

**VILLAGE OF ITHACA**

DAYTON REGION, DARKE COUNTY

**REGULAR AUDIT**

FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009





# Dave Yost • Auditor of State

Village Council  
Village of Ithaca  
P.O. Box 131  
Ithaca, Ohio 45304

We have reviewed the *Independent Auditors' Report* of the Village of Ithaca, Darke County, prepared by Manning & Associates CPAs, LLC, for the audit period January 1, 2009 through December 31, 2010. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Village of Ithaca is responsible for compliance with these laws and regulations.

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

Dave Yost  
Auditor of State

June 20, 2011

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**VILLAGE OF ITHACA  
DARKE COUNTY**

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# Manning & Associates Certified Public Accountants, LLC

John M. Manning, CPA • Sandra L. Comer, CPA • John C. Bensman, CPA • John M. Keller, CPA

## INDEPENDENT AUDITORS' REPORT

Mayor and Members of Council  
Village of Ithaca  
Darke County  
P.O. Box 131  
Ithaca, Ohio 45304

We have audited the accompanying financial statements of the Village of Ithaca, Darke County, Ohio, (the Village), as of and for the years ended December 31, 2010 and 2009. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As described more fully in Note 1, the Village has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

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

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2010 and 2009 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Village as of December 31, 2010 and 2009, or its changes in financial position for the years then ended.

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Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the Village of Ithaca, Darke County, Ohio, as of December 31, 2010 and 2009, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated May 17, 2011, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Manning & Associates CPAs, LLC  
Dayton, Ohio

May 17, 2011



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**VILLAGE OF ITHACA  
DARKE COUNTY**

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES  
IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Governmental Fund Types</u>		<b>Total (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Property and Other Local Taxes	\$ 476	\$ 0	\$ 476
Intergovernmental Receipts	21,066	4,686	25,752
Earnings on Investments	20	7	27
<b>Total Cash Receipts</b>	<u>21,562</u>	<u>4,693</u>	<u>26,255</u>
<b>Cash Disbursements:</b>			
Current:			
General Government	\$ 6,759	\$ 0	\$ 6,759
Security of Persons and Property	8,711	0	8,711
Public Health Service	282	0	282
Basic Utility Services	8,278	0	8,278
Transportation	0	5,615	5,615
<b>Total Cash Disbursements</b>	<u>24,030</u>	<u>5,615</u>	<u>29,645</u>
Total Receipts Over/(Under) Disbursements	<u>(2,468)</u>	<u>(922)</u>	<u>(3,390)</u>
Fund Cash Balances, January 1,	<u>25,679</u>	<u>28,436</u>	<u>54,115</u>
<b>Fund Cash Balances, December 31,</b>	<u>\$ 23,211</u>	<u>\$ 27,514</u>	<u>\$ 50,725</u>

The Notes to the Financial Statements are an integral part of this statement.

**VILLAGE OF ITHACA  
DARKE COUNTY**

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

	<u>Governmental Fund Types</u>		<b>Total (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Property and Other Local Taxes	\$ 552	\$ 0	\$ 552
Intergovernmental Receipts	20,849	4,619	25,468
Earnings on Investments	29	11	40
Miscellaneous	594	20	614
<b>Total Cash Receipts</b>	<u>22,024</u>	<u>4,650</u>	<u>26,674</u>
<b>Cash Disbursements:</b>			
Current:			
General Government	\$ 13,152	\$ 0	\$ 13,152
Security of Persons and Property	8,504	0	8,504
Public Health Service	302	0	302
Basic Utility Services	6,612	0	6,612
Transportation	0	2,953	2,953
<b>Total Cash Disbursements</b>	<u>28,570</u>	<u>2,953</u>	<u>31,523</u>
<b>Total Receipts Over/(Under) Disbursements</b>	<u>(6,546)</u>	<u>1,697</u>	<u>(4,849)</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(6,546)	1,697	(4,849)
Fund Cash Balances, January 1,	<u>32,225</u>	<u>26,739</u>	<u>58,964</u>
<b>Fund Cash Balances, December 31,</b>	<u><u>\$ 25,679</u></u>	<u><u>\$ 28,436</u></u>	<u><u>\$ 54,115</u></u>

The Notes to the Financial Statements are an integral part of this statement.

**VILLAGE OF ITHACA  
DARKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of the Village of Ithaca, Darke County, (the Village) as a body corporate and politic. A publicly elected six-member Council governs the Village. The Village provides general government services. The Village provides fire protection to residents by contracting with the Arcanum Fire Department.

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

**B. Basis of Accounting**

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

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

**C. Cash and Investments**

The Village maintains a checking account, which is valued at cost.

**D. Fund Accounting**

The Village uses fund accounting to segregate cash and investments that are restricted as to use. The Village classifies its funds into the following types:

**1. General Fund**

The General Fund reports all financial resources except those required to be accounted for in another fund.

**2. Special Revenue Funds**

These funds account for proceeds from specific sources (other than trusts or capital projects) that are restricted to use for specific purposes. The Village had the following significant Special Revenue Funds:

**Street Construction, Maintenance and Repair Fund** – This fund receives gasoline tax and motor vehicle tax money for constructing, maintaining and repairing Village streets.

**State Highway Improvement Fund** – This fund receives gasoline tax and motor vehicle tax money for constructing, maintaining, and repairing state highways within the Village.

**VILLAGE OF ITHACA  
DARKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

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

**E. Budgetary Process**

The Ohio Revised Code requires that each fund be budgeted annually.

**1. Appropriations**

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. Village Council must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Appropriations lapse at year-end.

**2. Estimated Resources**

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash balance as of January 1. The County Budget Commission must also approve estimated resources.

**3. Encumbrances**

The Ohio Revised Code requires the Village to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year-end are carried over and need not be re-appropriated in the subsequent year. The Village did not encumber all commitments required by Ohio law.

A summary of 2010 and 2009 budgetary activity appears in Note 3.

**F. Property, Plant and Equipment**

The Village records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

**2. EQUITY IN POOLED CASH AND INVESTMENTS**

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

	<u>2010</u>	<u>2009</u>
Demand deposits	<u>\$50,725</u>	<u>\$54,115</u>
Total deposits	<u><u>\$50,725</u></u>	<u><u>\$54,115</u></u>

**Deposits:** Deposits are insured by the Federal Depository Insurance Corporation.

**VILLAGE OF ITHICA  
DARKE COUNTY**

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

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**3. BUDGETARY ACTIVITY**

Budgetary activity for the year ending December 31, 2010 was as follows:

**2010 Budgeted vs. Actual Receipts**

<b>Fund Type</b>	<b>Budgeted Receipts</b>	<b>Actual Receipts</b>	<b>Variance</b>
General	\$ 18,853	\$ 21,562	\$ 2,709
Special Revenue	0	4,693	4,693
Total	<u>\$ 18,853</u>	<u>\$ 26,255</u>	<u>\$ 7,402</u>

**2010 Budgeted vs. Actual Budgetary Basis Expenditures**

<b>Fund Type</b>	<b>Appropriation Authority</b>	<b>Budgetary Expenditures</b>	<b>Variance</b>
General	\$ 25,679	\$ 24,030	\$ 1,649
Special Revenue	28,436	5,615	22,821
Total	<u>\$ 54,115</u>	<u>\$ 29,645</u>	<u>\$ 24,470</u>

Budgetary activity for the year ending December 31, 2009 was as follows:

**2009 Budgeted vs. Actual Receipts**

<b>Fund Type</b>	<b>Budgeted Receipts</b>	<b>Actual Receipts</b>	<b>Variance</b>
General	\$ 0	\$ 22,024	\$ 22,024
Special Revenue	0	4,650	4,650
Total	<u>\$ 0</u>	<u>\$ 26,674</u>	<u>\$ 26,674</u>

**2009 Budgeted vs. Actual Budgetary Basis Expenditures**

<b>Fund Type</b>	<b>Appropriation Authority</b>	<b>Budgetary Expenditures</b>	<b>Variance</b>
General	\$ 31,386	\$ 28,570	\$ 2,816
Special Revenue	27,578	2,953	24,625
Total	<u>\$ 58,964</u>	<u>\$ 31,523</u>	<u>\$ 27,441</u>

**VILLAGE OF ITHACA  
DARKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

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**4. PROPERTY TAX**

Real property taxes become a lien on January 1 proceeding the October 1 date for which rates are adopted by Village Council. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payment, the first half is due December 31. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property within the Village.

Property owners assess tangible personal property tax. They must file a list of tangible property to the County by each April 30. The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Village.

**5. RETIREMENT SYSTEMS**

The Village's full-time employees belong to OPERS. OPERS is a cost sharing, multiple-employer plan. The Ohio Revised Code prescribes these plans' benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contributions rates. For 2010 and 2009, OPERS participants contributed 10 percent of their wages and the Village contributed an amount equal to 14 percent of covered payroll. The Village has paid all contributions required through December 31, 2010.

**6. RISK MANAGEMENT**

The Village has obtained commercial insurance for the following risks:

General liability	\$1,000,000
Property coverage	108,000
Personal & Advertising Injury	1,000,000
Medical Expense /Equipment Coverage	5,000/5,000
Public Officials Liability	\$1,000,000
Auto Bodily Injury Liability & Property Damage	\$500,000
Uninsured Motorist	500,000
Medical Payments	5,000

There have been no significant reductions in insurance coverage during 2010 or 2009. Settled claims have not exceeded commercial excess coverage in any of the past three year.

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**Manning & Associates**  
**Certified Public Accountants, LLC**

John M. Manning, CPA • Sandra L. Comer, CPA • John C. Bensman, CPA • John M. Keller, CPA

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

Mayor and Members of Council  
Village of Ithaca  
Darke County  
P.O. Box 131  
Ithaca, Ohio 45304

We have audited the financial statements of the Village of Ithaca, Darke County, Ohio (the Village), as of and for the years ended December 31, 2010 and 2009, and have issued our report thereon dated May 17, 2011, wherein we noted the Village prepared its financial statements using accounting practices the Auditor of State prescribes or permits rather than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

**Internal Control over Financial Reporting**

In planning and performing our audit, we considered the Village's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of opining on the effectiveness of the Village's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Village's internal control over financial reporting.

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

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect, and timely correct misstatements. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is reasonable possibility that a material misstatement of the Village's financial statements will not be prevented, or detected and timely corrected. We consider Finding Number 2010-002 to be a material weakness.

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### **Compliance and Other Matters**

As part of reasonably assuring whether the Township's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed an instance of noncompliance or other matters that we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as Findings Number 2010-001 through 2010-002.

We did noted certain matters not requiring inclusion in this report that we reported to the Village's management in a separate letter dated May 17, 2011.

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

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

Manning & Associates CPAs, LLC  
Dayton, Ohio

May 17, 2011

**VILLAGE OF ITHACA  
DARKE COUNTY**

SCHEDULE OF FINDINGS  
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

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<b>FINDING RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 2010-001**

**Noncompliance**

**Ohio Rev. Code Section 5705.41(D)** prohibits a subdivision or taxing entity from making any contract or ordering any expenditure of money unless a certificate signed by the fiscal officer is attached thereto. The fiscal officer must certify that the amount required to meet any such contract or expenditure has been lawfully appropriated and is in the treasury, or is in the process of collection to the credit of an appropriate fund free from any previous encumbrance.

There are several exceptions to the standard requirement stated above that a fiscal officer's certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The main exceptions are: "then and now" certificates, blanket certificates, and super blanket certificates, which are provided for in Sections 5705.41(D) and 5705.41(D) (3), respectively, of the Ohio Revised Code.

1. **"Then and Now" certificate** – If the fiscal officer can certify that both at the time that the contract or order was made ("then"), and at the time that the fiscal officer is completing the certification ("now"), that sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the Village can authorize the drawing of a warrant for the payment of the amount due. The Village has thirty days from the receipt of the "then and Now" certificate to approve payment by ordinance or resolution.

Amounts of less than \$3,000 may be paid by the fiscal officer without a resolution or ordinance upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the Village.

2. **Blanket certificate** – The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one line item appropriation.
3. **Super Blanket certificate** – The Village may also make expenditures and contracts for any amount from a specific line-item appropriation account in a specified fund upon certification of the fiscal officer for most professional services, fuel, oil, food items, and any other specific recurring and reasonably predictable operating expense. This certification is not to extend beyond the current year. More than one super blanket certificate may be outstanding at a particular time for any one line item appropriation.

The Village did not properly certify the availability of funds prior to purchase commitment for 100% of disbursements reviewed during 2010 and 2009, and there was no evidence that the Village followed the aforementioned exceptions. The failure to properly certify the availability of funds can result in overspending and negative cash fund balances.

**VILLAGE OF ITHACA  
DARKE COUNTY**

**SCHEDULE OF FINDINGS  
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

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<b>FINDING RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 2010-001, (Ccontinued)**

Unless the exceptions noted above are used, prior certification is not only required by statute but is a key control in the disbursement process to assure that purchase commitments receive prior approval. To improve controls over disbursements and to help reduce the possibility of the Village's funds exceeding budgetary spending limitations, we recommend that the Village's Fiscal Officer certify that the funds are or will be available prior to the obligation by the Village. If prior certification is not possible, "then and now" certification should be used.

We recommend the Village certify purchases to which section 5705.41(D) applies. The most convenient certification method is to use purchase orders that include the certification language 5705.41(D) requires to authorize disbursements. The fiscal officer should sign the certification at the time the Village incurs a commitment, and only when the requirements of 5705.41(D) are satisfied. The fiscal officer should post approved purchase commitments to the proper appropriation code, to reduce the available appropriation.

Response: Council is reviewing procedures to incorporate appropriate PO compliance.

**FINDING NUMBER 2010-002**

**Material Weakness**

**Ohio Rev. Code, Section 733.28**, requires the Fiscal Officer to maintain the books of the Village and exhibit accurate statements of all monies received and expended. The annual financial reports prepared by the Village for 2010 and 2009 were incomplete, inaccurate, and did not properly classify all transactions. The following items were noted:

- Financial statements omitted budgetary statements completely
- Total columns were omitted from some statements
- Totals presented were not always mathematically accurate
- Line items on Annual Report template used by the Village were crossed out and different items were hand written in their place
- Disbursement ledgers did not match disbursements reported for the General Fund on the Annual Report in 2010
- Transfers were presented on the Annual Report, however, no transfers were made during either year
- Incomplete bank reconciliations

**VILLAGE OF ITHACA  
DARKE COUNTY**

**SCHEDULE OF FINDINGS  
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

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<p><b>FINDING RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b></p>
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**FINDING NUMBER 2010-002, (Ccontinued)**

Misclassifications on the annual financial report failed to present an accurate accounting of the financial status of the Village and can mislead the users of the report. Sound financial reporting is the responsibility of the Fiscal Officer and Members of Council and is essential to ensure the information provided to the readers of the financial statements is complete and accurate. Procedures should be implemented, including a final review of the annual report by Council to identify and correct misclassifications. The failure to post receipts and disbursements to the correct accounts could result in a material misstatement on the financial statements.

Procedures should be implemented to determine that all activity is posted to the appropriate fund and account. These financial statements have been adjusted to reflect the above.

Response: Manual accounting system used, which makes annual filing more difficult.

**VILLAGE OF ITHACA  
DARKE COUNTY**

SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2010 AND 2009

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Correction Action Taken; or Finding No Longer Valid; <b>Explain</b>
2008-001	ORC Sec. 5705.41(D) - Failure to certify availability of funds prior to incurring the obligation	No	Reissued as Finding Number 2010-001
2008-002	ORC Sec. 733.28 - Failure to adequately maintain books and records	partially	Reissued as management letter comment



# Dave Yost • Auditor of State

VILLAGE OF ITHACA

DARKE COUNTY

## CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

*Susan Babbitt*

CLERK OF THE BUREAU

CERTIFIED  
JUNE 30, 2011