



**VILLAGE OF WALBRIDGE
WOOD COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2021-2020

VILLAGE OF WALBRIDGE
WOOD COUNTY

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INDEPENDENT AUDITOR'S REPORT

Village of Walbridge
Wood County
705 North Main Street
Walbridge, Ohio 43465

To the Village Council:

Report on the Audit of the Financial Statements

Unmodified and Adverse Opinions

We have audited the financial statements of the Village of Walbridge, Wood County, Ohio (the Village), which comprises the cash balances, receipts and disbursements for each governmental fund type and the fiduciary fund type as of and for the years ended December 31, 2021 and 2020, and the related notes to the financial statements.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental fund type and the fiduciary fund type as of and for the years ended December 31, 2021 and 2020, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* section of our report, the accompanying financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Village, as of December 31, 2021 and 2020, or the changes in financial position thereof for the years then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Village, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 2 of the financial statements, the financial statements are prepared by the Village on the basis of the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Emphasis of Matter

As discussed in Note 13 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Village. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, no such opinion is expressed.

- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2022, 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. The purpose of that report is solely 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 effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

December 15, 2022

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Village of Walbridge
Wood County
*Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2021*

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
Cash Receipts				
Property and Other Local Taxes	\$99,525	\$33,852		\$133,377
Municipal Income Tax	909,908		\$100,978	1,010,886
Intergovernmental	94,536	393,987	47,405	535,928
Special Assessments	1,078	30,290		31,368
Charges for Services	17,870			17,870
Fines, Licenses and Permits	47,022	150	1,340	48,512
Earnings on Investments	763	15		778
Miscellaneous	40,564			40,564
<i>Total Cash Receipts</i>	<u>1,211,266</u>	<u>458,294</u>	<u>149,723</u>	<u>1,819,283</u>
Cash Disbursements				
Current:				
Security of Persons and Property	499,128	27,674		526,802
Public Health Services	1,763			1,763
Leisure Time Activities	42,165			42,165
Community Environment	6,882			6,882
Transportation	21,867	135,134		157,001
General Government	419,558			419,558
Capital Outlay			163,298	163,298
Debt Service:				
Principal Retirement			65,170	65,170
Interest and Fiscal Charges			3,956	3,956
<i>Total Cash Disbursements</i>	<u>991,363</u>	<u>162,808</u>	<u>232,424</u>	<u>1,386,595</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>219,903</u>	<u>295,486</u>	<u>(82,701)</u>	<u>432,688</u>
Other Financing Receipts				
Other Debt Proceeds			26,707	26,707
<i>Net Change in Fund Cash Balances</i>	219,903	295,486	(55,994)	459,395
<i>Fund Cash Balances, January 1</i>	<u>837,712</u>	<u>781,199</u>	<u>219,665</u>	<u>1,838,576</u>
<i>Fund Cash Balances, December 31</i>	<u>\$1,057,615</u>	<u>\$1,076,685</u>	<u>\$163,671</u>	<u>\$2,297,971</u>

See accompanying notes to the basic financial statements

Village of Walbridge
Wood County
Combined Statement of Additions, Deductions
and Changes in Fund Balances (Regulatory Cash Basis)
Fiduciary Fund Type
For the Year Ended December 31, 2021

	Custodial
Additions	
Fines, Licenses and Permits for Distribution	\$23,437
Deductions	
Distributions to Other Governments	6,289
Distributions to Other Funds (Primary Gov't)	17,148
<i>Total Deductions</i>	\$23,437
<i>Net Change in Fund Balances</i>	
<i>Fund Cash Balances, January 1</i>	
<i>Fund Cash Balances, December 31</i>	

See accompanying notes to the basic financial statements

Village of Walbridge
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 1 – Reporting Entity

The Village of Walbridge, Wood County, Ohio (the Village) is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly-elected six-member Council directs the Village. The Village provides street maintenance, repairs and construction, park operations, street lighting, and police services. Fire protection services are provided by the Lake Township Fire Department.

Public Entity Risk Pools

The Village participates in two public entity risk pools. Notes 6 and 11 to the financial statements provides additional information for these entities. The Village's management believes these financial statements present all activities for which the Village is financially accountable.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The Village's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types and a combined statement of additions, deductions and changes in fund balances (regulatory cash basis) for all fiduciary fund types, which are all organized on a fund type basis.

Fund Accounting

The Village uses funds 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. The funds of the Village are presented below:

General Fund The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Village for any purpose provided it is expended or transferred according to the general laws of Ohio.

Special Revenue Funds These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Village had the following significant Special Revenue Funds:

Street Construction Maintenance and Repair The street construction maintenance and repair fund accounts for and reports that portion of the State gasoline tax and motor vehicle license registration fees restricted for construction, maintenance, and repair of streets within the Village.

Permissive Motor Vehicle License Tax Fund The permissive motor vehicle license tax fund accounts for and reports permissive taxes restricted for construction, maintenance, and repair of streets within the Village.

Capital Project Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Village had the following significant Capital Project Fund:

Other Capital Projects Fund The other capital projects fund accounts for and reports proceeds from the Village income tax that are restricted for street construction and reconstruction.

Fiduciary Funds Fiduciary funds include private purpose trust funds, investment trust funds, and custodial funds. Trust funds account for assets held under a trust agreement meeting certain criteria.

Village of Walbridge
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Custodial funds are purely custodial in nature and are used to report fiduciary activity that is not required to be reported in a trust fund. The Village's custodial fund accounts for the Village's Mayors Court.

For regulatory purposes, certain own source revenues are permitted to flow through clearing funds presented as custodial funds. The amounts distributed to the other funds of the entity are identified on the combined statement of additions, deductions and changes in fund balances (regulatory cash basis) all fiduciary fund types. Also, for regulatory purposes, certain deposits and clearing funds are permitted to be presented as custodial funds.

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D) permit.

Budgetary Process

The Ohio Revised Code requires that each fund (except certain custodial funds) be budgeted annually.

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 Village Council must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

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

Encumbrances The Ohio Revised Code requires the Village to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2021 budgetary activity appears in Note 3.

Deposits and Investments

The Village's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

Capital Assets

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

Village of Walbridge
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Village must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

Nonspendable The Village classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact. For regulatory purposes nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Village and the nonexpendable portion of the corpus in permanent funds.

Restricted Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

Committed Council can *commit* amounts via formal action (resolution). The Village must adhere to these commitments unless the Council amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

Unassigned Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Village applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

For regulatory purposes, limited disclosure related to fund balance is included in Note 12.

Note 3 – Budgetary Activity

Budgetary activity for the year ending December 31, 2021 follows:

Fund Type	2021 Budgeted vs. Actual Receipts		
	Budgeted Receipts	Actual Receipts	Variance
General	\$1,057,376	\$1,211,266	\$153,890
Special Revenue	443,887	458,294	14,407
Capital Projects	112,777	176,430	63,653
Total	\$1,614,040	\$1,845,990	\$231,950

Village of Walbridge
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2021

2021 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,110,619	\$995,421	\$115,198
Special Revenue	184,016	162,819	21,197
Capital Projects	445,046	232,424	212,622
Total	\$1,739,681	\$1,390,664	\$349,017

Note 4 – Deposits

To improve cash management, cash received by the Village is pooled. Monies for all funds are maintained in this pool. The Ohio Revised Code prescribes allowable deposits and investments. A summary of the Village’s deposit accounts are as follows:

Cash Management Pool:	2021
Demand deposits	\$2,297,971

The Village does not use a separate payroll clearing account. The expenditures included in the accompanying financial statement reflect net payroll plus all remitted payroll withholdings. At December 31, 2021, the Village is holding no unremitted employee payroll withholdings.

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

Note 5 – Taxes

Property Taxes

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

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

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

Village of Walbridge
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Income Taxes

The Village levies a municipal income tax of 1.5 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.

Note 6 – Risk Management

Risk Pool Membership

The Village is a member of the Public Entities Pool of Ohio (The Pool). The Pool assumes the risk of loss up to the limits of the Village's policy. The Pool covers the following risks:

- General liability and casualty
- Public official's liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31:

	<u>2021</u>
Cash and investments	\$ 41,996,850
Actuarial liabilities	\$ 14,974,099

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Some Village employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the Village contributed an amount equaling 14 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2021.

Ohio Police and Fire Retirement System

Some Village full-time Police Officers belong to the Ohio Police and Fire Pension Fund (OP&F). OP&F is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement health care and survivor and disability benefits.

Village of Walbridge
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2021

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25 percent of their wages. The Village contributed to OP&F an amount equal to 19.5 percent of full-time police members' wages. The Village has paid all contributions required through December 31, 2021.

Social Security

Other Village employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The Village contributed an amount equal to 6.2 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2021.

Note 8 – Postemployment Benefits

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2021. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0 percent during calendar year 2021. OP&F contributes 0.5 percent to fund these benefits.

Beginning January 1, 2019, OP&F changed its retiree health care model to a stipend-based health care model. A stipend funded by OP&F was placed in individual Health Reimbursement Accounts that retirees use to be reimbursed for health care expenses.

Note 9 – Debt

Debt outstanding at December 31, 2021, was as follows:

	Principal	Interest Rate
Police Vehicle Loan #87201	\$56,348	2.80%
OPWC Loan CE44U	155,542	0.00%
OPWC Loan CT20V	117,723	0.00%
OPWC Loan CE41W	26,707	0.00%
Total	\$356,320	

Police Vehicle Loan #87201 was for the purchase of two new Ford Explorer police vehicles, including additional equipment. The loan will be paid in annual installments, including interest, of \$19,810 over a period of 5 years beginning in 2020. The vehicles were pledged as collateral for the loan.

In 2018, the Village entered into a loan agreement with the Ohio Public Works Commission (OPWC) for the Clayton Street and Harlan Drive Resurfacing Project. The zero interest loan, totaling \$194,427, was for a period of 15 years, with payments beginning in July 2018. Payments of \$6,481 will be made semi-annually, with final pay-off occurring in 2033.

In 2019, the Village entered into a loan agreement with the Ohio Public Works Commission (OPWC) for the Elm Street Phase I Project. The OPWC approved up to \$131,250 in loans to the Village for this project. The Village made drawdowns on the loan, totaling \$117,723, as of December 31, 2021. The zero interest loan, totaling \$117,723, was for a period of 30 years, with payments beginning in January 2022. Payments of \$1,962 will be made semi-annually, with final pay-off occurring in 2052.

Village of Walbridge
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2021

In 2021, the Village entered into a loan agreement with the Ohio Public Works Commission (OPWC) for the Elm Street Phase II Project. The OPWC approved up to \$47,405 in loans to the Village for this project. The Village made drawdowns on the loan, totaling \$26,707, as of December 31, 2021. The loan has not been closed and a final amortization schedule is unavailable. The loan is not included in the accompanying amortization schedule.

Amortization

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

Year Ending December 31:	Police Vehicle Loan #87201	OPWC CE44U	OPWC CT20V
2022	\$19,810	\$12,962	\$1,962
2023	19,810	12,962	3,924
2024	19,810	12,962	3,924
2025		12,961	3,924
2026		12,962	3,924
2027-2031		64,809	19,620
2032-2036		25,924	19,621
2037-2041			19,620
2042-2046			19,621
2047-2051			19,620
2052			1,963
Total	<u>\$59,430</u>	<u>\$155,542</u>	<u>\$117,723</u>

Note 10 – Contingent Liabilities

Amounts grantor agencies pay to the Village are subject to audit and adjustment by the grantor, principally the federal government. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

Note 11 – Public Entity Risk Pool

The Village participates in the Ohio Municipal League Group Rating Plan (GRP) for worker's compensation. The pool's business and affairs are conducted by a twenty-six member Board of Trustees consisting of fifteen mayors, two council members, three administrators, three finance directors, and three law directors which are voted on by the members for staggered two-year terms. The Executive Director of the Ohio Municipal League serves as the coordinator of the Program. Each year the participants pay an enrollment fee to the program to cover the costs of administering the program.

Note 12 – Fund Balances

Included in fund balance are amounts the Village cannot spend. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control.

Village of Walbridge
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2021

At year end the balances of these amounts were as follows:

Fund Balances	General	Special Revenue	Total
Outstanding Encumbrances	\$4,058	\$11	\$4,069

The fund balance of special revenue funds is either restricted or committed. The fund balance of capital project funds are restricted, committed or assigned. These restricted, committed and assigned amounts in the special revenue funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

Note 13 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio’s state of emergency ended in June, 2021 while the national state of emergency continues. During 2021, the Village received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Village. The impact on the Village’s future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

Village of Walbridge
Wood County
Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2020

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
Cash Receipts				
Property and Other Local Taxes	\$91,420	\$32,912		\$124,332
Municipal Income Tax	731,419		\$80,891	812,310
Intergovernmental	85,380	460,597	218,622	764,599
Special Assessments	4,651	30,612		35,263
Charges for Services	1,000			1,000
Fines, Licenses and Permits	36,242	500	420	37,162
Earnings on Investments	1,304	26		1,330
Miscellaneous	83,553	826		84,379
<i>Total Cash Receipts</i>	<u>1,034,969</u>	<u>525,473</u>	<u>299,933</u>	<u>1,860,375</u>
Cash Disbursements				
Current:				
Security of Persons and Property	527,057	49,132		576,189
Public Health Services	2,175			2,175
Leisure Time Activities	40,623			40,623
Community Environment	909			909
Transportation	4,811	149,711		154,522
General Government	402,825	194,797		597,622
Capital Outlay			265,983	265,983
<i>Total Cash Disbursements</i>	<u>978,400</u>	<u>393,640</u>	<u>265,983</u>	<u>1,638,023</u>
<i>Excess of Receipts Over Disbursements</i>	<u>56,569</u>	<u>131,833</u>	<u>33,950</u>	<u>222,352</u>
Other Financing Receipts (Disbursements)				
Sale of Capital Assets			5,000	5,000
Transfers In	28,527			28,527
Transfers Out		(28,527)		(28,527)
Other Financing Sources			12,284	12,284
<i>Total Other Financing Receipts (Disbursements)</i>	<u>28,527</u>	<u>(28,527)</u>	<u>17,284</u>	<u>17,284</u>
<i>Net Change in Fund Cash Balances</i>	85,096	103,306	51,234	239,636
<i>Fund Cash Balances, January 1</i>	<u>752,616</u>	<u>677,893</u>	<u>168,431</u>	<u>1,598,940</u>
<i>Fund Cash Balances, December 31</i>	<u>\$837,712</u>	<u>\$781,199</u>	<u>\$219,665</u>	<u>\$1,838,576</u>

See accompanying notes to the basic financial statements

Village of Walbridge
Wood County
Combined Statement of Additions, Deductions
and Changes in Fund Balances (Regulatory Cash Basis)
Fiduciary Fund Type
For the Year Ended December 31, 2020

	Custodial
Additions	
Fines, Licenses and Permits for Distribution	\$7,480
Deductions	
Distributions to Other Governments	1,597
Distributions to Other Funds (Primary Gov't)	5,883
<i>Total Deductions</i>	<i>\$7,480</i>
<i>Net Change in Fund Balances</i>	
<i>Fund Cash Balances, January 1</i>	
<i>Fund Cash Balances, December 31</i>	
<i>See accompanying notes to the basic financial statements</i>	

Village of Walbridge
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 1 – Reporting Entity

The Village of Walbridge, Wood County, Ohio (the Village) is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly-elected six-member Council directs the Village. The Village provides street maintenance, repairs and construction, park operations, street lighting, and police services. Fire protection services are provided by the Lake Township Fire Department.

Public Entity Risk Pools

The Village participates in two public entity risk pools. Notes 6 and 11 to the financial statements provides additional information for these entities. The Village's management believes these financial statements present all activities for which the Village is financially accountable.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The Village's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types and a combined statement of additions, deductions and changes in fund balances (regulatory cash basis) for all fiduciary fund types, which are all organized on a fund type basis.

Fund Accounting

The Village uses funds 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. The funds of the Village are presented below:

General Fund The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Village for any purpose provided it is expended or transferred according to the general laws of Ohio.

Special Revenue Funds These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Village had the following significant Special Revenue Funds:

Street Construction Maintenance and Repair The street construction maintenance and repair fund accounts for and reports that portion of the State gasoline tax and motor vehicle license registration fees restricted for construction, maintenance, and repair of streets within the Village.

Permissive Motor Vehicle License Tax Fund The permissive motor vehicle license tax fund accounts for and reports permissive taxes restricted for construction, maintenance, and repair of streets within the Village.

Federal Grant Fund The federal grant fund accounts for and reports federal grant revenues restricted for the purpose of the grant.

Capital Project Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Village had the following significant Capital Project Fund:

Other Capital Projects Fund The other capital projects fund accounts for and reports proceeds from the Village income tax that are restricted for street construction and reconstruction.

Village of Walbridge
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Fiduciary Funds Fiduciary funds include private purpose trust funds, investment trust funds, and custodial funds. Trust funds account for assets held under a trust agreement meeting certain criteria.

Custodial funds are purely custodial in nature and are used to report fiduciary activity that is not required to be reported in a trust fund. The Village's custodial fund accounts for the Village's Mayors Court.

For regulatory purposes, certain own source revenues are permitted to flow through clearing funds presented as custodial funds. The amounts distributed to the other funds of the entity are identified on the combined statement of additions, deductions and changes in fund balances (regulatory cash basis) all fiduciary fund types. Also, for regulatory purposes, certain deposits and clearing funds are permitted to be presented as custodial funds.

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D) permit.

Budgetary Process

The Ohio Revised Code requires that each fund (except certain custodial funds) be budgeted annually.

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 Village Council must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

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

Encumbrances The Ohio Revised Code requires the Village to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2020 budgetary activity appears in Note 3.

Deposits and Investments

The Village's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

Capital Assets

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

Village of Walbridge
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Village must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

Nonspendable The Village classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact. For regulatory purposes nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Village and the nonexpendable portion of the corpus in permanent funds.

Restricted Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

Committed Council can *commit* amounts via formal action (resolution). The Village must adhere to these commitments unless the Council amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

Unassigned Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Village applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

For regulatory purposes, limited disclosure related to fund balance is included in Note 12.

Note 3 – Budgetary Activity

Budgetary activity for the year ending December 31, 2020 follows:

2020 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,067,109	\$1,063,496	(\$3,613)
Special Revenue	493,735	525,473	31,738
Capital Projects	540,262	317,217	(223,045)
Total	\$2,101,106	\$1,906,186	(\$194,920)

Village of Walbridge
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2020

2020 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,138,409	\$981,545	\$156,864
Special Revenue	432,732	422,317	10,415
Capital Projects	482,243	343,613	138,630
Total	\$2,053,384	\$1,747,475	\$305,909

Note 4 – Deposits

To improve cash management, cash received by the Village is pooled. Monies for all funds are maintained in this pool. The Ohio Revised Code prescribes allowable deposits and investments. A summary of the Village’s deposit accounts are as follows:

Cash Management Pool:	2020
Demand deposits	\$1,838,576

The Village does not use a separate payroll clearing account. The expenditures included in the accompanying financial statement reflect net payroll plus all remitted payroll withholdings. At December 31, 2020, the Village is holding no unremitted employee payroll withholdings.

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

Note 5 – Taxes

Property Taxes

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

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

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

Income Taxes

The Village levies a municipal income tax of 1.5 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.

Village of Walbridge
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2020

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.

Note 6 – Risk Management

Risk Pool Membership

The Village is a member of the Public Entities Pool of Ohio (The Pool). The Pool assumes the risk of loss up to the limits of the Village's policy. The Pool covers the following risks:

- General liability and casualty
- Public official's liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31:

	<u>2020</u>
Cash and investments	\$ 40,318,971
Actuarial liabilities	\$ 14,111,510

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Some Village employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the Village contributed an amount equaling 14 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2020.

Ohio Police and Fire Retirement System

Some Village full-time Police Officers belong to the Ohio Police and Fire Pension Fund (OP&F). OP&F is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25 percent of their wages. The Village contributed to OP&F an amount equal to 19.5 percent of full-time police members' wages. The Village has paid all contributions required through December 31, 2020.

Village of Walbridge
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Social Security

Other Village employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The Village contributed an amount equal to 6.2 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2020.

Note 8 – Postemployment Benefits

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2020. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0 percent during calendar year 2020. OP&F contributes 0.5 percent to fund these benefits.

Beginning January 1, 2019, OP&F changed its retiree health care model to a stipend-based health care model. A stipend funded by OP&F was placed in individual Health Reimbursement Accounts that retirees use to be reimbursed for health care expenses.

Note 9 – Debt

Debt outstanding at December 31, 2020, was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Police Vehicle Loan #83568	\$11,351	2.80%
Police Vehicle Loan #84429	11,885	2.80%
Police Vehicle Loan #87201	73,930	2.80%
OPWC Loan CE44U	168,504	0.00%
OPWC Loan CT20V	105,575	0.00%
Police Camera Lease	16,218	4.68%
Total	<u>\$387,463</u>	

Police Vehicle Loan #83568 and #84429, were for the purchase of two new Ford Explorer police vehicles in 2017. The original amounts of the loan were \$27,122, and \$28,935, respectively. Loan #83568 will be repaid in annual installments, including interest, of \$5,896, and Loan #84429 will be repaid in annual installments, including interest, of \$6,204; both loans will be repaid over a period of 5 years beginning in 2018. The vehicles were pledged as collateral for the loans. The leases were paid off early in 2021.

Police Vehicle Loan #87201 was for the purchase of two new Ford Explorer police vehicles, including additional equipment. The loan will be paid in annual installments, including interest, of \$19,810 over a period of 5 years beginning in 2020. The vehicles were pledged as collateral for the loan.

In 2018, the Village entered into a loan agreement with the Ohio Public Works Commission (OPWC) for the Clayton Street and Harlan Drive Resurfacing Project. The zero interest loan, totaling \$194,427, was for a period of 15 years, with payments beginning in July 2018. Payments of \$6,481 will be made semi-annually, with final pay-off occurring in 2033.

Village of Walbridge
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2020

In 2019, the Village entered into a loan agreement with the Ohio Public Works Commission (OPWC) for the Elm Street Phase I Project. The OPWC approved up to \$131,250 in loans to the Village for this project. The Village made drawdowns on the loan, totaling \$105,575, as of December 31, 2020. The project was not completed as of December 31, 2020, therefore, there was no amortization schedule.

Leases

The Village leases camera equipment for the police department under a noncancelable lease. The Village disbursed \$5,920, including interest, to pay lease costs for the year ended December 31, 2020. The leases were paid off early in 2021.

Amortization

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

Year Ending December 31:	Police Cameras Lease/Purchase	Police Vehicle Loan #83568	Police Vehicle Loan #84429	Police Vehicle Loan #87201	OPWC CE44U
2021	\$5,920	\$5,896	\$6,204	\$19,810	\$12,962
2022	5,920	5,896	6,204	19,810	12,962
2023	5,920			19,810	12,962
2024				19,810	12,962
2025					12,961
2026-2030					64,810
2031-2035					38,885
2036-2040					
2041-2045					
2046-2050					
2051-2052					
Total	<u>\$17,760</u>	<u>\$11,792</u>	<u>\$12,408</u>	<u>\$79,240</u>	<u>\$168,504</u>

Note 10 – Contingent Liabilities

Amounts grantor agencies pay to the Village are subject to audit and adjustment by the grantor, principally the federal government. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

Note 11 – Public Entity Risk Pool

The Village participates in the Ohio Municipal League Group Rating Plan (GRP) for worker's compensation. The pool's business and affairs are conducted by a twenty-six member Board of Trustees consisting of fifteen mayors, two council members, three administrators, three finance directors, and three law directors which are voted on by the members for staggered two-year terms. The Executive Director of the Ohio Municipal League serves as the coordinator of the Program. Each year the participants pay an enrollment fee to the program to cover the costs of administering the program.

Note 12 – Fund Balances

Included in fund balance are amounts the Village cannot spend. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control.

Village of Walbridge
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2020

At year end the balances of these amounts were as follows:

Fund Balances	General	Special Revenue	Capital Projects	Total
Outstanding Encumbrances	\$3,145	\$150	\$77,630	\$80,925

The fund balance of special revenue funds is either restricted or committed. The fund balance of capital projects fund are restricted committed or assigned. These restricted, committed and assigned amounts in the special revenue and capital projects funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

Note 13 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio’s state of emergency ended in June, 2021 while the national state of emergency continues. During 2020, the Village received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Village. The impact on the Village’s future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

During 2020, the Village received CARES Act funding. Of the amounts received, \$37,750 was sub-granted to other governments and organizations.

Note 14 – Miscellaneous Revenues

During 2020, the Village received significant General Fund miscellaneous revenues consisting of Bureau of Workers Comp refunds, other refunds, and other various miscellaneous revenues.

Note 15 – Change in Accounting Principle

For 2020, the Village has made changes to its cash basis reporting model. These changes include removing the fund balance classifications from the combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) – all governmental fund types.

OHIO AUDITOR OF STATE KEITH FABER



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

Village of Walbridge
Wood County
705 North Main Street
Walbridge, Ohio 43465

To the Village Council:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the cash balances, receipts, and disbursements for each governmental fund type and the fiduciary fund type as of and for the years ended December 31, 2021 and 2020 and the related notes to the financial statements of the Village of Walbridge, Wood County, Ohio (the Village) and have issued our report thereon dated December 15, 2022, wherein we noted the Village followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit. We also noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the Village.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purposes 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. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings as item 2021-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village's financial statements are free from 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 financial statements. 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio

December 15, 2022

**VILLAGE OF WALBRIDGE
WOOD COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2021 AND 2020**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2021-001

Material Weakness

Financial Reporting

In our audit engagement letter, as required by AU-C Section 210, *Terms of Engagement*, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs .A14 & .A16.

Errors were noted in the accompanying financial statements as follows:

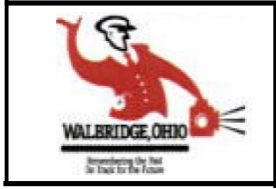
- In 2021 and 2020, the Village incorrectly recorded the locally levied share of permissive motor vehicle license taxes as intergovernmental revenue instead of property and other local taxes within the Special Revenue Funds in the amounts of \$33,852 and \$32,912, respectively.
- In 2021, the Village incorrectly recorded funding from the Ohio Public Works Commission (OPWC) as loans issued instead of intergovernmental revenue in the Capital Projects Funds in the amount of \$41,372. In addition, the Village did not record an on-behalf of payment by OPWC in the amount of \$6,033 as intergovernmental revenue/capital outlay expenditures.
- In 2021, the Village maintained the Mayor's Court off-book instead of running the activity through a Custodial fund in the Village's accounting system. The Mayor's Court activity consisted of fines, licenses and permits for distribution revenues of \$23,437 and distributions to other governments and distributions to other funds expenses of \$6,289 and \$17,148, respectively.
- In 2020, the Village maintained the Mayor's Court off-book instead of running the activity through a Custodial fund in the Village's accounting system. The Mayor's Court activity consisted of fines, licenses and permits for distribution revenues of \$7,480 and distributions to other governments and distributions to other funds expenses of \$1,597 and \$5,883, respectively.

These errors were the result of inadequate policies and procedures in reviewing the financial statements. Failure to complete accurate financial statements could lead to Council making misinformed decisions. The accompanying financial statements have been adjusted to correct these errors. In addition to the adjustments noted above, we also identified additional immaterial misstatements ranging from \$4,741 to \$37,829 that we have brought to the Village's attention.

To help ensure the Village's financial statements and notes to the statements are complete and accurate, the Village should adopt policies and procedures, including a final review of the financial statements and notes to the financial statements by the Fiscal Officer and Council to identify and correct errors and omissions. In addition, the Fiscal Officer should also review the Village Handbook and Uniform Accounting Network (UAN) Manual.

Officials' Response:

We did not receive a response from Officials to this finding.



Village of Walbridge, Ohio, County of Wood

“Remembering the Past, on Track for the Future”

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Mavor

Edward Kolanko

Village Administrator

Mike Adkins

Police Chief

Kenneth Campbell

Fiscal Officer

Patricia Crawford

Council

Karen Baron – President

Sue Hart-Douglas

Larry Boday

Vickie Canales-Pratt

LaDenna Johnson

Ronald Liwo

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS DECEMBER 31, 2021 AND 2020

Finding Number	Finding Summary	Status	Additional Information
2019-001	Finding was first issued in the 2012-2013 audit. Material weakness regarding financial reporting due to errors on the financial statements.	Not corrected and reissued as finding 2021-001 in this report.	Recurrence due to inadequate policies and procedures in reviewing the financial statements. Village Council will perform detailed review of financial information to ensure fund balances and financial activity are properly reported.
2019-002	Material weakness regarding deficiencies in income tax controls.	Fully corrected.	
2019-003	Finding was first issued in the 2016-2017 audit. Noncompliance with Ohio Rev. Code § 5705.41(B) for expenditures in excess of appropriations.	Fully corrected.	
2019-004	Finding was first issued in the 2016-2017 audit. Material weakness and noncompliance with Ohio Rev. Code § 5705.10(F) for proceeds from sale of asset posted to wrong fund.	Partially corrected. Reissued in Management Letter.	Recurrence due to a lack of controls over the posting of financial transactions. Council will implement controls to ensure all transactions are reviewed and properly posted.
2019-005	Material weakness and noncompliance with Ohio Rev. Code § 5705.10(D) for posting of revenues to the wrong fund.	Partially corrected. Reissued in Management Letter.	Recurrence due to a lack of controls over the posting of financial transactions. Council will implement controls to ensure all transactions are reviewed and properly posted.

OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF WALBRIDGE

WOOD COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 12/29/2022

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov