF ACCOUNTING

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Village recognizes receipts when received in cash rather than when earned, and recognize disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

**VILLAGE OF GORDON
DARKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of the State.

C. BUDGETARY PROCESS

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the certificate of estimated resources and the appropriation resolution, both of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds are legally required to be budgeted and appropriated. The primary level of budgetary control is at the program, activity, and object level within each fund. Any budgetary modifications at this level may only be made by resolution of the Village's Council.

Estimated Resources:

The County Budget Commission determines if the budget substantiates a need to levy the full amount of authorized property tax rates and reviews receipt estimates. The County Budget Commission certifies its actions to the Village by September 1. As part of this certification, the Village receives the official certificate of estimated resources, which states the projective receipts of each fund. On or about January 1, the certificate is amended to include unencumbered fund balances at December 31 of the preceding year. Further amendments may be made during the year if the Village determines that receipts collected will be greater than or less than the prior estimates and the Budget Commission find the revised estimates to be reasonable. Prior to December 31, the Village must revise its budget so that the total contemplated expenditures from a fund during the ensuing fiscal year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriation measure.

Appropriations:

A temporary appropriation measure to control cash disbursements may be passed on or about January 1 of each year for the period January to March 31. An annual appropriation measure must be passed by April 1 of each year for the period January 1 to December 31. The appropriations measure may be amended or supplemented during the year as new information becomes available.

Encumbrances:

As part of formal budgetary control, purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve the portion of the applicable appropriation. At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations.

The encumbered appropriation balance is carried forward to the succeeding fiscal year and need not be re-appropriated. The Village had no outstanding encumbrances at December 31, 2009 and 2008. A summary of 2009 and 2008 budgetary activity appears in Note 5.

**VILLAGE OF GORDON
DARKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

D. CASH AND INVESTMENTS

The Village maintains an interest bearing checking account. Interest income earned and received by the Village totaled \$100 and \$439 for the years ended December 31, 2009 and 2007, respectively.

E. PROPERTY, PLANT AND EQUIPMENT

Capital assets are not capitalized in any of the Village’s funds. Instead, capital acquisition and construction costs are reflected as disbursements in the fund in the year expended. The costs of normal maintenance and repairs are also expended, along with improvements. Depreciation is not recorded.

F. INTERGOVERNMENTAL REVENUES

Intergovernmental revenues, such as entitlements and grants awarded on a non-reimbursable basis are recorded when received in accordance with the Village’s cash basis method of accounting.

G. TOTAL COLUMNS OF FINANCIAL STATEMENTS

Total columns on the financial statements are captioned “Total (Memorandum Only)” to indicate that they are presented only to facilitate financial analysis. Interfund-type eliminations have not been made in the aggregation of this data.

NOTE 3 – EQUITY IN POOLED CASH AND INVESTMENTS

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

	<u>2009</u>	<u>2008</u>
Demand Deposits	<u>\$ 142,419</u>	<u>\$ 141,743</u>
Total Deposits	<u>\$ 142,419</u>	<u>\$ 141,743</u>

Deposits: Deposits are insured by the Federal Deposit Insurance Corporation; or collateralized by the financial institution’s public entity deposit pool.

NOTE 4 – PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

**VILLAGE OF GORDON
DARKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDEDN DECEMBER 31, 2009 AND 2008**

NOTE 4 – PROPERTY TAX (CONTINUED)

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

The County is responsible for assessing property taxes, billing, collecting, and distributing all property taxes on behalf of the Village.

NOTE 5 – BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2009 and 2007 were as follows:

2009 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 120,005	\$ 40,003	\$ (80,002)
Special Revenue	75,784	10,788	(64,996)
Total	\$ 195,789	\$ 50,791	\$ (144,998)

2009 Budgeted vs. Budget Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 106,450	\$ 43,819	\$ 62,631
Special Revenue	56,500	6,296	50,204
Total	\$ 162,950	\$ 50,115	\$ 112,835

2008 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 114,889	\$ 43,788	\$ (71,101)
Special Revenue	75,328	11,085	(64,243)
Total	\$ 190,217	\$ 54,873	\$ (135,344)

2008 Budgeted vs. Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 113,580	\$ 55,446	\$ 58,134
Special Revenue	65,600	6,700	58,900
Total	\$ 179,180	\$ 62,146	\$ 117,034

**VILLAGE OF GORDON
DARKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDEDN DECEMBER 31, 2009 AND 2008**

NOTE 6 – RETIREMENT SYSTEM

The Village’s elected officials and employees belong to the Social Security System. This plan provides retirement benefits including post retirement health care and survivor and disability benefits to participants as prescribed by the Ohio Revised Code. Members of the Social Security System contributed 6.2% of their wages to Social Security. The Village has paid all contributions required through December 31, 2009.

NOTE 7 – RISK MANAGEMENT

The Village has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Vehicles
- Errors and omissions

Coverage has not significantly changed since 2007. Settled claims have not exceeded insurance coverage in any of the past three years.

NOTE 8- CONTIGENT LIABILITY

LITIGATION

The Village is currently not involved in litigation.

NOTE 9- COMPLIANCE

- i.* Contrary to Ohio Revised Code 145.01, the Village did not withhold the employer and employee shares for the Public Employees Retirement System from its employees.
- ii.* Contrary to Ohio Revised Code 5705.36(A),(4), the Village had appropriations in excess of actual resources during 2008.



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

Village of Gordon
Darke County
300 Center Street
Gordon, Ohio 45304

To the Village Council:

We have audited the financial statements of the Village of Gordon, Darke County, (the Village) as of and for the years ended December 31, 2009 and 2008, and have issued our report thereon dated February 19, 2010 wherein we noted the Village prepared its financial statements using accounting practices the Auditor of State prescribes or permits rather than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in 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 audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of opining on the effectiveness of the Village's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Village's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as described in the accompanying schedule of findings we identified a certain deficiency in internal control over financial reporting, that we consider a material weakness.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Village's financial statements will not be prevented, or detected and timely corrected. We consider finding 2009-01 described in the accompanying schedule of findings to be a material weakness.

Compliance and Other Matters

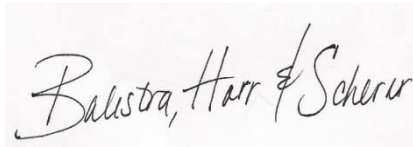
As part of reasonably assuring whether the Village's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed instances of noncompliance or other matters we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2009-001 and 2009-002.

Village of Gordon
Darke County
Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Required by *Government Auditing Standards*
Page 2

We also noted certain matters not requiring inclusion in this report that we reported to the Village's management in a separate letter dated February 19, 2010.

The Village's response to the finding 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..

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

A rectangular box containing a handwritten signature in cursive script that reads "Balestra, Harr & Scherer".

Balestra, Harr & Scherer, CPAs, Inc.

February 19, 2010

**VILLAGE OF GORDON
DARKE COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2009 AND 2008**

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

FINDING NUMBER 2009-001

Material Weakness/Citation

Ohio Revised Code Section 145.01, requires governments to enroll most of their employees in the appropriate retirement system, withhold from the employees' wages, or pay on behalf of the employees, a certain percentage of earned wages. All village employees are required to be paying into the Public Employees Retirement System (PERS), excluding elected officials who have elected not to participate.

The Village did not withhold the employee or employer share for the Ohio Public Employees Retirement from its employees instead, has several employees who are paying into the Social Security System for their retirement for fiscal years 2009 and 2008.

By not withholding for the proper retirement system causes the Village to be not compliant with the Ohio Revised Code. In addition, the Village could be liable for withholdings and penalties not previously paid leading to possible negative fund balances due to expenses not previously appropriated.

We recommend the Village enroll their employees in and deduct from the salaries monies for the employee/employer contributions into the Public Employees Retirement Systems required by Ohio Revised Code. In addition we recommend the Village adopt internal controls to mitigate future non-compliance with the Ohio Revised Code.

Client Response: Village has been in contact Ohio Public Employees Retirement System and is currently working on correcting matter.

FINDING NUMBER 2009-002

Ohio Rev. Code Section 5705.36(A)(4) requires obtaining a reduced amended certificate if the amount of the deficiency will reduce available resources below the current level of appropriation.

At year end 2008, the Villages appropriations exceeded actual resources, which consists of actual revenues plus beginning fund balances less prior year encumbrances plus current year appropriations in the following fund:

<u>Special Revenue Fund</u>	<u>Resources</u>	<u>Appropriations</u>	<u>Excess</u>
Street Construction, Maintenance & Repair	\$ 36,066	\$ 38,910	(\$ 2,844)

By appropriating more than actual resources the Village is at risk of overspending this fund causing a negative fund balance and possibly requiring another fund to cover the negative balance.

We recommend the Village more closely monitor its appropriations in connection with actual resources and to reduce appropriations as needed.

Client Response: Village will more closely monitor budget in future to mitigate the risk of noncompliance with the Ohio Revised Code.

**VILLAGE OF GORDON
DARKE COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2009 AND 2008**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2007-001	Village did not perform bank reconciliations	Yes	
2007-002	Village issued hand-written checks. Checks not properly posted	Yes	
2007-003	2006 W-3s did not match total quarterly 941 filings	Yes	
2007-004	Material reclassifications and adjustments	Yes	
2007-005	ORC 9.38 – Timely Deposits	Yes	



Mary Taylor, CPA
Auditor of State

VILLAGE OF GORDON

DARKE 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
MAY 20, 2010