

**VILLAGE OF GIBSONBURG
SANDUSKY COUNTY**

AUDITED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2009 AND 2008



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, 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.

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

November 15, 2010

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LublinSussman Group LLP

Certified Public Accountants

3166 N. Republic Blvd.
Toledo, Ohio 43615-1572
419-841-2848 Fax 419-841-8178

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 aggregate remaining fund information of the Village of Gibsonburg, Sandusky County, (the Village) as of and for the years ended December 31, 2009 and 2008, 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 modified 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 modified 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, 2009 and 2008, and the respective changes in modified cash financial position and the respective budgetary comparison for the General Fund, the Street Construction, Maintenance and Repair 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.

www.lublinsussman.com

Douglas J. Welch, CPA, CVA
Lee D. Wunschel, CPA
Thomas J. Jaffee, JD, CPA
Terri S. Lee, CPA
Eric M. Golus, CPA

Members:
American Institute of Certified Public Accountants
AICPA—Private Companies Practice Section
Ohio Society of Certified Public Accountants

In accordance with *Government Auditing Standards*, we have also issued our report dated August 12, 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, 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.

Seublin Sussman Group LLP

August 12, 2010
Toledo, Ohio

VILLAGE OF GIBSONBURG
SANDUSKY COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008
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, 2009 and 2008, within the limitations of the Village's modified 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 2009 and 2008 are as follows:

- The total net cash assets of the Village increased \$296,040 and \$278,415 for the years ended December 31, 2009 and 2008, respectively. Net cash assets of governmental activities increased \$227,110 and \$141,031 for the years ended December 31, 2009 and 2008, respectively, which represents a 25.0% and 18.4% increase over 2008 and 2007. Net cash assets of business-type activities increased \$68,930 or 7.6% and \$137,384 or 17.9% from fiscal years 2008 and 2007, respectively.
- General cash receipts accounted for \$1,072,506 or 98.9% and \$1,006,811 or 97.5% of total governmental activities cash receipts for the years ended December 31, 2009 and 2008, respectively. Program specific cash receipts accounted for \$11,388 or 1.1% and \$25,878 or 2.5% of total governmental activities cash receipts.
- The Village had \$856,784 and \$891,658 in cash disbursements related to governmental activities for the years ended December 31, 2009 and 2008, respectively; \$11,388 and \$25,878, respectively of these cash disbursements were offset by program specific charges for services, grants or contributions. General cash receipts of \$1,072,506 and \$1,006,811, respectively were adequate to provide for these programs.
- The Village's major governmental funds for 2009 and 2008 were the general fund, street construction, maintenance and repair fund, and the economic development industrial park fund.
- The general fund had cash receipts of \$920,835 and \$838,788 in 2009 and 2008, respectively. The cash disbursements of the general fund totaled \$762,155 and \$758,663 in 2009 and 2008, respectively. The general fund's cash balance increased \$158,680 and \$80,125 from 2008 to 2009 and 2007 to 2008, respectively.
- The street construction, maintenance and repair fund, a Village major fund, had cash receipts of \$109,485 and \$114,799 in 2009 and 2008, respectively. The fund had cash disbursements of \$142,580 and \$114,634 in 2009 and 2008, respectively. The fund cash balance decreased \$33,095 and increased \$165 from 2008 to 2009 and 2007 to 2008, respectively.

VILLAGE OF GIBSONBURG
SANDUSKY COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008
UNAUDITED

Financial Highlights (Continued)

- The economic development industrial park, a Village major fund, had cash receipts of \$77,386 and \$70,273 in 2009 and 2008, respectively. The fund had cash disbursements of \$2,740 and \$3,284 in 2007 and 2006, respectively. The fund cash balance increased \$74,646 and \$66,989, from 2008 to 2009 and 2007 to 2008, respectively.
- Net cash assets for the proprietary funds increased by \$68,930 or 7.6% and \$137,384 or 17.9% for the years ended December 31, 2009 and 2008, 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 modified cash basis of accounting.

Report Components

The Statement of Net Assets and Statement of Activities provide information about the cash activities of the Village as a whole.

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

The notes to the 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 modified cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Village's modified cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the modified 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 modified cash basis of accounting.

VILLAGE OF GIBSONBURG
SANDUSKY COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008
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Reporting the Village as a Whole

Statement of Net Assets and the Statement of Activities

The statement of net assets and the statement of activities reflect how the Village did financially during 2009 and 2008, within the limitations of modified cash basis accounting. The statement of net assets presents the cash balances and investments of the governmental and business-type activities of the Village at year end. The statement of activities compares cash disbursements with program receipts for each 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 modified 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, 2009 AND 2008
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 2009 and 2008, the Village's major governmental funds are the General Fund, Street Construction, Maintenance and Repair 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 2009 and 2008 on a modified cash basis:

Net Assets

	Governmental Activities <u>2009</u>	Business-type Activities <u>2009</u>	Governmental Activities <u>2008</u>	Business-type Activities <u>2008</u>	2009 Total	2008 Total
<u>Assets</u>						
Equity in pooled cash and cash equivalents	\$ 1,076,087	\$ 975,944	\$ 850,522	\$ 907,014	\$ 2,052,031	\$ 1,757,536
Investments	\$ <u>57,948</u>	\$ <u>0</u>	\$ <u>56,403</u>	\$ <u>0</u>	\$ <u>57,948</u>	\$ <u>56,403</u>
Total Assets	<u>\$ 1,134,035</u>	<u>\$ 975,944</u>	<u>\$ 906,925</u>	<u>\$ 907,014</u>	<u>\$ 2,109,979</u>	<u>\$ 1,813,939</u>
<u>Net Assets</u>						
Restricted for:						
Other Purposes	515,883	0	447,453	0	515,883	447,453
Unrestricted	<u>618,152</u>	<u>975,944</u>	<u>459,472</u>	<u>907,014</u>	<u>1,594,096</u>	<u>1,366,486</u>
Total net assets	<u>\$ 1,134,035</u>	<u>\$ 975,944</u>	<u>\$ 906,925</u>	<u>\$ 907,014</u>	<u>\$ 2,109,979</u>	<u>\$ 1,813,939</u>

The total net cash assets of the Village increased \$296,040 and \$278,415 for the years ended December 31, 2009 and 2008, respectively. Net cash assets of governmental activities increased \$227,110 and \$141,031 for the years ended December 31, 2009 and 2008, respectively, which represents a 25.0% and 18.4% increase over fiscal year 2008 and 2007. Net cash assets of business-type activities increased \$68,930 or 7.6% and \$137,384 or 17.9% from fiscal years 2008 and 2007, respectively.

VILLAGE OF GIBSONBURG
SANDUSKY COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008
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The Village as a Whole (Continued)

The balance of governmental activities unrestricted net cash assets of \$618,152 may be used to meet the Village's ongoing obligations to citizens and creditors.

The table below shows the change in net assets for fiscal years 2009 and 2008 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>2009</u>	<u>2009</u>	<u>2008</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Cash Receipts:						
Program cash receipts:						
Charges for						
services and sales	\$ 8,505	\$ 1,250,089	\$ 4,335	\$ 1,197,532	\$ 1,258,594	\$ 1,201,867
Operating grants	2,290	0	7,648	0	2,290	7,648
and contributions						
Capital grants	593	260,602	13,895	143,502	261,195	157,397
and contributions						
Total program cash	<u>11,388</u>	<u>1,510,691</u>	<u>25,878</u>	<u>1,341,034</u>	<u>1,522,079</u>	<u>1,366,912</u>
receipts						
General cash receipts and						
advances:						
Property Taxes	114,716	0	115,167	0	114,716	115,167
Municipal income taxes	575,281	0	546,358	0	575,281	546,358
Other Taxes	129,307	0	132,512	0	129,307	132,512
Cable Franchise Fees	12,386	0	11,473	0	12,386	11,473
Debt Proceeds	0	235,647	0	348,341	235,647	348,341
Unrestricted grants	227,872	2,500	148,965	2,500	230,372	151,465
Sale of Fixed Assets	951	0	6,071	1,795	951	7,866
Investment earnings	6,517	0	29,329	0	6,517	29,329
Miscellaneous	5,476	1,157	16,936	1,032	6,633	17,968
Total general cash receipts	<u>1,072,506</u>	<u>239,304</u>	<u>1,006,811</u>	<u>353,668</u>	<u>1,311,810</u>	<u>1,360,479</u>
and advances						
Total cash receipts and	1,083,894	1,749,995	1,032,689	1,694,702	2,833,889	2,727,391
advances						

VILLAGE OF GIBSONBURG
SANDUSKY COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008
UNAUDITED

Change in Net Cash Assets (Continued)

	Governmental <u>Activities</u>	Business-type <u>Activities</u>	Governmental <u>Activities</u>	Business-type <u>Activities</u>	<u>Total</u>	
	<u>2009</u>	<u>2009</u>	<u>2008</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Cash Disbursements:						
Security of persons and property	411,803	0	395,170	0	411,803	395,170
Community Env.	287	0	1,015	0	287	1,015
Leisure time activities	50,112	0	44,948	0	50,112	44,948
Transportation	90,196	0	78,732	0	90,196	78,732
General government	222,576	0	221,785	0	222,576	221,785
Capital Outlay	80,503	0	148,745	0	80,503	148,745
Public Health	1,307	0	1,263	0	1,307	1,263
Water	0	886,451	0	449,563	886,451	449,563
Sewer	0	671,001	0	987,336	671,001	987,336
Refuse	0	123,613	0	120,419	123,613	120,419
Total cash disbursements	<u>856,784</u>	<u>1,681,065</u>	<u>891,658</u>	<u>1,557,318</u>	<u>2,537,849</u>	<u>2,448,976</u>
Change in net cash assets	227,110	68,930	141,031	137,384	296,040	278,415
Net cash assets at beginning of year	<u>906,925</u>	<u>907,014</u>	<u>765,894</u>	<u>769,630</u>	<u>1,813,939</u>	<u>1,535,524</u>
Net cash assets at end of year	<u>\$ 1,134,035</u>	<u>\$ 975,944</u>	<u>\$ 906,925</u>	<u>\$ 907,014</u>	<u>\$ 2,109,979</u>	<u>\$ 1,813,939</u>

Governmental program receipts represent only 1.0 percent and 2.5 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 2009 and 2008, respectively.

General receipts represent 98.9 percent and 97.5 percent of the Government's total receipts for 2009 and 2008, respectively, and of this amount 76.4 percent and 78.9 percent are for local taxes for 2009 and 2008, respectively. State and federal grants and entitlements make up the balance of the Government's general receipts (21.2 percent and 14.8 percent for 2009 and 2008, 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
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008
UNAUDITED

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 74.0% and 69.2% of all governmental disbursements, respectively. Capital outlay also represents a significant cost, about 9.4% and 16.7%, respectively. 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>2009</u>	Net Cost of Services <u>2009</u>	Total Cost of Services <u>2008</u>	Net Cost of Services <u>2008</u>
Cash Disbursements:				
Current:				
Security of Persons and Property	\$ 411,803	\$ 403,443	\$ 395,170	\$ 391,750
General Government	222,576	222,576	221,785	221,785
Leisure Time Activities	50,112	48,664	44,948	29,710
Community Environment	287	(1,293)	1,015	(6,205)
Transportation	90,196	90,196	78,732	78,732
Capital Outlay	80,503	80,503	148,745	148,745
Public Health Services	<u>1,307</u>	<u>1,307</u>	<u>1,263</u>	<u>1,263</u>
Total	<u>\$ 856,784</u>	<u>\$ 845,396</u>	<u>\$ 891,658</u>	<u>\$ 865,780</u>

The dependence upon general cash receipts for governmental activities is apparent; with 98.9% and 97.1% of cash disbursements supported through taxes and other general cash receipts during 2009 and 2008, respectively.

Business-Type Activities

The Village has four major proprietary funds for 2009 and 2008, the Water Operating Fund, Sewer Operating Fund, Sewer Improvement Fund and the Water Capitalization Fund. The Village has two additional major proprietary funds for 2009, the Main Street Waterline Loan Fund and the Main Street Waterline Grant Fund. The Village has one additional major proprietary fund for 2008, the Hurlbut Ditch Sewer Improvement Fund. All proprietary funds had cash receipts of \$1,749,995 and \$1,694,702 and cash disbursements of \$1,681,065 and \$1,557,318 for fiscal years 2009 and 2008, respectively. The net cash assets of the programs increased \$68,930 from 2008 and \$137,384 from 2007.

VILLAGE OF GIBSONBURG
SANDUSKY COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008
UNAUDITED

The Government's Funds

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

The Village's governmental funds reported a combined fund cash balance of \$1,134,035 and \$906,925, which is \$227,110 and \$141,031 above previous years balances, for fiscal years 2008 and 2007, respectively. The schedule below indicates the fund cash balance and the total change in fund cash balance as of December 31, 2009 and 2008, respectively for all major and nonmajor governmental funds.

	Fund Cash Balance December 31, <u>2009</u>	Fund Cash Balance December 31, <u>2008</u>	Increase (Decrease)
Major Funds:			
General	\$ 618,152	\$ 459,472	\$ 158,680
Street Construction, Maintenance and Repair	106,678	139,773	(33,095)
Economic Development Industrial Park	302,720	228,074	74,646
Other Nonmajor Governmental Funds	<u>106,485</u>	<u>79,606</u>	<u>26,879</u>
Total	<u>\$ 1,134,035</u>	<u>\$ 906,925</u>	<u>\$ 227,110</u>

General Fund

The general fund had cash receipts of \$920,835 and \$838,788 in 2009 and 2008, respectively. The cash disbursements of the general fund, totaled \$762,155 and \$758,663 in 2009 and 2008, respectively. The general fund's cash balance increased \$158,680 and \$80,125 from 2008 to 2009 and from 2007 to 2008, respectively.

The table that follows assists in illustrating the cash receipts of the general fund for fiscal years 2009 and 2008, respectively.

	<u>2009</u> <u>Amount</u>	<u>2008</u> <u>Amount</u>	<u>Percentage</u> <u>Change</u>
<u>Cash Receipts:</u>			
Taxes	\$ 677,051	\$ 648,567	4.4 %
Charges for Services	0	0	100.0
Intergovernmental	227,872	148,965	53.0
Fines, licenses and permits	2,849	3,116	(8.6)
Investment income	6,044	25,614	(76.4)
Sale of Fixed Assets	0	4,448	(100.0)
Other	<u>7,019</u>	<u>8,078</u>	<u>(13.1)</u>
Total	<u>\$ 920,835</u>	<u>\$ 838,788</u>	<u>9.8 %</u>

Investment income cash receipts decreased 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
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
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General Fund (Continued)

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

	<u>2009</u> <u>Amount</u>	<u>2008</u> <u>Amount</u>	<u>Percentage</u> <u>Change</u>
<u>Cash Disbursements:</u>			
Security of Persons and Property	\$ 411,163	\$ 394,610	4.2 %
Public Health Service	1,307	1,263	3.5
General Government	219,791	218,502	0.6
Capital Outlay	16,970	53,775	(68.4)
Community Environment	287	1,015	(71.7)
Transfers Out	65,000	50,000	30.0
Leisure Time Activity	<u>47,637</u>	<u>39,498</u>	<u>20.6</u>
Total	<u>\$ 762,155</u>	<u>\$ 758,663</u>	<u>0.5 %</u>

Overall, cash disbursements increased \$3,492 from 2008.

Street Construction, Maintenance and Repair Fund

The street construction, maintenance and repair fund, a Village major fund, had cash receipts of \$109,485 and \$114,799 in 2009 and 2008, respectively. The street construction, maintenance and repair fund had cash disbursements of \$142,580 and \$114,634 in 2009 and 2008, respectively. The street construction, maintenance and repair fund cash balance decreased \$33,095 and increased \$165 from 2008 to 2009 and 2007 to 2008, respectively.

Economic Development Industrial Park

The economic development industrial park fund, a Village major fund, had cash receipts of \$77,386 and \$70,273 in 2009 and 2008, respectively. The economic development industrial park fund had cash disbursements of \$2,740 and \$3,284 in 2009 and 2008, respectively. The fund cash balance increased \$74,646 and \$66,989 from 2008 to 2009 and 2007 to 2008, 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 \$920,835 and \$838,788 for 2009 and 2008, respectively, were more than final budget estimates by \$53,099 and less than final budget estimates by \$4,795, respectively. Actual budgetary disbursements of \$775,649 and \$765,088 for 2009 and 2008 were less than final budget estimates by \$80,775 and \$123,131, respectively.

VILLAGE OF GIBSONBURG
SANDUSKY COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008
UNAUDITED

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 \$80,503 and \$148,745 within the governmental funds for 2009 and 2008, respectively. The Village had capital outlay disbursements of \$705,612 and \$584,121 within the proprietary funds for 2009 and 2008, respectively.

Debt Administration

The Village had the following long-term obligations outstanding at December 31, 2009 and 2008:

	Governmental- Type Activities <u>2009</u>	Business-Type Activities <u>2009</u>	Governmental- Type Activities <u>2008</u>	Business-Type Activities <u>2008</u>	Total <u>2009</u>	Total <u>2008</u>
OWDA 2991 Loan	0	\$ 619,372	\$ 0	\$ 652,984	\$ 619,372	\$ 652,984
OWDA 3895 Loan	0	815,358	0	861,498	815,358	861,498
OWDA 4629 Loan	0	1,615,729	0	1,686,768	1,615,729	1,686,768
OWDA 4634 Loan	0	315,551	0	327,417	315,551	327,417
OWDA 5072 Loan	0	233,219	0	0	233,219	0
OPWC CE36F Loan	0	130,266	0	138,950	130,266	138,950
OPWC CE21K Loan	0	50,013	0	52,716	50,013	52,716
OSGCIP CT14F Loan	<u>0</u>	<u>74,437</u>	<u>0</u>	<u>79,400</u>	<u>74,437</u>	<u>79,400</u>
Total long-term obligations	<u>\$ 0</u>	<u>\$ 3,853,945</u>	<u>\$ 0</u>	<u>\$ 3,799,733</u>	<u>\$ 3,853,945</u>	<u>\$ 3,799,733</u>

Current Issues

The following economic factors were taken into consideration in preparing the budget for fiscal year 2009:

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 - MODIFIED CASH BASIS
DECEMBER 31, 2009

	Governmental <u>Activities</u>	Business- <u>Type Activities</u>	<u>Total</u>
Assets			
Equity in Pooled Cash and Cash Equivalents	\$ 1,076,087	\$ 975,944	\$ 2,052,031
Investments	<u>57,948</u>	<u>0</u>	<u>57,948</u>
Total Assets	<u>\$ 1,134,035</u>	<u>\$ 975,944</u>	<u>\$ 2,109,979</u>
Net Assets			
Restricted for:			
Other Purposes	\$ 515,883	\$ 0	\$ 515,883
Unrestricted	<u>618,152</u>	<u>975,944</u>	<u>1,594,096</u>
Total Net Assets	<u>\$ 1,134,035</u>	<u>\$ 975,944</u>	<u>\$ 2,109,979</u>

See Notes to Financial Statements

VILLAGE OF GIBSONBURG
SANDUSKY COUNTY
STATEMENT OF NET ASSETS - MODIFIED CASH BASIS
DECEMBER 31, 2008

	Governmental <u>Activities</u>	Business- <u>Type Activities</u>	<u>Total</u>
Assets			
Equity in Pooled Cash and Cash Equivalents	\$ 850,522	\$ 907,014	\$ 1,757,536
Investments	<u>56,403</u>	<u>0</u>	<u>56,403</u>
Total Assets	<u>\$ 906,925</u>	<u>\$ 907,014</u>	<u>\$ 1,813,939</u>
Net Assets			
Restricted for:			
Other Purposes	\$ 447,453	\$ 0	\$ 447,453
Unrestricted	<u>459,472</u>	<u>907,014</u>	<u>1,366,486</u>
Total Net Assets	<u>\$ 906,925</u>	<u>\$ 907,014</u>	<u>\$ 1,813,939</u>

See Notes to Financial Statements

VILLAGE OF GIBSONBURG
SANDUSKY COUNTY
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2009

	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 Activities							
General Government	\$ 222,576	\$ 0	\$ 0	\$ 0	\$ (222,576)	\$ 0	\$ (222,576)
Security of Persons and Property	411,803	7,640	720	0	(403,443)	0	(403,443)
Leisure Time Activities	50,112	0	855	593	(48,664)	0	(48,664)
Community Environment	287	865	715	0	1,293	0	1,293
Transportation	90,196	0	0	0	(90,196)	0	(90,196)
Capital Outlay	80,503	0	0	0	(80,503)	0	(80,503)
Public Health Services	1,307	0	0	0	(1,307)	0	(1,307)
Total Governmental Activities	<u>\$ 856,784</u>	<u>\$ 8,505</u>	<u>\$ 2,290</u>	<u>\$ 593</u>	<u>\$ (845,396)</u>	<u>\$ 0</u>	<u>\$ (845,396)</u>
Business Type Activities							
Water	\$ 886,451	\$ 463,821	\$ 0	\$ 260,602	\$ 0	\$ (162,028)	\$ (162,028)
Sewer	671,001	652,496	0	0	0	(18,505)	(18,505)
Refuse	123,613	133,772	0	0	0	10,159	10,159
Total Business Type Activities	<u>1,681,065</u>	<u>1,250,089</u>	<u>0</u>	<u>260,602</u>	<u>0</u>	<u>(170,374)</u>	<u>(170,374)</u>
Total Both Governmental & Business Type Activities	<u>\$ 2,537,849</u>	<u>\$ 1,258,594</u>	<u>\$ 2,290</u>	<u>\$ 261,195</u>	<u>(845,396)</u>	<u>(170,374)</u>	<u>(1,015,770)</u>
General Cash Receipts and Advances							
Property Taxes Levied for:							
General Purposes							
					114,716	0	114,716
					575,281	0	575,281
					129,307	0	129,307
					12,386	0	12,386
Grants and Entitlements not Restricted to							
Specific Programs							
					227,872	2,500	230,372
					0	235,647	235,647
					6,517	0	6,517
					5,476	1,157	6,633
					951	0	951
Total General Cash Receipts and Advances							
					<u>1,072,506</u>	<u>239,304</u>	<u>1,311,810</u>
Change in Net Assets							
					227,110	68,930	296,040
Net Assets Beginning of Year							
					<u>906,925</u>	<u>907,014</u>	<u>1,813,939</u>
Net Assets End of Year							
					<u>\$ 1,134,035</u>	<u>\$ 975,944</u>	<u>\$ 2,109,979</u>

See Notes to Financial Statements

VILLAGE OF GIBSONBURG
SANDUSKY COUNTY
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2008

	<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</u>
Governmental Activities							
General Government	\$ 221,785	\$ 0	\$ 0	\$ 0	\$ (221,785)	\$ 0	\$ (221,785)
Security of Persons and Property	395,170	2,460	960	0	(391,750)	0	(391,750)
Leisure Time Activities	44,948	0	1,343	13,895	(29,710)	0	(29,710)
Community Environment	1,015	1,875	5,345	0	6,205	0	6,205
Transportation	78,732	0	0	0	(78,732)	0	(78,732)
Capital Outlay	148,745	0	0	0	(148,745)	0	(148,745)
Public Health Services	<u>1,263</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(1,263)</u>	<u>0</u>	<u>(1,263)</u>
Total Governmental Activities	<u>\$ 891,658</u>	<u>\$ 4,335</u>	<u>\$ 7,648</u>	<u>\$ 13,895</u>	<u>\$ (865,780)</u>	<u>\$ 0</u>	<u>\$ (865,780)</u>
Business Type Activities							
Water	\$ 449,563	\$ 454,915	\$ 0	\$ 54,067	\$ 0	\$ 59,419	\$ 59,419
Sewer	987,336	624,226	0	89,435	0	(273,675)	(273,675)
Refuse	<u>120,419</u>	<u>118,391</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(2,028)</u>	<u>(2,028)</u>
Total Business Type Activities	<u>1,557,318</u>	<u>1,197,532</u>	<u>0</u>	<u>143,502</u>	<u>0</u>	<u>(216,284)</u>	<u>(216,284)</u>
Total Both Governmental & Business Type Activities	<u>\$ 2,448,976</u>	<u>\$ 1,201,867</u>	<u>\$ 7,648</u>	<u>\$ 157,397</u>	<u>(865,780)</u>	<u>(216,284)</u>	<u>(1,082,064)</u>
General Cash Receipts and Advances							
Property Taxes Levied for:							
General Purposes							
					115,167	0	115,167
Municipal Income Taxes							
					546,358	0	546,358
Other Taxes							
					132,512	0	132,512
Cable Franchise Fees							
					11,473	0	11,473
Grants and Entitlements not Restricted to							
Specific Programs							
					148,965	2,500	151,465
Debt Proceeds							
					0	348,341	348,341
Investment Earnings							
					29,329	0	29,329
Miscellaneous							
					16,936	1,032	17,968
Sale of Fixed Assets							
					<u>6,071</u>	<u>1,795</u>	<u>7,866</u>
Total General Cash Receipts and Advances							
					<u>1,006,811</u>	<u>353,668</u>	<u>1,360,479</u>
Change in Net Assets							
					141,031	137,384	278,415
Net Assets Beginning of Year							
					<u>765,894</u>	<u>769,630</u>	<u>1,535,524</u>
Net Assets End of Year							
					<u>\$ 906,925</u>	<u>\$ 907,014</u>	<u>\$ 1,813,939</u>

See Notes to Financial Statements

VILLAGE OF GIBSONBURG
SANDUSKY COUNTY
STATEMENT OF MODIFIED CASH BASIS ASSETS AND FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009

	<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	\$ 560,204	\$ 106,678	\$ 302,720	\$ 106,485	\$ 1,076,087
Investments	<u>57,948</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>57,948</u>
Total Assets	<u>\$ 618,152</u>	<u>\$ 106,678</u>	<u>\$ 302,720</u>	<u>\$ 106,485</u>	<u>\$ 1,134,035</u>
Fund Balances					
Reserved for Encumbrances	\$ 13,494	\$ 5,958	\$ 0	\$ 0	\$ 19,452
Unreserved, undesignated reported in:					
General Fund	604,658	0	0	0	604,658
Special Revenue Funds	<u>0</u>	<u>100,720</u>	<u>302,720</u>	<u>106,485</u>	<u>509,925</u>
Total Fund Balances	<u>\$ 618,152</u>	<u>\$ 106,678</u>	<u>\$ 302,720</u>	<u>\$ 106,485</u>	<u>\$ 1,134,035</u>

See Notes to Financial Statements

VILLAGE OF GIBSONBURG
SANDUSKY COUNTY
STATEMENT OF MODIFIED CASH BASIS ASSETS AND FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008

	<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	\$ 403,069	\$ 139,773	\$ 228,074	\$ 79,606	\$ 850,522
Investments	<u>56,403</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>56,403</u>
Total Assets	<u>\$ 459,472</u>	<u>\$ 139,773</u>	<u>\$ 228,074</u>	<u>\$ 79,606</u>	<u>\$ 906,925</u>
Fund Balances					
Reserved for Encumbrances	\$ 6,425	\$ 172	\$ 0	\$ 7,258	\$ 13,855
Unreserved, undesignated reported in:					
General Fund	453,047	0	0	0	453,047
Special Revenue Funds	<u>0</u>	<u>139,601</u>	<u>228,074</u>	<u>72,348</u>	<u>440,023</u>
Total Fund Balances	<u>\$ 459,472</u>	<u>\$ 139,773</u>	<u>\$ 228,074</u>	<u>\$ 79,606</u>	<u>\$ 906,925</u>

See Notes to Financial Statements

VILLAGE OF GIBSONBURG
SANDUSKY COUNTY
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND
CHANGES IN MODIFIED CASH BASIS FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009

	<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	\$ 677,051	\$ 0	\$ 0	\$ 12,946	\$ 689,997
Fines, Licenses and Permits	2,849	0	12,386	3,548	18,783
Intergovernmental	227,872	107,657	0	22,870	358,399
Interest	6,044	312	0	161	6,517
Miscellaneous	7,019	565	0	1,663	9,247
Total Cash Receipts	<u>\$ 920,835</u>	<u>\$ 108,534</u>	<u>\$ 12,386</u>	<u>\$ 41,188</u>	<u>\$ 1,082,943</u>
Cash Disbursements					
Current:					
General Government	\$ 219,791	\$ 0	\$ 2,740	\$ 45	\$ 222,576
Security of Persons and Property	411,163	0	0	640	411,803
Leisure Time Activities	47,637	0	0	2,475	50,112
Public Health Service	1,307	0	0	0	1,307
Community Environment	287	0	0	0	287
Transportation	0	87,933	0	2,263	90,196
Capital Outlay	<u>16,970</u>	<u>54,647</u>	<u>0</u>	<u>8,886</u>	<u>80,503</u>
Total Cash Disbursements	<u>697,155</u>	<u>142,580</u>	<u>2,740</u>	<u>14,309</u>	<u>856,784</u>
Receipts Over (Under) Disbursements	223,680	(34,046)	9,646	26,879	226,159
Other Financing Sources (Uses)					
Transfers In	0	0	65,000	0	65,000
Transfers Out	(65,000)	0	0	0	(65,000)
Sale of Fixed Asset	<u>0</u>	<u>951</u>	<u>0</u>	<u>0</u>	<u>951</u>
Total Other Financing Sources (Uses)	<u>(65,000)</u>	<u>951</u>	<u>65,000</u>	<u>0</u>	<u>951</u>
Net Change in Fund Balances	158,680	(33,095)	74,646	26,879	227,110
Fund Balances Beginning of Year	<u>459,472</u>	<u>139,773</u>	<u>228,074</u>	<u>79,606</u>	<u>906,925</u>
Fund Balances End of Year	<u>\$ 618,152</u>	<u>\$ 106,678</u>	<u>\$ 302,720</u>	<u>\$ 106,485</u>	<u>\$ 1,134,035</u>

See Notes to Financial Statements

VILLAGE OF GIBSONBURG
SANDUSKY COUNTY
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND
CHANGES IN MODIFIED CASH BASIS FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008

	<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	\$ 648,567	\$ 0	\$ 0	\$ 12,958	\$ 661,525
Fines, Licenses and Permits	3,116	0	11,473	1,219	15,808
Intergovernmental	148,965	110,549	0	23,857	283,371
Interest	25,614	2,569	0	1,146	29,329
Miscellaneous	8,078	58	8,800	19,649	36,585
Total Cash Receipts	<u>\$ 834,340</u>	<u>\$ 113,176</u>	<u>\$ 20,273</u>	<u>\$ 58,829</u>	<u>\$ 1,026,618</u>
Cash Disbursements					
Current:					
General Government	\$ 218,502	\$ 0	\$ 3,284	\$ 0	\$ 221,786
Security of Persons and Property	394,610	0	0	560	395,170
Leisure Time Activities	39,498	0	0	5,449	44,947
Public Health Service	1,263	0	0	0	1,263
Community Environment	1,015	0	0	0	1,015
Transportation	0	75,951	0	2,781	78,732
Capital Outlay	53,775	38,683	0	56,287	148,745
Total Cash Disbursements	<u>708,663</u>	<u>114,634</u>	<u>3,284</u>	<u>65,077</u>	<u>891,658</u>
Receipts Over (Under) Disbursements	125,677	(1,458)	16,989	(6,248)	134,960
Other Financing Sources (Uses)					
Transfers-In	0	0	50,000	0	50,000
Transfers-Out	(50,000)	0	0	0	(50,000)
Sale of Fixed Assets	4,448	1,623	0	0	6,071
Total Other Financing Sources (Uses)	<u>(45,552)</u>	<u>1,623</u>	<u>50,000</u>	<u>0</u>	<u>6,071</u>
Net Change in Fund Balances	80,125	165	66,989	(6,248)	141,031
Fund Balances Beginning of Year	379,347	139,608	161,085	85,854	765,894
Fund Balances End of Year	<u>\$ 459,472</u>	<u>\$ 139,773</u>	<u>\$ 228,074</u>	<u>\$ 79,606</u>	<u>\$ 906,925</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, 2009

	<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	\$ 562,500	\$ 607,136	\$ 677,051	\$ 69,915
Charges for Services	0	2,500	0	(2,500)
Fines, Licenses and Permits	2,500	3,500	2,849	(651)
Intergovernmental	176,500	243,500	227,872	(15,628)
Interest	10,000	6,000	6,044	44
Miscellaneous	<u>4,800</u>	<u>5,100</u>	<u>7,019</u>	<u>1,919</u>
Total Receipts	<u>756,300</u>	<u>867,736</u>	<u>920,835</u>	<u>53,099</u>
Disbursements				
Current:				
General Government	247,827	253,227	223,830	29,397
Security of Persons and Property	447,868	447,858	412,074	35,784
Leisure Time Activities	47,409	50,209	47,637	2,572
Public Health Services	1,300	1,310	1,307	3
Community Environment	2,500	2,500	287	2,213
Capital Outlay	<u>71,520</u>	<u>36,320</u>	<u>25,514</u>	<u>10,806</u>
Total Disbursements	<u>818,424</u>	<u>791,424</u>	<u>710,649</u>	<u>80,775</u>
Excess of Receipts Over (Under) Disbursements	(62,124)	76,312	210,186	133,874
Other Financing Uses				
Transfers Out	<u>(38,000)</u>	<u>(65,000)</u>	<u>(65,000)</u>	<u>0</u>
Total Other Financing Uses	<u>(38,000)</u>	<u>(65,000)</u>	<u>(65,000)</u>	<u>0</u>
Net Change in Fund Balance	(100,124)	11,312	145,186	133,874
Fund Balance Beginning of Year	453,047	453,047	453,047	0
Prior Year Encumbrances Appropriated	<u>6,425</u>	<u>6,425</u>	<u>6,425</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 359,348</u>	<u>\$ 470,784</u>	<u>\$ 604,658</u>	<u>\$ 133,874</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, 2008

	<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	\$ 612,000	\$ 653,322	\$ 648,567	\$ (4,755)
Charges for Services	1,500	0	0	0
Fines, Licenses and Permits	2,100	2,975	3,116	141
Intergovernmental	135,600	149,146	148,965	(181)
Interest	40,000	25,614	25,614	0
Miscellaneous	<u>3,000</u>	<u>7,731</u>	<u>8,078</u>	<u>347</u>
Total Receipts	794,200	838,788	834,340	(4,448)
Disbursements				
Current:				
General Government	245,493	250,728	221,749	28,979
Security of Persons and Property	400,847	426,223	395,379	30,844
Leisure Time Activities	38,417	43,746	41,907	1,839
Public Health Services	700	1,265	1,263	2
Community Environment	2,500	2,500	1,015	1,485
Capital Outlay	<u>70,264</u>	<u>63,757</u>	<u>53,775</u>	<u>9,982</u>
Total Disbursements	<u>758,221</u>	<u>788,219</u>	<u>715,088</u>	<u>73,131</u>
Excess of Receipts Over Disbursements	35,979	50,569	119,252	68,683
Other Financing Sources (Uses)				
Transfers Out	(100,000)	(100,000)	(50,000)	50,000
Sale of Fixed Assets	1,000	4,448	4,448	0
Other Financing Sources	<u>347</u>	<u>347</u>	<u>0</u>	<u>(347)</u>
Total Other Financing Uses	<u>(98,653)</u>	<u>(95,205)</u>	<u>(45,552)</u>	<u>49,653</u>
Net Change in Fund Balance	(62,674)	(44,636)	73,700	118,336
Fund Balance Beginning of Year	371,127	371,127	371,127	0
Prior Year Encumbrances Appropriated	<u>8,220</u>	<u>8,220</u>	<u>8,220</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 316,673</u>	<u>\$ 334,711</u>	<u>\$ 453,047</u>	<u>\$ 118,336</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, 2009

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
Receipts				
Intergovernmental	\$ 110,000	\$ 110,000	\$ 107,657	\$ (2,343)
Interest	1,000	1,000	312	(688)
Miscellaneous	<u>2,500</u>	<u>2,500</u>	<u>565</u>	<u>(1,935)</u>
Total Receipts	113,500	113,500	108,534	(4,966)
Disbursements				
Current:				
Transportation	111,122	133,222	87,933	45,289
Capital Outlay	<u>89,050</u>	<u>66,950</u>	<u>60,605</u>	<u>6,345</u>
Total Disbursements	<u>200,172</u>	<u>200,172</u>	<u>148,538</u>	<u>51,634</u>
Excess of Receipts Over (Under) Disbursements	<u>(86,672)</u>	<u>(86,672)</u>	<u>(40,004)</u>	<u>51,634</u>
Other Financing Sources				
Sale of Fixed Assets	<u>0</u>	<u>951</u>	<u>951</u>	<u>0</u>
Total Other Financing Uses	<u>0</u>	<u>951</u>	<u>951</u>	<u>0</u>
Net Change in Fund Balance	(86,672)	(85,721)	(39,053)	46,668
Fund Balance Beginning of Year	139,601	139,601	139,601	0
Prior Year Encumbrances Appropriated	<u>172</u>	<u>172</u>	<u>172</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 53,101</u>	<u>\$ 54,052</u>	<u>\$ 100,720</u>	<u>\$ 46,668</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, 2008

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
Receipts				
Intergovernmental	\$ 109,000	\$ 112,210	\$ 110,549	\$ (1,661)
Interest	4,000	2,569	2,569	0
Miscellaneous	<u>0</u>	<u>0</u>	<u>58</u>	<u>58</u>
Total Receipts	113,000	114,779	113,176	(1,603)
Disbursements				
Current:				
Transportation	169,820	151,400	76,123	75,277
Capital Outlay	<u>30,535</u>	<u>48,955</u>	<u>38,683</u>	<u>10,272</u>
Total Disbursements	<u>200,355</u>	<u>200,355</u>	<u>114,806</u>	<u>85,549</u>
Excess of Receipts Over (Under) Disbursements	<u>(87,355)</u>	<u>(85,576)</u>	<u>(1,630)</u>	<u>(83,946)</u>
Other Financing Sources (Uses)				
Sale of Fixed Assets	<u>0</u>	<u>1,623</u>	<u>1,623</u>	<u>0</u>
Total Other Financing Uses	<u>0</u>	<u>1,623</u>	<u>1,623</u>	<u>0</u>
Net Change in Fund Balance	(87,355)	(83,953)	(7)	(87,152)
Fund Balance Beginning of Year	139,253	139,253	139,253	0
Prior Year Encumbrances Appropriated	<u>355</u>	<u>355</u>	<u>355</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 52,253</u>	<u>\$ 55,655</u>	<u>\$ 139,601</u>	<u>\$ (87,152)</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, 2009

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>(NEGATIVE)</u>
Receipts				
Fines, Licenses, and Permits	11,000	74,000	12,386	(61,614)
Miscellaneous	<u>8,800</u>	<u>8,800</u>	<u>0</u>	<u>(8,800)</u>
Total Receipts	19,800	82,800	12,386	(70,414)
Disbursements				
Current:				
Community Environment	15,000	15,000	0	15,000
General Government	11,000	11,000	2,740	8,260
Capital Outlay	<u>124,000</u>	<u>124,000</u>	<u>0</u>	<u>124,000</u>
Total Disbursements	<u>150,000</u>	<u>150,000</u>	<u>2,740</u>	<u>147,260</u>
Excess of Receipts Over (Under)				
Disbursements	(130,200)	(67,200)	9,646	76,846
Other Financing Sources				
Transfers In	<u>63,000</u>	<u>65,000</u>	<u>65,000</u>	<u>0</u>
Total Other Financing Sources	<u>63,000</u>	<u>65,000</u>	<u>65,000</u>	<u>0</u>
Net Change in Fund Balance	(67,200)	(2,200)	74,646	76,846
Fund Balance Beginning of Year	<u>228,074</u>	<u>228,074</u>	<u>228,074</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 160,874</u>	<u>\$ 225,874</u>	<u>\$ 302,720</u>	<u>\$ 76,846</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, 2008

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>(NEGATIVE)</u>
Receipts				
Fines, Licenses, and Permits	10,700	61,473	11,473	(50,000)
Miscellaneous	<u>0</u>	<u>8,800</u>	<u>8,800</u>	<u>0</u>
Total Receipts	10,700	70,273	20,273	(50,000)
Disbursements				
Current:				
Community Environment	15,000	15,000	0	15,000
General Government	10,600	10,600	3,284	7,316
Capital Outlay	<u>124,400</u>	<u>124,400</u>	<u>0</u>	<u>124,400</u>
Total Disbursements	<u>150,000</u>	<u>150,000</u>	<u>3,284</u>	<u>146,716</u>
Excess of Receipts Over (Under) Disbursements	(139,300)	(79,727)	16,989	96,716
Other Financing Sources				
Transfers In	<u>10,000</u>	<u>50,000</u>	<u>50,000</u>	<u>0</u>
Total Other Financing Sources	<u>10,000</u>	<u>50,000</u>	<u>50,000</u>	<u>0</u>
Net Change in Fund Balance	(129,300)	(29,727)	66,989	96,716
Fund Balance Beginning of Year	<u>161,085</u>	<u>161,085</u>	<u>161,085</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 31,785</u>	<u>\$ 131,358</u>	<u>\$ 228,074</u>	<u>\$ 96,716</u>

See Notes to Financial Statements

VILLAGE OF GIBSONBURG
SANDUSKY COUNTY
STATEMENT OF FUND NET ASSETS - MODIFIED CASH BASIS
PROPRIETARY FUNDS
DECEMBER 31, 2009

	<u>Water Operating Fund</u>	<u>Sewer Operating Fund</u>	<u>Sewer Improvement Fund</u>	<u>Water Cap Fund</u>	<u>Main St. Waterline Loan Fund</u>	<u>Main St. Waterline Grant Fund</u>	<u>Other Enterprise Funds</u>	<u>Total Enterprise Funds</u>
Assets								
Equity in Pooled Cash								
Cash Equivalents	\$ <u>273,509</u>	\$ <u>180,317</u>	\$ <u>163,295</u>	\$ <u>269,155</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>89,668</u>	\$ <u>975,944</u>
Total Assets	\$ <u>273,509</u>	\$ <u>180,317</u>	\$ <u>163,295</u>	\$ <u>269,155</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>89,668</u>	\$ <u>975,944</u>
Net Assets								
Unrestricted	\$ <u>273,509</u>	\$ <u>180,317</u>	\$ <u>163,295</u>	\$ <u>269,155</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>89,668</u>	\$ <u>975,944</u>
Total Fund Balances	\$ <u>273,509</u>	\$ <u>180,317</u>	\$ <u>163,295</u>	\$ <u>269,155</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>89,668</u>	\$ <u>975,944</u>

See Notes to Financial Statements

VILLAGE OF GIBSONBURG
SANDUSKY COUNTY
STATEMENT OF FUND NET ASSETS - MODIFIED CASH BASIS
PROPRIETARY FUNDS
DECEMBER 31, 2008

	<u>Water</u> <u>Operating</u> <u>Fund</u>	<u>Sewer</u> <u>Operating</u> <u>Fund</u>	<u>Sewer</u> <u>Improvement</u> <u>Fund</u>	<u>Water Cap</u> <u>Fund</u>	<u>Hurlbut Ditch</u> <u>Sewer</u> <u>Improvement</u> <u>Fund</u>	<u>Other</u> <u>Enterprise</u> <u>Funds</u>	<u>Total</u> <u>Enterprise</u> <u>Funds</u>
Assets							
Equity in Pooled Cash and Cash							
Equivalents	\$ <u>246,730</u>	\$ <u>129,743</u>	\$ <u>232,374</u>	\$ <u>222,069</u>	\$ <u>0</u>	\$ <u>76,098</u>	\$ <u>907,014</u>
Total Assets	\$ <u>246,730</u>	\$ <u>129,743</u>	\$ <u>232,374</u>	\$ <u>222,069</u>	\$ <u>0</u>	\$ <u>76,098</u>	\$ <u>907,014</u>
Net Assets							
Unrestricted	\$ <u>246,730</u>	\$ <u>129,743</u>	\$ <u>232,374</u>	\$ <u>222,069</u>	\$ <u>0</u>	\$ <u>76,098</u>	\$ <u>907,014</u>
Total Fund Balances	\$ <u>246,730</u>	\$ <u>129,743</u>	\$ <u>232,374</u>	\$ <u>222,069</u>	\$ <u>0</u>	\$ <u>76,098</u>	\$ <u>907,014</u>

See Notes to Financial Statements

VILLAGE OF GIBSONBURG
SANDUSKY COUNTY
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND
CHANGES IN FUND NET ASSETS - MODIFIED CASH BASIS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009

BUSINESS-TYPE ACTIVITIES								
	<u>Water Operating Fund</u>	<u>Sewer Operating Fund</u>	<u>Sewer Improvement Fund</u>	<u>Water Cap Fund</u>	<u>Main St. Waterline Loan Fund</u>	<u>Main St. Waterline Grant Fund</u>	<u>Other Enterprise Funds</u>	<u>Total Enterprise Funds</u>
Operating Receipts								
Charges for Services	\$ 300,323	\$ 351,073	\$ 301,423	\$ 163,498	\$ 0	\$ 0	\$ 133,772	\$ 1,250,089
Other Operating Receipts	<u>195</u>	<u>0</u>	<u>0</u>	<u>50</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>245</u>
Total Operating Receipts	<u>300,518</u>	<u>351,073</u>	<u>301,423</u>	<u>163,548</u>	<u>0</u>	<u>0</u>	<u>133,772</u>	<u>1,250,334</u>
Operating Disbursements								
Personal Services	93,891	91,955	0	0	0	0	8,036	193,882
Fringe Benefits	47,648	47,488	0	0	0	0	2,364	97,500
Contractual Services	77,376	118,205	0	0	0	0	108,566	304,147
Supplies and Materials	<u>21,237</u>	<u>36,366</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,646</u>	<u>61,249</u>
Total Operating Disbursements	<u>240,152</u>	<u>294,014</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>122,612</u>	<u>656,778</u>
Operating Income	60,366	57,059	301,423	163,548	0	0	11,160	593,556
Non-Operating Receipts/(Disbursements)								
Intergovernmental Receipts	0	0	0	0	0	260,602	3,411	264,013
Other Debt Proceeds	0	0	0	0	235,647	0	0	235,647
Capital Outlay	(33,587)	(6,485)	(168,018)	(272)	(235,647)	(260,602)	(1,001)	(705,612)
Debt Service: Principal Payments	0	0	(130,826)	(50,608)	0	0	0	(181,434)
Debt Service: Interest Payments	<u>0</u>	<u>0</u>	<u>(71,658)</u>	<u>(65,582)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(137,240)</u>
Total Non-Operating Receipts/(Disbursements)	<u>(33,587)</u>	<u>(6,485)</u>	<u>(370,502)</u>	<u>(116,462)</u>	<u>0</u>	<u>0</u>	<u>2,410</u>	<u>(524,626)</u>
Change in Net Assets	26,779	50,574	(69,079)	47,086	0	0	13,570	68,930
Net Assets Beginning of Year	<u>246,730</u>	<u>129,743</u>	<u>232,374</u>	<u>222,069</u>	<u>0</u>	<u>0</u>	<u>76,098</u>	<u>907,014</u>
Net Assets End of Year	<u>\$ 273,509</u>	<u>\$ 180,317</u>	<u>\$ 163,295</u>	<u>\$ 269,155</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 89,668</u>	<u>\$ 975,944</u>

See Notes to Financial Statements

VILLAGE OF GIBSONBURG
SANDUSKY COUNTY
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND
CHANGES IN FUND NET ASSETS - MODIFIED CASH BASIS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008

BUSINESS-TYPE ACTIVITIES							
	<u>Water</u> <u>Operating Fund</u>	<u>Sewer</u> <u>Operating Fund</u>	<u>Sewer</u> <u>Improvement</u> <u>Fund</u>	<u>Water Cap</u> <u>Fund</u>	<u>Hurlbut Ditch</u> <u>Sewer</u> <u>Improvement</u> <u>Fund</u>	<u>Other Enterprise</u> <u>Funds</u>	<u>Total Enterprise</u> <u>Funds</u>
Operating Receipts							
Charges for Services	\$ 295,012	\$ 320,440	\$ 303,786	\$ 159,903	\$ 0	\$ 118,391	\$ 1,197,532
Miscellaneous	0	0	0	0	0	0	0
Other Operating Receipts	970	61	0	0	0	0	1,031
Total Operating Receipts	<u>295,982</u>	<u>320,501</u>	<u>303,786</u>	<u>159,903</u>	<u>0</u>	<u>118,391</u>	<u>1,198,563</u>
Operating Disbursements							
Personal Services	93,108	102,994	0	0	0	7,057	203,159
Fringe Benefits	46,265	49,717	0	0	0	3,256	99,238
Contractual Services	73,557	108,312	0	0	0	106,614	288,483
Supplies and Materials	<u>25,535</u>	<u>39,499</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,164</u>	<u>68,198</u>
Total Operating Disbursements	<u>238,465</u>	<u>300,522</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>120,091</u>	<u>659,078</u>
Operating Income (Loss)	57,517	19,979	303,786	159,903	0	(1,700)	539,485
Non-Operating Receipts/(Disbursements)							
Intergovernmental Receipts	0	0	0	0	143,502	2,500	146,002
Other Debt Proceeds	0	0	0	0	348,341	0	348,341
Transfers-In	7,918	0	29,442	7,444	0	0	44,804
Transfers-Out	0	0	0	0	(44,804)	0	(44,804)
Sale of Fixed Assets	0	1,795	0	0	0	0	1,795
Capital Outlay	(71,549)	(1,686)	(77,590)	(46,396)	(386,572)	(328)	(584,121)
Debt Service: Principal Payments	0	0	(127,733)	(44,001)	0	0	(171,734)
Debt Service: Interest Payments	<u>0</u>	<u>0</u>	<u>(32,766)</u>	<u>(49,151)</u>	<u>(60,467)</u>	<u>0</u>	<u>(142,384)</u>
Total Non-Operating Receipts/ (Disbursements)	<u>(63,631)</u>	<u>109</u>	<u>(208,647)</u>	<u>(132,104)</u>	<u>0</u>	<u>2,172</u>	<u>(402,101)</u>
Change in Net Assets	(6,114)	20,088	95,139	27,799	0	472	137,384
Net Assets Beginning of Year	<u>252,844</u>	<u>109,655</u>	<u>137,235</u>	<u>194,270</u>	<u>0</u>	<u>75,626</u>	<u>769,630</u>
Net Assets End of Year	<u>\$ 246,730</u>	<u>\$ 129,743</u>	<u>\$ 232,374</u>	<u>\$ 222,069</u>	<u>\$ 0</u>	<u>\$ 76,098</u>	<u>\$ 907,014</u>

See Notes to Financial Statements

VILLAGE OF GIBSONBURG
SANDUSKY COUNTY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

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 modified 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 modified cash basis of accounting. This modified 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 modified 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 modified 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 and a statement of activities, 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, 2009 AND 2008

(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 and investment 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 modified 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 proprietary 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, 2009 AND 2008

(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:

2009	2008
General Fund Street Construction, Maintenance, and Repair Fund Economic Development Industrial Park Fund	General Fund Street Construction, Maintenance, and Repair 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.

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:

2009	2008
Water Operating Fund Sewer Operating Fund Sewer Improvement Fund Water Capitalization Fund Main Street Waterline Loan Fund Main Street Waterline Grant Fund	Water Operating Fund Sewer Operating Fund Sewer Improvement Fund Water Capitalization Fund Hurlbut Ditch Sewer Improvement Fund

VILLAGE OF GIBSONBURG
SANDUSKY COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

(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.

Water Capitalization 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 fund accounts for loan proceeds and debt service payments for a sewer improvement project.

Main Street Waterline Loan Fund - The Main Street waterline loan fund accounts for loan proceeds and debt service payments for a waterline relocation project.

Main Street Waterline Grant Fund - The Main Street waterline grant fund accounts for grant proceeds and debt service payments for a waterline relocation 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 modified cash basis of accounting. Except for modifications having substantial support, 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. Any such modifications made by the Village are described in the appropriate section of this note.

As a result of the use of this modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued liabilities and the related expenses) are not recorded in these financial statements.

VILLAGE OF GIBSONBURG
SANDUSKY COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

(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 2009 and 2008.

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

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the 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 Council.

The appropriations ordinance is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation ordinance for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriations amount passed by the Village Council 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 2009 (budgetary basis) amounted to \$13,494 for the general fund and \$5,958 for the street construction fund. Encumbrances outstanding at 2008 (budgetary basis) amounted to \$6,425 for the general fund and \$172 for the street construction fund.

Contrary to Ohio law, estimated resources were less than budgetary appropriations in Other Governmental Funds by \$3,583 and \$2,169, Main Street Waterline Loan Fund by \$57,790 and \$0, Main Street Waterline Grant Fund by \$3,898 and \$0, and the Hurlbut Ditch Sewer Improvement Fund by \$0 and \$39,311 in 2009 and 2008, respectively.

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, 2009 AND 2008

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Cash and Investments

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

Investments of the cash management pool and investments with an original maturity of three months or less at the time of purchase are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments.

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 modified 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, 2009 AND 2008

(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.

(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>2009</u>	<u>2008</u>
Demand Deposits	\$ 2,052,031	\$ 1,757,536
Certificate of Deposit	<u>57,948</u>	<u>56,403</u>
Total Deposits	<u>\$ 2,109,979</u>	<u>\$ 1,813,939</u>

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, 2009 and 2008, \$2,090,064 and \$1,803,748 respectively, of the Village's bank balance of \$2,148,108 and \$1,860,715, 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.

VILLAGE OF GIBSONBURG
SANDUSKY COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

(2) EQUITY IN POOLED CASH (CONTINUED)

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 2009 for real and public utility property taxes represents collections of the 2008 taxes. Property tax payments received during 2009 for tangible personal property (other than public utility property) is for 2009 taxes.

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

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. 2009 public utility property taxes which became a lien on December 31, 2008 are levied after October 1, 2009 and are collected in 2010 with real property taxes.

2008 tangible property taxes are levied after October 1, 2007 on the value as of December 31, 2007. Collections are made in 2008. Tangible personal property assessments have been phased out for 2009 - the assessment percentage for all property including inventory is 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 full tax rate for all Village operations for the year ended December 31, 2009 was \$69.90 per \$1,000 of assessed value. The assessed Values of real and personal property upon which 2009 property tax receipts were based are as follows:

Real Property	\$ 35,802,610
Public Utility Property	663,880
Tangible Personal Property	<u>0</u>
Total Assessed Values	<u>\$ 36,466,490</u>

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, 2009 AND 2008

(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 is exposed to various risks of property and casualty losses, and injuries to employees.

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

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. American Risk Pooling Consultants, Inc. (ARPCO), a division of York Insurance Services Group, Inc. (York), functions as the administrator of PEP and provides underwriting, claims, loss control, risk management, and reinsurance services for PEP. PEP is a member of the American Public Entity Excess Pool (APEEP), which is also administered by ARPCO. 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 and Property Coverage

APEEP provides PEP with an excess risk-sharing program. Under this arrangement, PEP retains insurance risks up to an amount specified in the contracts. At December 31, 2008, PEP retained \$350,000 for casualty claims and \$100,000 for property claims.

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

Property and casualty settlements did not exceed insurance coverage for the past three fiscal years.

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, 2008 and 2007 (the latest information available):

	<u>2008</u>	<u>2007</u>
Assets	\$ 35,769,535	\$ 37,560,071
Liabilities	<u>(15,310,206)</u>	<u>(17,340,825)</u>
Retained Earnings	<u>\$ 20,459,329</u>	<u>\$ 20,219,246</u>

VILLAGE OF GIBSONBURG
SANDUSKY COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

(5) RISK MANAGEMENT (CONTINUED)

At December 31, 2008 and 2007, respectively, the liabilities above include approximately \$13.8 million and \$15.9 million of estimated incurred claims payable. The assets and retained earnings above also include approximately \$12.9 million and \$15.0 million of unpaid claims to be billed to approximately 445 member governments in the future, as of December 31, 2008, and 2007, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. The Government's share of these unpaid claims collectible in future years is approximately \$20,000.

Based on discussions with PEP, the expected rates PEP charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to PEP for each year of membership.

For the years ended December 31, 2009 and 2008, the Village made contributions of \$28,795 and \$28,455, respectively.

After completing one year of membership, members may withdraw each anniversary of the date they joined PEP provided they provide written notice to PEP 60 days in advance of the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's contribution. Withdrawing members have no other future obligation to PEP. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

(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, 2009 AND 2008

(6) DEFINED BENEFIT PENSION PLANS (CONTINUED)

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional and combined plans. Members of the member directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by 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 years ended December 31, 2009 and 2008, members in state and local classifications contributed 10 percent of covered payroll.

The Village's contribution rate for 2009 and 2008 was 14.0 percent. The Village's contribution rates for pension benefits for 2008 was 7 percent. The Village's contribution rate for pension benefits for 2009 was 7 percent from January 1 through March 31, 2009 and 8.5 percent from April 1 through December 31, 2009.

The Village's required contributions to the pension obligations to the traditional and combined plans for the years ended December 31, 2009, 2008 and 2007 were \$45,332, \$39,567, and \$46,096, respectively. The full amount has been contributed for 2009, 2008, and 2007.

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 2009 and 2008, a portion of the Village's contribution equal to 12.75 percent of covered payroll was allocated to fund pension obligations.

The Village's required contributions to OP&F for the years ended December 31, 2009, 2008, and 2007 were \$38,851, \$34,344, and \$29,822. The full amount has been contributed for 2009, 2008, and 2007.

(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.

VILLAGE OF GIBSONBURG
SANDUSKY COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

(7) POSTRETIREMENT BENEFITS (CONTINUED)

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 2009 and 2008, local government employers contributed 14 percent of covered payroll (17.63 and 17.4 percent, respectively, 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 7 percent from January 1, 2008 through March 31, 2009 and 5.5 percent of covered payroll from April 1 through December 31, 2009.

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, 2009, 2008, and 2007 were \$33,174, \$39,567 and \$26,043, respectively. The full amount has been contributed for 2009, 2008, and 2007.

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.

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.

VILLAGE OF GIBSONBURG
SANDUSKY COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

(7) POSTRETIREMENT BENEFITS (CONTINUED)

Funding policy – OP&F’s postemployment healthcare plan was established and is administered as an Internal Revenue Code 401(h) account within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OP&F Board of Trustees. The Ohio Revised Code sets the contribution rates for participating employers and for plan members to the OP&F. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.5 percent of covered payroll for police.

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 years ended December 31, 2009 and 2008, 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 \$18,320 for the year ended December 31, 2009, \$20,569 for the year ended December 31, 2008, and \$15,787 for the year ended December 31, 2007. The full amount has been contributed for 2009, 2008, and 2007.

(8) JOINT VENTURE

The Gibsonburg-Madison Township Volunteer Fire Department is managed by Madison Township and the Village of Gibsonburg.

The Village pays for the utility costs associated with the fire department garage which includes electric, gas, telephone cost which was \$8,936 for 2009 and \$9,375 for 2008. There are other repair/maintenance costs that the Village incurred in an overall village land/building maintenance account that is not listed.

The Township pays all operating invoices and bills the Village for reimbursement for 50% of their cost which was \$16,880 for 2009 and \$19,338 for 2008.

The Village pays the workers' compensation on the volunteer fireman and bills the township for 50% of this cost leaving a balance of \$1,373 for 2009 and \$2,564 for 2008.

**VILLAGE OF GIBSONBURG
SANDUSKY COUNTY**
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

(9) DEBT OBLIGATIONS

A summary of the note transactions for the year ended December 31, 2009 was as follows:

	Interest Rate	Balance January 1, 2009	Additions	Reductions	Balance December 31, 2009	Due Within One Year
<u>Business-Type Activities</u>						
Ohio Water Development Authority Loan 2991	7.38%	652,984	0	33,612	619,372	36,092
Ohio Water Development Authority Loan 3895	3.03%	861,498	0	46,140	815,358	47,549
Ohio Water Development Authority Loan 4629	2.75%	1,686,768	0	71,039	1,615,729	73,006
Ohio Water Development Authority Loan 4634	4.32%	327,417	0	11,866	315,551	12,384
Ohio Water Development Authority Loan 5072	4.97%	0	235,647	2,428	233,219	5,038
Ohio Public Works Commission CE36F	0%	138,950	0	8,684	130,266	8,684
Ohio Public Works Commission CE21K	0%	52,716	0	2,703	50,013	2,703
Ohio Small Government Capital Improvement Program CT14F	0%	<u>79,400</u>	<u>0</u>	<u>4,963</u>	<u>74,437</u>	<u>4,962</u>
Total		<u>\$ 3,799,733</u>	<u>\$ 235,647</u>	<u>\$ 181,435</u>	<u>\$ 3,853,945</u>	<u>\$ 190,418</u>

A summary of the note transactions for the year ended December 31, 2008 was as follows:

	Interest Rate	Balance January 1, 2008	Additions	Reductions	Balance December 31, 2008	Due Within One Year
<u>Business-Type Activities</u>						
Ohio Water Development Authority Loan 2991	7.38%	684,286	0	31,302	652,984	33,612
Ohio Water Development Authority Loan 3895	3.03%	906,271	0	44,773	861,498	46,140
Ohio Water Development Authority Loan 4629	2.75%	1,465,080	294,273	72,585	1,686,768	71,039
Ohio Water Development Authority Loan 4634	4.32%	339,136	0	11,719	327,417	11,866
Ohio Public Works Commission CE36F	0%	147,634	0	8,684	138,950	8,684
Ohio Public Works Commission CE21k	0%	0	54,068	1,352	52,716	2,703
Ohio Small Government Capital Improvement Program CT14F	0%	<u>84,362</u>	<u>0</u>	<u>4,962</u>	<u>79,400</u>	<u>4,963</u>
Total		<u>\$ 3,626,769</u>	<u>\$ 348,341</u>	<u>\$ 175,377</u>	<u>\$ 3,799,733</u>	<u>\$ 179,007</u>

VILLAGE OF GIBSONBURG
SANDUSKY COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

(9) DEBT OBLIGATIONS (CONTINUED)

Year	OWDA Authority Loan 2991		OWDA Authority Loan 3895		OWDA Authority Loan 4629		OWDA Authority Loan 4634	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2010	36,092	45,710	47,549	23,348	73,006	43,934	12,384	13,499
2011	38,756	43,046	49,001	22,896	75,027	41,913	12,925	12,959
2012	41,616	40,186	50,497	21,400	77,105	39,835	13,489	12,394
2013	44,687	37,115	52,038	19,859	79,240	37,700	14,078	11,805
2014	47,985	33,817	53,627	18,270	81,434	35,506	14,693	11,191
2015-19	298,569	110,440	293,715	65,769	442,267	142,433	83,666	45,750
2020-24	111,667	11,034	268,931	18,656	506,983	77,717	103,600	25,817
2025-29	0	0	0	0	280,667	11,683	60,716	3,991
2030-34	0	0	0	0	0	0	0	0
Totals	<u>\$ 619,372</u>	<u>\$ 321,348</u>	<u>\$ 815,358</u>	<u>\$ 190,198</u>	<u>\$ 1,615,729</u>	<u>\$ 430,721</u>	<u>\$ 315,551</u>	<u>\$ 137,406</u>

Year	OWDA Authority Loan 5072		OPWC Loan CE36F		OPWC Loan CE21K		Ohio Small Government Capital Improvement Program CT14F	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2010	5,038	11,529	8,684	0	2,703	0	4,962	0
2011	5,291	11,276	8,684	0	2,703	0	4,962	0
2012	5,558	11,009	8,684	0	2,703	0	4,962	0
2013	5,837	10,730	8,684	0	2,703	0	4,962	0
2014	6,131	10,436	8,684	0	2,703	0	4,962	0
2015-19	35,605	47,230	43,422	0	13,517	0	24,813	0
2020-24	45,511	37,324	43,424	0	13,517	0	24,814	0
2025-29	58,173	24,663	0	0	9,464	0	0	0
2030-34	66,075	8,478	0	0	0	0	0	0
Totals	<u>\$ 233,219</u>	<u>\$ 172,675</u>	<u>\$ 130,266</u>	<u>\$ 0</u>	<u>\$ 50,013</u>	<u>\$ 0</u>	<u>\$ 74,437</u>	<u>\$ 0</u>

See Notes to Financial Statements

VILLAGE OF GIBSONBURG
SANDUSKY COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

(9) DEBT OBLIGATIONS (CONTINUED)

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 \$35,449, 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 \$58,470, 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 \$12,942, 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 Water Development Authority (OWDA) loan 5072 relates to Main St. Waterline Project. The loan will be repaid in semiannual installments of \$8,284, 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 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 Public Works Commission (OPWC) loan CE21K relates to Hurlbut Ditch Waterline Relocation Project. The loan will be repaid in semiannual installments of \$1,352 over 20 years. The loan is collateralized by water 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.

(10) 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.

VILLAGE OF GIBSONBURG
SANDUSKY COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

(11) SUBSEQUENT EVENTS

Subsequent to December 31, 2009, The Village received Ohio Water Development Authority Loan 5402 proceeds in the amount of \$477,319. The Loan proceeds along with Federal stimulus grant money will be used to fund the storm sewer improvements on the east side of The Village at a total cost of \$955,000. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

(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 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 modified cash basis are outstanding year end encumbrances are treated as disbursements (budgetary basis) rather than as a reservation of fund balance (modified cash basis). The encumbrances outstanding at year end (budgetary basis) amounted to the following:

	<u>2009</u>	<u>2008</u>
General Fund	\$ 13,494	\$ 6,425
Street Construction, Maintenance, and Repair Fund	5,958	172
Economic Development Industrial Park	<u>0</u>	<u>0</u>
Total Encumbrances	<u>\$ 19,452</u>	<u>\$ 6,597</u>

(13) INTERFUND TRANSFERS AND ADVANCES

Interfund transfers for the years ended December 31, 2009 and 2008, consisted of the following, as reported in the fund financial statements:

	<u>December 31, 2009</u>	<u>December 31, 2008</u>
<u>Transfers from General Fund to:</u>		
Economic Development Industrial Park Fund	\$ 65,000	\$ 50,000
<u>Transfers from Hurlbut Ditch Sewer Improvement Fund to:</u>		
Water Operating Fund	0	7,918
Sewer Improvement Fund	0	29,442
Water Cap Fund	<u>0</u>	<u>7,444</u>
Total Transfers	<u>\$ 65,000</u>	<u>\$ 94,804</u>

General Fund transfers represent the allocation of unrestricted receipts collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Hurlbut Ditch Sewer Improvement Fund transfers represent the repayment of monies temporarily borrowed.

VILLAGE OF GIBSONBURG
SANDUSKY COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

(14) NONCOMPLIANCE

Contrary to Ohio law, actual resources were less than budgetary appropriations in the following funds during 2009 and 2008.

For 2009, actual resources were less than appropriations in Other Governmental Funds by \$4,060, in the Main Street Waterline Loan Fund by \$57,790, in the Main Street Waterline Grant Fund by \$3,898, and in Other Enterprise Funds by \$954,638.

For 2008, actual resources were less than appropriations in Other Governmental Funds by \$2,169, in the Hurlbut Ditch Sewer Improvements Fund by \$46, and in Other Enterprise Funds by \$39,265.

The noncompliance stated above is in addition to the noncompliances noted in Footnote (1)D. Budgetary Process.

**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, 2009 and 2008, which collectively comprise the Village's basic financial statements and have issued our report thereon dated August 12, 2010 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 audit procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control over financial reporting.

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. Therefore, we cannot assure that we have identified all deficiencies, significant deficiencies or material weaknesses. However, as described in the accompanying schedule of findings we identified certain deficiencies in internal control over financial reporting, that we consider a material weakness and another deficiency we consider to be a significant deficiency.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A material weakness is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the Village's financial statements will not be prevented, or detected and timely corrected. We consider finding 2009-002 to be a material weakness.

A significant deficiency is a deficiency is a deficiency, or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider finding 2009-001 described in the accompanying schedule of findings to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed four instances of noncompliance that are required to be reported under Government Auditing Standards, which is described in the accompanying schedule of findings as item 2009-003 through 2009-006.

We noted certain noncompliance or other matters that we reported to the Village's management and council in a separate letter dated August 12, 2010.

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.

Deblin Sussman Group LLP

August 12, 2010
Toledo, Ohio

VILLAGE OF GIBSONBURG
SANDUSKY COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

SCHEDULE OF FINDINGS AND RESPONSES
DECEMBER 31, 2009 AND 2008

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

FINDING NUMBER 2009-001

Significant Deficiency

During our tests of budgetary compliance, we noted that the latest Council approved certificate of estimated resources did not match estimated revenue in the accounting system. 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.

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

FINDING NUMBER 2009-002

Material Weakness

An adequately designed internal control structure includes the ability of an Organization to detect and prevent material misstatements in the financial statements. During the audit, it was determined that postings and entries made by management resulted in material misstatements to the financial statement and had to be corrected.

Officials' Response: The Village needs to ensure that transactions are being properly posted and that the financial statements are not materially misstated.

FINDING NUMBER 2009-003

Noncompliance Citation

Ohio Revised Code Section 5705.36 states that on 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 2009, the Village did not file the required information with the county auditor until February 9, 2009 which is after the required filing date. For 2008, the Village did not file the required information with the county auditor until February 15, 2008 which is after the 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
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

SCHEDULE OF FINDINGS AND RESPONSES
DECEMBER 31, 2009 AND 2008

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

FINDING NUMBER 2009-004

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 Main Street Waterline Underground Utilities Project, the cost of the project increased by \$2,601 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 2009-005

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.

For 2009, it was noted that actual resources were less than appropriations for the Permissive Motor Vehicle Vehicle by \$325, in the Park Improvement Fund by \$3,535, in the Police Fund by \$200, in the Main Street Waterline Fund by \$57,790, in the East Side CSO WPCLF Fund by \$477,319, in the East Side CSO ARRA Fund by \$477,319, and in the Main Street Waterline Grant Fund by \$3,898.

For 2008, actual resources were less than appropriations in the Hurlbut Waterline Relocation Fund by \$39,265, in the Permissive Motor Vehicle Fund by \$2,169 and in the Hurlbut Ditch Sewer Improvements Fund by \$46.

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.

VILLAGE OF GIBSONBURG
SANDUSKY COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

SCHEDULE OF FINDINGS AND RESPONSES
DECEMBER 31, 2009 AND 2008

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

FINDING NUMBER 2009-006

Noncompliance Citation

Ohio Revised Code Section 5705.39 states that total appropriations from each fund shall not exceed estimated resources.

It was noted that appropriations exceeded estimated resources in 2009 in the Park Improvement Fund by \$3,383, in the Police Fund by \$200, in the Main Street Waterline Fund by \$57,790, and in the Main Street Waterline Grant Fund by \$3,898.

For 2008, appropriations exceeded estimated resources in the Hurlbut Waterline Relocation Fund by \$39,265, in the Permissive Motor Vehicle Fund by \$2,169 and in the Hurlbut Ditch Sewer Improvements Fund by \$46.

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.

VILLAGE OF GIBSONBURG
SANDUSKY COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

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	Significant Deficiency: Incorrect billing rates for utilities used for the period October 2006 through December 2006.	Yes	Finding No Longer Valid
2007-002	Significant Deficiency: Approved figures from the Council approved certificate of estimated resources were not reflected accurately in the accounting records.	No	Repeated as Finding 2009-001
2007-003	Noncompliance: The Village did not certify to the County Auditor the total amounts from all sources available for expenditure from each fund on or about the first day of each year.	No	Repeated as Finding 2009-003
2007-004	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 2009-004
2007-005	Noncompliance: Appropriations exceeded actual available resources which is not in compliance with Ohio Revised Code Section 5705-36(A)(4)	No	Repeated as Finding 2009-005
2007-006	Noncompliance: The Village did not perform a search for unresolved findings for recovery prior to awarding a contract for services that exceeds \$25,000.	Yes	

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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 30, 2010**