



**VILLAGE OF WALBRIDGE  
WOOD COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 1999-1998**



**JIM PETRO**  
**AUDITOR OF STATE**  

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**STATE OF OHIO**



VILLAGE OF WALBRIDGE  
WOOD COUNTY

TABLE OF CONTENTS

<u>TITLE</u>	<u>PAGE</u>
Report of Independent Accountants .....	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental and Similar Fiduciary Fund Types – For the Year Ended December 31, 1999 .....	4
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental and Similar Fiduciary Fund Types – For the Year Ended December 31, 1998 .....	6
Notes to the Financial Statements .....	9
Report of Independent Accountants on Compliance and on Internal Control Required by <i>Government Auditing Standards</i> .....	15
Schedule of Findings .....	17

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## REPORT OF INDEPENDENT ACCOUNTANTS

Village of Walbridge  
Wood County  
111 North Main Street  
Walbridge, Ohio 43465-1095

To the Village Council:

We have audited the accompanying financial statements of the Village of Walbridge, Wood County, Ohio, (the Village) as of and for the years ended December 31 1999 and 1998. 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 generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits 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 discussed in Note 1, the Village prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the Village as of December 31 1999 and 1998, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 20, 2000 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 grants. 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 audits.

This report is intended solely for the information and use of management, Village Council, and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

**Jim Petro**  
Auditor of State

October 19, 2000

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**VILLAGE OF WALBRIDGE  
WOOD COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN  
FUND CASH BALANCES - ALL GOVERNMENTAL AND SIMILAR FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 1999**

	<b>Governmental Fund Types</b>	
	<b>General</b>	<b>Special Revenue</b>
<b>Cash Receipts:</b>		
Property Tax and Other Local Taxes	\$45,658	
Special Assessments		\$23,993
Intergovernmental Receipts	156,785	119,649
Charges for Services	170,649	
Fines, Licenses, and Permits	26,887	1,300
Interest Income	31,891	7,653
Miscellaneous	25,855	168
	<u>457,725</u>	<u>152,763</u>
<b>Total Cash Receipts</b>		
<b>Cash Disbursements:</b>		
Current:		
Security of Persons and Property	289,270	24,939
Leisure Time Activities	51,629	
Basic Utility Services	5,849	26,781
Transportation	26,615	95,089
General Government	126,852	500
Debt Service:		
Principal Payments		
Interest Payments		
Capital Outlay	42,987	327
	<u>543,202</u>	<u>147,636</u>
<b>Total Cash Disbursements</b>		
Total Receipts Over/(Under) Disbursements	<u>(85,477)</u>	<u>5,127</u>
<b>Other Financing Receipts/(Disbursements):</b>		
Sale of Bonds or Notes		
Reduction Of Receipts		
Other Sources		
Other Uses	(21,085)	
	<u>(21,085)</u>	
<b>Total Other Financing Receipts/(Disbursements)</b>		
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(106,562)	5,127
Fund Cash Balances, January 1	<u>261,125</u>	<u>164,098</u>
<b>Fund Cash Balances, December 31</b>	<u><b>\$154,563</b></u>	<u><b>\$169,225</b></u>

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



<u>Governmental Fund Types</u>		<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
<u>Debt Service</u>	<u>Capital Projects</u>	<u>Expendable Trust</u>	
		\$648,467	\$694,125
			23,993
			276,434
			170,649
			28,187
			39,544
			26,023
		<u>648,467</u>	<u>1,258,955</u>
		3,000	317,209
			51,629
			32,630
			121,704
		17,286	144,638
\$250,000			250,000
11,883			11,883
	\$187,062		230,376
<u>261,883</u>	<u>187,062</u>	<u>20,286</u>	<u>1,160,069</u>
<u>(261,883)</u>	<u>(187,062)</u>	<u>628,181</u>	<u>98,886</u>
150,000			150,000
		(10,303)	(10,303)
		3,000	3,000
			(21,085)
<u>150,000</u>		<u>(7,303)</u>	<u>121,612</u>
(111,883)	(187,062)	620,878	220,498
<u>107,405</u>	<u>29,113</u>	<u>395,164</u>	<u>956,905</u>
<u><b>(\$4,478)</b></u>	<u><b>(\$157,949)</b></u>	<u><b>\$1,016,042</b></u>	<u><b>\$1,177,403</b></u>

**VILLAGE OF WALBRIDGE  
WOOD COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN  
FUND CASH BALANCES - ALL GOVERNMENTAL AND SIMILAR FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 1998**

	<b>Governmental Fund Types</b>	
	<b>General</b>	<b>Special Revenue</b>
<b>Cash Receipts:</b>		
Property Tax and Other Local Taxes	\$44,116	
Special Assessments		\$23,487
Intergovernmental Receipts	128,221	140,056
Charges for Services	81,426	
Fines, Licenses, and Permits	20,991	1,163
Interest Income	30,838	10,183
Miscellaneous	59,702	2,309
	<u>365,294</u>	<u>177,198</u>
<b>Total Cash Receipts</b>		
<b>Cash Disbursements:</b>		
Current:		
Security of Persons and Property	319,828	45,887
Public Health Services	974	
Leisure Time Activities	60,619	
Basic Utility Services	9,781	5,923
Transportation	27,728	108,618
General Government	148,494	
Debt Service:		
Principal Payments	106,544	
Interest Payments	4,945	
Capital Outlay	83,307	
	<u>762,220</u>	<u>160,428</u>
<b>Total Cash Disbursements</b>		
Total Receipts Over/(Under) Disbursements	<u>(396,926)</u>	<u>16,770</u>
<b>Other Financing Receipts/(Disbursements):</b>		
Other Sources		
Other Uses	(41,272)	
Reduction Of Receipts		
Transfers-In	360,000	20,000
Transfers-Out	(20,000)	
	<u>298,728</u>	<u>20,000</u>
<b>Total Other Financing Receipts/(Disbursements)</b>		
Excess of Cash Receipts and Other Financing Receipts Over (Under) Cash Disbursements and Other Financing Disbursements	(98,198)	36,770
Fund Cash Balances January 1	<u>359,323</u>	<u>127,328</u>
<b>Fund Cash Balances, December 31</b>	<b><u>\$261,125</u></b>	<b><u>\$164,098</u></b>

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

<u>Governmental Fund Types</u>		<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
<u>Debt Service</u>	<u>Capital Projects</u>	<u>Expendable Trust</u>	
		\$581,459	\$625,575
			23,487
			268,277
			81,426
			22,154
			41,021
			62,011
		<u>581,459</u>	<u>1,123,951</u>
			365,715
			974
			60,619
			15,704
			136,346
		24,955	173,449
\$10,000			116,544
12,354			17,299
	\$36,266		119,573
<u>22,354</u>	<u>36,266</u>	<u>24,955</u>	<u>1,006,223</u>
<u>(22,354)</u>	<u>(36,266)</u>	<u>556,504</u>	<u>117,728</u>
			(41,272)
		(14,280)	(14,280)
	40,000		420,000
		(400,000)	(420,000)
	<u>40,000</u>	<u>(414,280)</u>	<u>(55,552)</u>
(22,354)	3,734	142,224	62,176
<u>129,759</u>	<u>25,379</u>	<u>252,940</u>	<u>894,729</u>
<b><u>\$107,405</u></b>	<b><u>\$29,113</u></b>	<b><u>\$395,164</u></b>	<b><u>\$956,905</u></b>

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**VILLAGE OF WALBRIDGE  
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Village of Walbridge, Wood 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 general governmental services, park operations (leisure time activities), and police services.

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**

Certificates of deposit are 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 is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

**2. Special Revenue Fund**

These funds are used to account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure 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.

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

**VILLAGE OF WALBRIDGE  
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998  
(Continued)**

**3. Debt Service Fund**

These funds are used to accumulate resources for the payment of bonds and note indebtedness. The Village had the following significant debt service fund:

General Obligation Bond Fund - This fund is used to pay principal and interest on bond anticipation notes.

**4. Capital Project Funds**

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise or trust funds). The Village had the following significant capital project fund:

Capital Improvement Fund - This fund receives monies from transfers in from the Income Tax Fund and was used for street construction and reconstruction.

**5. Fiduciary Funds (Trust and Agency Funds)**

Trust funds are used to account for resources restricted by legally binding trust agreements. If the agreement requires the Village to maintain the corpus of the trust, the fund is classified as a nonexpendable trust fund. Other trust funds are classified as expendable. Funds for which the Village is acting in an agency capacity are classified as agency funds. The Village had the following significant fiduciary funds:

Income Tax Fund - This fund receives local taxes and is used for the operation of the village.

**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. The 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. For the fiscal year ended December 31, 1999, expenditures exceeded appropriations in the Debt Service and Capital Projects funds.

**2. Estimated Resources**

Estimated resources include estimates of cash to be received (budgeted receipts) plus cash 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 canceled, and

**VILLAGE OF WALBRIDGE  
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998  
(Continued)**

reappropriated in the subsequent year. During the fiscal year ended December 31, 1999 and 1998 the Village did not encumber all commitments required by Ohio law.

A summary of 1999 and 1998 budgetary activity appears in Note 3.

**F. Property, Plant and Equipment**

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

**G. Unpaid Vacation and Sick Leave**

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the cash basis of accounting used by the Village.

**2. EQUITY IN POOLED CASH**

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

	<u>1999</u>	<u>1998</u>
Demand deposits	\$352,403	\$431,905
Certificates of deposit	<u>825,000</u>	<u>525,000</u>
Total deposits	<u>\$1,177,403</u>	<u>\$956,905</u>

Deposits are either (1) insured by the Federal Depository Insurance Corporation, (2) collateralized by the financial institution's public entity deposit pool.

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31 1999 and 1998 follows:

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$892,478	\$457,725	(\$434,753)
Special Revenue	152,800	152,763	(37)
Debt Service		150,000	150,000
Capital Projects	60,000		(60,000)
Fiduciary	<u>500,000</u>	<u>651,467</u>	<u>151,467</u>
Total	<u>\$1,605,278</u>	<u>\$1,411,955</u>	<u>(\$193,323)</u>

**VILLAGE OF WALBRIDGE  
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998  
(Continued)**

1999 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,074,845	\$564,287	\$510,558
Special Revenue	243,000	147,636	95,364
Debt Service	115,000	261,883	(146,883)
Capital Projects	75,000	187,062	(112,062)
Fiduciary	862,000	30,589	831,411
Total	<u>\$2,369,845</u>	<u>\$1,191,457</u>	<u>\$1,178,388</u>

1998 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$743,568	\$725,294	(\$18,274)
Special Revenue	142,200	197,198	54,998
Debt Service			
Capital Projects	50,000	40,000	(10,000)
Fiduciary	500,000	581,459	81,459
Total	<u>\$1,435,768</u>	<u>\$1,543,951</u>	<u>\$108,183</u>

1998 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$969,847	\$823,492	\$146,355
Special Revenue	223,000	160,428	62,572
Debt Service	25,000	22,354	2,646
Capital Projects	75,000	36,266	38,734
Fiduciary	562,000	439,235	122,765
Total	<u>\$1,854,847</u>	<u>\$1,481,775</u>	<u>\$373,072</u>

**4. PROPERTY TAX**

Real property taxes become a lien on January 1 preceding 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.



**VILLAGE OF WALBRIDGE  
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998  
(Continued)**

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

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

**5. DEBT**

Debt outstanding at December 31, 1999 was as follows:

	Principal	Interest Rate
General Obligation Note	\$150,000	4.30%

The General Obligation Note relates to a real estate acquisition.

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

Year ending December 31:	General Obligation Note
2000	\$16,450
2001	16,020
2002	135,590
Total	\$168,060

**6. RETIREMENT SYSTEMS**

The Village's law enforcement officers belong to the Police and Fire Disability and Pension Funds (PFDPF). Other full-time employees belong to the Public Employees Retirement System (PERS) of Ohio. PFDPF and PERS are cost-sharing, multiple-employer plans. These plans provide retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 1999 and 1998, members of PFDPF contributed 10% of their wages to the PFDPF. The Village contributed an amount equal to 19.5% of their wages. PERS members contributed 8.5% of their gross salaries. The Village contributed an amount equal to 13.55% of participants' gross salaries. The Village had paid approximately 51% of PFDPF and 63 % of PERS contributions required through December 31, 1999. The Village has subsequently paid the remaining contributions to PERS and PFDPF.

**VILLAGE OF WALBRIDGE  
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998  
(Continued)**

**7. RISK MANAGEMENT**

The Village is a member of the Ohio Municipal League Joint Self Insurance Pool (the Pool). The Pool assumes the risk of loss up to the limits of the Village's policy. The Pool may assess supplemental premiums. The following risks are covered by the Pool:

- General liability and casualty
- Public official's liability
- Vehicles

The Village also provides health insurance and dental and vision coverage to full-time employees through a private carrier.

**8. 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.

**9. RELATED PARTY TRANSACTIONS**

A village council member is on the Board of Director's of the banking depository from which the Village holds its accounts and acquired certificates of deposit and the bond anticipation note during the audit period. At year end December 31, 1999, the Village held \$378,932 in demand deposits and \$475,000 in certificates of deposit with the banking depository. See Note 5 for bond anticipation note information.

**10. LOCAL INCOME TAX**

This locally levied tax of one and one-half percent is applied to gross salaries, wages and other personal service compensation earned by residents both in and out of the Village of Walbridge and to earnings of non-residents (except certain transients) earned in the Village. It also applies to net income of business organizations operating within the Village. The tax receipts are credited to the Village and amounted to \$648,467 in 1999 and \$581,459 in 1998.

Walbridge Codified Ordinance § 181.13 (1976) provides for the distribution of income tax funds collected. During 1999, the Village did not allocate the funds in accordance with the ordinance.

**11. NEGATIVE FUND BALANCES**

The following funds had negative balances at December 31, 1999.

Debt Fund	(\$4,478)
Capital Project Funds	(\$157,949)



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OFFICE OF THE AUDITOR

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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON  
INTERNAL CONTROL REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Village of Walbridge  
Wood County  
111 North Main Street  
Walbridge, Ohio 43465-1095

To the Village Council:

We have audited the accompanying financial statements of the Village of Walbridge, Wood County, Ohio, (the Village) as of and for the years ended December 31 1999 and 1998, and have issued our report thereon dated October 19, 2000. We conducted our audits in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

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 grants, 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 audits and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards*, which are described in the accompanying schedule of findings as items 1999-30187-001, 1999-30187-002, and 1999-30187-003. We also noted certain immaterial instances of noncompliance that we have reported to management of the Village in a separate letter dated October 19, 2000.

**Internal Control Over Financial Reporting**

In planning and performing our audits, we considered Village's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Village's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable conditions are described in the accompanying schedule of findings as item 1999-30187-004 and 1999-30187-005.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe that the reportable conditions described above are not material weaknesses. We also noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Village in a separate letter dated October 19, 2000.

This report is intended for the information and use of management and the Village Council, and is not intended to be and should not be used by anyone other than these specified parties.

**Jim Petro**  
Auditor of State

October 19, 2000

VILLAGE OF WALBRIDGE  
WOOD COUNTY

SCHEDULE OF FINDINGS  
DECEMBER 31, 1999 AND 1998

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

**FINDING NUMBER 1999-30187-001**

**Noncompliance Citation**

Walbridge Codified Ordinance § 181.13 (1976) provides for the distribution of income tax funds collected. This Ordinance requires that:

One percent of the funds collected under the provisions of the chapter shall be used, applied and appropriated for the following purposes only, and in the following order, to-wit:

- A. The amount as shall be necessary to defray all costs of collecting the taxes levied by this chapter and the cost of administering and enforcing this chapter.
- B. The balance of the funds collected under this chapter shall be paid into special funds which are established for the following purposes:
  - Sixty percent shall be transferred and deposited into the General fund.
  - Fifteen percent shall be transferred and deposited into the Bond Retirement.
  - Twenty-five percent shall be transferred and deposited into the Municipal services fund for the extension, enlargement or improvement of Municipal Service.
- C. One-half percent of the funds collected under the provisions of this chapter shall be allocated in equal shares to the general fund for general operating expenses and for capital improvements.

Contrary to this Ordinance, the Village is allocating its tax monies to the General Fund and the Capital Project Fund only, and did not allocate in fiscal year 1999. The Village also does not have an established Municipal Services Fund. We recommend the Village follow the ordinance as passed by Council or re-evaluate the ordinance and make changes if necessary and make the necessary allocations and allocate the remaining funds.

**FINDING NUMBER 1999-30187-002**

**Noncompliance Citation**

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

**FINDING NUMBER 1999-30187-002**  
**(Continued)**

The following exceptions to this basic requirement are provided by statute:

- A. Then and Now Certificate: This exception provides that, if the fiscal officer can certify that both at the time that the contract or order was made and at the time that he is completing his certification, 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 taxing authority can authorize the drawing of a warrant. The taxing authority has 30 days from the receipt of such certificate to approve payment by resolution or ordinance. If approval is not made within 30 days, there is no legal liability on the part of the subdivision or taxing district.
- B. Amounts of less than \$1,000, may be paid by the fiscal officer without such affirmation of the taxing authority 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 taxing authority.

For seventy-three percent of the expenditures tested, prior certification was not obtained nor was a then and now certificate utilized.

We recommend fiscal officer certification be obtained prior to making purchase commitments.

**FINDING NUMBER 1999-30187-003**

**Noncompliance Citation**

Ohio Revised Code § 5705.41(B) states that no subdivision shall make any expenditure of money unless it has been lawfully appropriated.

The Village had expenditures which exceeded appropriations for the fiscal year ended December 31, 1999, in the Debt Service Fund for \$146,883 and in the Capital Projects Fund for \$112,062.

Management was advised that this situation resulted in the Village overspending its available funds and creating deficit fund balances. We recommend that the Village properly monitor the budgeted appropriations to ensure the need of any amendments to the appropriations. This is to ensure that there is no overspending or unlawful expenditure of funds exceeding appropriations.

**FINDING NUMBER 1999-30187-004**

**Reportable Condition**

The Clerk/Treasurer did not bill dispatcher services on a monthly basis as contractually required. This resulted in the delay of receiving governmental receipts for services rendered during the period. At December 31, 1999, the unbilled portion to the General Fund totaled \$65,157.

Continuing to delay billing prevents the government from receiving monies owed to it for spending on current operating expenses or preventing the monies from being invested to bring a greater return on government monies.

**FINDING NUMBER 1999-30187-004**  
**(Continued)**

We recommend the Clerk/Treasurer prepare and send monthly billing of dispatcher services as required in the dispatcher services contract.

**FINDING NUMBER 1999-30187-005**

**Reportable Condition**

The financial activity of the Village was not closely monitored by the Clerk/Treasurer, Finance Committee or Council. Inability or unwillingness to monitor the financial and budgetary activity within the Village will result in unfavorable results in the operation of the Village's funds. Village monies may be unlawfully spent, not posted or misposted, or left unpaid to accrue unnecessary penalties and interest.

We recommend that financial activity, including budgetary matters, be continuously monitored by the Clerk/Treasurer, Finance Committee and Council. Monthly reports on activity, including receipts, expenditures and the bank reconciliation should be submitted and approved. Approval of expenditures should be done at each board meeting. Also, compliance with budgetary matters, filing and approving required information, should be investigated and monitored closely.







STATE OF OHIO  
OFFICE OF THE AUDITOR  

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**VILLAGE OF WALBRIDGE**

**WOOD 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 28, 2000**