



Mary Taylor, CPA  
Auditor of State



VILLAGE OF WINDHAM  
PORTAGE COUNTY

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Mary Taylor, CPA  
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Village of Windham  
Portage County  
9621 East Center Street  
Windham, Ohio 44288

To the Village Council:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to an interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. Our Report includes an adverse opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

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**Mary Taylor, CPA**  
Auditor of State

November 5, 2008

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# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Village of Windham  
Portage County  
9621 East Center Street  
Windham, Ohio 44288

To the Village Council:

We have audited the accompanying financial statements of the Village of Windham, Portage County, (the Village) as of and for the year ended December 31, 2005. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. The Village processes its financial transactions with the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to audit the Village because the Auditor of State designed, developed, implemented, and as requested, operates UAN. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. We believe our audit provides a reasonable basis for our opinion.

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

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

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the year ended December 31, 2005 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Village as of December 31, 2005, or its changes in financial position or cash flows, where applicable for the year then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Village of Windham, Portage County, as of December 31, 2005, and its combined cash receipts and disbursements for the year then ended on the accounting basis Note 1 describes.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 5, 2008, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.



**Mary Taylor, CPA**  
Auditor of State

November 5, 2008



VILLAGE OF WINDHAM  
PORTAGE COUNTY

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2005**

	<u>Governmental Fund Types</u>		<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Property and Local Taxes	\$82,938	\$10,178	\$93,116
Municipal Income Tax	415,881		415,881
Intergovernmental	137,175	78,179	215,354
Special Assessments	1,059		1,059
Charges for Services	2,586	11,240	13,826
Fines, Licenses and Permits	43,338	1,594	44,932
Earnings on Investments	223	1,919	2,142
Miscellaneous	2,838	17,218	20,056
	<u>686,038</u>	<u>120,328</u>	<u>806,366</u>
<b>Total Cash Receipts</b>			
<b>Cash Disbursements:</b>			
Current:			
Security of Persons and Property	523,911	4,736	528,647
Leisure Time Activities	2,166		2,166
Community Environment	1,355		1,355
Basic Utility Service	20,561		20,561
Transportation	15,805	61,419	77,224
General Government	128,594	13,700	142,294
Debt Service:			
Redemption of Principal	91,733		91,733
Interest and Fiscal Charges	5,458		5,458
Capital Outlay		4,283	4,283
	<u>789,583</u>	<u>84,138</u>	<u>873,721</u>
<b>Total Cash Disbursements</b>			
Total Receipts Over/(Under) Disbursements	<u>(103,545)</u>	<u>36,190</u>	<u>(67,355)</u>
<b>Other Financing Receipts / (Disbursements):</b>			
Other Financing Sources	<u>48,958</u>		<u>48,958</u>
Total Other Financing Receipts / (Disbursements)	<u>48,958</u>	<u>0</u>	<u>48,958</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements			
	(54,587)	36,190	(18,397)
Fund Cash Balances, January 1	<u>(36,874)</u>	<u>174,382</u>	<u>137,508</u>
<b>Fund Cash Balances, December 31</b>	<b><u>(\$91,461)</u></b>	<b><u>\$210,572</u></b>	<b><u>\$119,111</u></b>
Reserve for Encumbrances, December 31	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

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

**VILLAGE OF WINDHAM  
PORTAGE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES - ALL PROPRIETARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2005**

	<b>Proprietary Fund Types</b>
	<b>Enterprise</b>
<b>Operating Cash Receipts:</b>	
Charges for Services	\$853,338
Miscellaneous	100
	853,438
Total Operating Cash Receipts	853,438
<b>Operating Cash Disbursements:</b>	
Personal Services	240,211
Employee Fringe Benefits	76,650
Contractual Services	299,438
Supplies and Materials	93,978
Other	5,313
	715,590
Total Operating Cash Disbursements	715,590
Operating Income/(Loss)	137,848
<b>Non-Operating Cash Receipts:</b>	
Intergovernmental	5,000
Earnings on Investments	638
Miscellaneous Receipts	124
Other Non-Operating Cash Receipts	3,869
	9,631
Total Non-Operating Cash Receipts	9,631
<b>Non-Operating Cash Disbursements:</b>	
Capital Outlay	298
Redemption of Principal	184,844
Interest and Other Fiscal Charges	32,427
	217,569
Total Non-Operating Cash Disbursements	217,569
Excess of Receipts Over/(Under) Disbursements Before Interfund Transfers and Advances	(70,090)
Transfers-In	71,400
Transfers-Out	(71,400)
	(70,090)
Net Receipts Over/(Under) Disbursements	(70,090)
Fund Cash Balances, January 1	301,208
<b>Fund Cash Balances, December 31</b>	<b>\$231,118</b>
Reserve for Encumbrances, December 31	\$0

**VILLAGE OF WINDHAM  
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2005**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of the Village of Windham, Portage County, (the Village) as a body corporate and politic. A publicly-elected six-member Council directs the Village. The Village provides water and sewer utilities, park operations, police services and fire protection services.

**Public Entity Risk Pool:**

The Village belongs to the Ohio Government Risk Management Plan (the "Plan"), an unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program. Note 8 to the financial statements provide additional information about this entity.

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

**B. Accounting Basis**

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Village recognizes receipts when received in cash rather than when earned, and 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 Auditor of State prescribes or permits.

**C. Cash 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.

The Village values savings accounts at cost.

**D. Fund Accounting**

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

**1. General Fund**

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

**VILLAGE OF WINDHAM  
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2005  
(Continued)**

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

**2. Special Revenue Funds**

These funds account for proceeds from specific sources (other than from private-purpose 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.

**3. Enterprise Funds**

These funds account for operations that are similar to private business enterprises, where management intends to recover the significant costs of providing certain goods or services through user charges. The Village had the following significant Enterprise Funds:

Water Operating Fund - This fund receives charges for services from residents to cover water service costs.

Sewer Operating Fund - This fund receives charges for services from residents to cover sewer service costs.

Enterprise Debt Service Reserve Fund - This fund records and maintains record of compliance with a debt covenant with the Mortgage Revenue Bonds listed in Note 6.

**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 Village Council must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Appropriations lapse at year end.

**2. Estimated Resources**

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

**VILLAGE OF WINDHAM  
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2005  
(Continued)**

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

**3. Encumbrances**

The Ohio Revised Code requires the Village to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year. The Village did not encumber all commitments required by Ohio law.

A summary of 2005 budgetary activity appears in Note 3.

**F. Property, Plant, and Equipment**

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

**G. 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.

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

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

	2005
Demand deposits	\$282,160
Savings Accounts	68,069
Total deposits and investments	350,229

**Deposits:** Deposits are insured by the Federal Depository Insurance Corporation; or collateralized by the financial institution's public entity deposit pool. Although the securities were held by the pledging financial institutions' trust department and all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the Village to a successful claim by the FDIC.

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2005 follows:

2005 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$808,666	\$734,996	(\$73,670)
Special Revenue	255,299	120,328	(134,971)
Capital Projects	5,047	0	(5,047)
Enterprise	1,176,493	934,469	(242,024)
Total	\$2,245,505	\$1,789,793	(\$455,712)

**VILLAGE OF WINDHAM  
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2005  
(Continued)**

**3. BUDGETARY ACTIVITY – (Continued)**

2005 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$795,785	\$789,583	\$6,202
Special Revenue	170,694	84,138	86,556
Capital Projects	65,000	0	65,000
Enterprise	1,030,716	1,004,559	26,157
Total	\$2,062,195	\$1,878,280	\$183,915

Contrary to Ohio law, budgetary appropriations exceeded estimated resources in the following funds: Building Rental Inspection (\$2,966); Crime Prevention (\$4,664); Permanent Improvement (\$59,953); and Enterprise Debt Service (\$146,124) for the year ended December 31, 2005. Also contrary to Ohio law, at December 31, 2005, the General Fund (\$91,461), Income Tax Fund (\$102), and Enterprise Debt Service Reserve Fund (\$78,909) had cash deficit balances. In addition, contrary to Ohio Law, Disbursements plus outstanding encumbrances exceeded total appropriations in the following funds: Water Operating Fund (\$60,973); Sewer Operating Fund (\$47,217); and Sewer Debt Service Fund (\$4,500). In addition, contrary to Ohio Law, the Village did not encumber approximately forty-two percent of its expenditures.

**4. PROPERTY TAX**

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

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. LOCAL INCOME TAX**

The Village levies a municipal income tax of one and one-half 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.

**VILLAGE OF WINDHAM  
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2005  
(Continued)**

**6. DEBT**

Debt outstanding at December 31, 2005 was as follows:

	Principal	Interest Rate
Ohio Water Development Authority Loans	\$671,117	2.00%
General Obligation Notes	\$83,333	4.25%
Mortgage Revenue Bonds	761,000	5.75%
Total	\$1,515,450	

The General Obligation Notes were issued in October 2003 to pay for operating expenses of the Village in the amount of \$300,000. The notes are payable over a period of 36 months at \$8,333 per month in principal plus a declining finance charges at 4.25 percent per annum.

The Ohio Water Development Authority (OWDA) loan relates to a water and sewer plant expansion project that was mandated by the Ohio Environmental Protection Agency. The loan is collateralized by water and sewer receipts. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

In 2005, the Village began the East Center Street Sewer Expansion Project in which they will borrow a total amount of \$705,000 from the Ohio Water Development Authority (OWDA). As of December 31, 2005, the Village has received \$5,000. Once the Sewer project is completed the USDA will issue bonds in the amount of \$705,000 to pay the loan in full.

The Mortgage Revenue Bonds are for waterworks system improvements and payable to the USDA. Property and revenue of the utility facilities have been pledged to pay these debts. The Village has agreed to set utility rates sufficient to cover the USDA debt service requirements.

As required by the mortgage revenue bond covenant, the Village has established and funded a debt service reserve fund, included within the enterprise fund as the water debt service reserve fund. The balance in the fund at December 31, 2005 is \$41,952. During 2005, the Village transferred \$20,000 out of the reserve fund to meet current operating expenses. The transfer is allowable by covenant.

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

	OWDA Loan	General Obligation Notes	USDA Mortgage Revenue Bonds
Year ending December 31:			
2006	\$155,536	\$84,957	\$61,758
2007	155,536		61,723
2008	155,536		61,630
2009	155,536		61,480
2010	77,768		62,273
2011 – 2015			309,203
2016 – 2021			309,020
2022 – 2026			309,808
2027 – 2027			123,948
Total	\$699,912	\$84,957	\$1,360,843

**VILLAGE OF WINDHAM  
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2005  
(Continued)**

**7. RETIREMENT SYSTEMS**

The Village's full-time Police Officers belong to the Police and Fire Pension Fund (OP&F). Other employees belong to the Ohio Public Employees Retirement System (OPERS). OP&F and OPERS are cost-sharing, multiple-employer plans. The Ohio Revised Code prescribes these plans' benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2005, OP&F participants contributed 10% of their wages. For 2005, the Village contributed to OP&F an amount equal to 19.5% of full-time police members' wages. For 2005, OPERS members contributed 8.5% of their gross salaries and the Village contributed an amount equaling 13.55% of participants' gross salaries. The Village has paid all contributions required through December 31, 2005.

**8. RISK MANAGEMENT**

**Risk Pool Membership**

The Government belongs to the Ohio Government Risk Management Plan (the "Plan"), an unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to approximately 460 Ohio governments ("Members").

Pursuant to Section 2744.081 of the Ohio Revised Code, the Plan is a separate legal entity. The Plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages, modified for each Member's needs. The Plan pays judgments, settlements and other expenses resulting from covered claims that exceed the Member's deductible.

The Plan issues its own policies and reinsures the Plan with A- VII or better rated carriers, except for the 15% casualty and the 10% property portions the Plan retains. The Plan pays the lesser of 15% or \$37,500 of casualty losses and the lesser of 10% or \$100,000 of property losses. Individual Members are only responsible for their self-retention (deductible) amounts, which vary from member to member.

Settlement amounts did not exceed insurance coverage for the past three fiscal years.

Plan members are responsible to notify the Plan of their intent to renew coverage by their renewal date. If a member chooses not to renew with the Plan, they have no other obligation to the Plan. The former member's covered claims, which occurred during their membership period, remain the responsibility of the Plan.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31:

	<b>2005</b>	<b>2004</b>
Assets	\$8,219,430	\$6,685,522
Liabilities	<u>(2,748,639)</u>	<u>(2,227,808)</u>
Members' Equity	<u>\$5,470,791</u>	<u>\$4,457,714</u>

You can read the complete audited financial statements for The Ohio Government Risk Management Plan at the Plan's website, [www.ohioplan.org](http://www.ohioplan.org).



**VILLAGE OF WINDHAM  
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2005  
(Continued)**

**9. SUBSEQUENT EVENTS**

The Village of Windham filed a lawsuit against the Township of Windham in the Portage County Court of Common Pleas. The case filed by the Village of Windham pertains to the Village Fire Department, an alleged Township Fire District and the Taxing authority of Portage County. At the present time the case is pending and no depositions have been taken and no dispositions have been made. The Village could realize additional revenue for its fire department depending upon the ruling of the Court.

**10. LEGAL COMPLIANCE**

In addition to the noncompliance appearing in Note 3, the Village did not comply with Sections 733.262 & 733.28 of the Ohio Revised Code relating to guidelines the fiscal officers duties.

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# Mary Taylor, CPA

Auditor of State

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

Village of Windham  
Portage County  
9621 East Center Street  
Windham, Ohio 44288

To the Village Council:

We have audited the financial statements of the Village of Windham (the Village) as of and for the year ended December 31, 2005, and have issued our report thereon dated November 5, 2008 wherein we noted the Village followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. We also noted the Village uses the Auditor of State's Uniform Accounting Network (UAN) to process its financial transactions. *Government Auditing Standards* considers this service to impair the Auditor of State's independence to audit the Village. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Village's internal control over financial reporting to determine our auditing procedures to express our opinion on the financial statements and not to opine 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 reportable conditions. 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 management's assertions in the financial statements. Reportable conditions are described in the accompanying schedule of findings as items 2005-002 and 2005-008 through 2005-011.

A material weakness is a reportable 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 caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered material weaknesses. We consider reportable conditions 2005-002 and 2005-008 through 2005-011 listed above to be material weaknesses. In a separate letter to the Village's management dated November 5, 2008, we reported other matters involving internal control over financial reporting which we did not deem reportable conditions.

Voinovich Government Center / 242 Federal Plaza W. / Suite 302 / Youngstown, OH 44503-1293

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### **Compliance and Other Matters**

As part of reasonably assuring whether the Village's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express an opinion. The results of our tests disclosed instances of noncompliance or other matters that we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2005-001 through 2005-007. In a separate letter to the Village's management dated November 5, 2008, we reported other matters related to noncompliance we deemed immaterial.

We intend this report solely for the information and use of the audit committee, management, member of Council. It is not intended for anyone other than these specified parties.

A handwritten signature in cursive script that reads "Mary Taylor".

**Mary Taylor, CPA**  
Auditor of State

November 5, 2008

**VILLAGE OF WINDHAM  
PORTAGE COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2005**

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

**FINDING NUMBER 2005-001**

**Finding for Recovery – Repaid Under Audit - Compensation Overpayments**

Village Ordinance # 1488 sets compensation for the council president at \$120.00 for each meeting attended.

During our review of the Village’s payroll expenditures from January 1, 2005 through December 31, 2005 it was noted that C. James Moore was overpaid a total of one hundred twenty dollars (\$120.00) for the period. The overpayment consisted of an excess of one hundred twenty dollars (\$120.00) in Council President pay.

The council minutes indicate that C. James Moore was overpaid his Council President pay in the following manner during 2005:

Payroll Warrants	Warrant Date	Amount of Gross Pay	Allowable Council President pay per ordinance \$120.00	Council President pay overpayment
13986	01-18-2005	\$375.00	\$360.00	\$15.00
14395	04-08-2005	\$375.00	\$360.00	\$15.00
14805	07-08-2005	\$375.00	\$360.00	\$15.00
15358	10-07-2005	\$435.00	\$360.00	\$75.00
<b>Total Overpayment</b>				<b>\$120.00</b>

Under Ohio law, any public official who either authorizes an illegal expenditure of public funds or supervises the accounts of a public office from which such illegal expenditure is made is strictly liable for the amount of the expenditure. Seward v. National Surety Corp., 120 Ohio St. 47 (1929); 1980 Op. Atty Gen. No. 80-074; Ohio Rev. Code Section 9.39; State, ex. Rel. Village of Linndale v. Masten, 18 Ohio St. 3d 228 (1985). Public officials controlling public funds or property are secondarily liable for the loss incurred should such funds or property be fraudulently obtained by another, converted, misappropriated, lost or stolen. Public officials will be liable if and to the extent that recovery or restitution is not obtained from the persons who unlawfully obtained such funds or property, 1980 OP. Atty Gen. No. 80-074.

In accordance with the foregoing facts and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public monies illegally expended are hereby issued against C. James Moore and Shelley Craine, former fiscal officer, jointly and severally in the amount of one hundred and twenty dollars (\$120.00), and in favor of the Village of Windham’s General Fund, in the amount of one hundred twenty dollars (\$120.00). On October 29, the Village of Windham received payment of one hundred and twenty dollars (\$120.00) from Mr. Moore to correct the overpayment noted above.

**FINDING NUMBER 2005-002**

**Material Noncompliance Citation / Material Weakness**

**Ohio Revised Code Section 733.262**, provides that a village fiscal officer appointed under this section shall perform the duties provided by law for the village clerk and treasurer and any other duties consistent with the nature of the office. **Ohio Revised Code Section 733.28** requires the village clerk keep the books of the village, exhibit accurate statements of all moneys received and expended, of all property owned by the village and income derived there from, and all taxes and assessments.

The Village utilizes the Uniform Accounting System (UAN) provided by the Auditor of State (AOS). Specific account codes maintained within the UAN system that are proscribed by the AOS are required to be used by the Village. These account codes are listed within the UAN Manual also provided by the AOS.

Throughout 2005 and the first three months of 2006 the Village fiscal officer was inconsistent in posting revenue and expenditures to the UAN accounting system. This resulted in three hundred sixteen adjustments to the cash reconciliation during that fifteen month period which affected fifteen of twenty two funds. The net adjustment to the accounting system and audit report was a negative \$253,460.58 and the adjustments ranged from a positive \$78,161.80 to a negative \$155,536.24 to differing funds. The audit adjustments were the result of the following: not posting interest earned, revenue placed in the bank but not posted to UAN, posting the same revenue twice in the UAN, posting revenue to the incorrect funds, and not posting the following expenditures to the accounting system: wire transferred disbursements for utilities, wire transfers for debt, wire transferred retirement system payments, and bank charge backs.

Additionally, the Village fiscal officer made an additional forty-seven incorrect postings ranging from a positive \$75.01 to a negative \$77,787.92 to the UAN System which impacted the fund balances of the various funds maintained by the Village. Those adjustments have been made to the UAN Accounting System and incorporated into the current year's financial statements.

During calendar year 2005, a Council approved transfer for \$20,000 was properly accounted for within the accounting system from the Water Debt Service Reserve Fund to the Water Debt Service Fund. While this transfer took place in the UAN System, the funds were never transferred from the debt service reserve depository account to the primary depository account.

Payroll disbursements posted in the accounting system were actually voided outside the computer but were never voided in the UAN system and were reflected in the UAN Systems payroll module and disbursements ledgers. These payments were never voided in the accounting system and increased the affected employee's FORM W-2's. The Village fiscal office noted the error and had to recreate the FORM W-2's but never voided the checks in the UAN system (See Finding No. 2005-010).

The voided payroll checks (Check Numbers 14042 to 14061) totaling \$9,084.31 have been adjusted from the financial statements and the Village's accounting system.

Not posting and incorrectly posting transactions to the UAN system contributed to the difficulties in the reconciliation of Village accounts and lead to weaknesses in monitoring financial condition of the Village.

We recommend the Village establish control procedures to assure the fiscal officer keep accurate statements of all receipts and disbursements of the Village.

**FINDING NUMBER 2005-003**

**Material Noncompliance Citation**

**Ohio Revised Code § 5705.39** provides that the total appropriations from each fund shall not exceed the total of the estimated revenue available for expenditure therefrom, as certified by the budget commission, or in case of appeal, by the board of tax appeals. No appropriation measure shall become effective until the county auditor files with the appropriating authority a certificate that the total appropriations from each fund, taken together with all other outstanding appropriations, do not exceed such official estimate or amended official estimate. When the appropriation does not exceed such official estimate, the county auditor shall give such certificate forthwith upon receiving from the appropriating authority a certified copy of the appropriation measure. Appropriations shall be made from each fund only for the purposes for which such fund is established.

During calendar 2005, appropriations exceeded estimated resources in the following funds at year end:

Fund Number	Fund	Estimated Resources	Appropriation	Negative Variances
2902	Building Rental Inspection	\$ 24,034	\$ 27,000	\$ 2,966
2905	Crime Prevention	336	5,000	4,664
4202	Permanent Improvement	5,047	65,000	59,953
5721	Enterprise Debt Service	66,394	212,518	146,124

The County Auditor issued a statement which stated that the Village's appropriations exceeded their estimated resources on May 10, 2005.

We recommend Council limit their appropriations based upon their estimated resources. In addition, we recommend Council amend (decrease) their appropriations when it is reasonably certain their estimated resources will decrease.

Implementation of the recommendation may aid Council in preventing their appropriations from exceeding their estimated resources.

**FINDING NUMBER 2005-004**

**Material Noncompliance Citation**

**Disbursements plus Outstanding Encumbrances exceeded Total Appropriations \***

**Ohio Revised Code Section 5705.41(B)**, provides that, no subdivision or taxing unit is to expend money unless it has been appropriated.

The Village had the following funds which had its disbursements, plus outstanding encumbrances exceeding its appropriations during calendar 2005:

Fund Number	Fund	Total Appropriations	Disbursements, plus outstanding Encumbrances	Negative Variances
5101	Water Operating	\$ 316,834	\$ 377,807	\$ 60,973
5201	Sewer Operating	306,650	353,867	47,217
5761	Water Debt Service Reserve	15,500	20,000	4,500

**FINDING NUMBER 2005-004  
(Continued)**

We recommend the Village monitor its expenditures and if the expenditures are nearing its appropriation amounts in any fund that Council revisit its budget and amend or supplement appropriately.

**FINDING NUMBER 2005-005**

**Material Noncompliance Citation – Certification of the Availability of Funds**

**Ohio Rev. Code § 5705.41 (D)**, states no orders or contracts involving the expenditure of money are to be made unless a certificate signed by the fiscal officer is attached. The fiscal officer must certify that the amount required for the order or contract 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 encumbrances.

There are several exceptions to the standard requirement stated above that a fiscal officer's certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The main exceptions are: "then and now" certificates, blanket certificates, and super blanket certificates, which are provided for in sections 5705.41(D) (1) and 5705.41(D)(3), respectively, of the Ohio Revised Code.

1. Then and Now Certificate: If the fiscal officer can certify that both at the time that the contract or order was made "then" at the time that he is completing his certification "now", 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 for the payment of the amount due. 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.

Amounts of less than \$100 for counties, or less than \$3,000 for other political subdivisions, 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

2. Blanket Certificate – Fiscal officers may prepare "blanket" certificates for a certain sum of money not in excess of an amount established by resolution or ordinance adopted by a majority of the members of the legislative authority against any specific line item account over a period not running beyond the end of the current fiscal year. The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.
3. Super Blanket Certificate – The Village may also make expenditures and contracts for any amount from a specific line-item appropriation account in a specified fund upon certification of the fiscal officer for most professional services, fuel, oil, food items, and any other specific recurring reasonably predictable operating expense. This certification is not to extend beyond the current year. More than one super blanket certificate may be outstanding at a particular time for any line item appropriation.



**FINDING NUMBER 2005-005  
 (Continued)**

The Village did not always encumber funds at the time of the commitment. We noted 63 of 150 or 42 percent of expenditures tested were not properly encumbered. Of the 63 expenditures not properly encumbered, the Village provided for a Then and Now Certificate for 10 of those expenditures which exceeded \$3,000. However, in each of the 10 of 63 expenditures the Village created a Then and Now for an amount greater than \$3,000, it failed to get specific permission from Council for a then and now certificate exceeding the \$3,000 limitation. Incurring obligations prior to the fiscal officer's certification could result in the Village spending more than appropriated.

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

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

**FINDING NUMBER 2005-006**

**Material Noncompliance Citation**

**Ohio Revised Code Section 145.47** requires each public employee who is a contributor to the public employees retirement system to contribute a statutory required percentage to the employees' savings fund. In addition, this section states that a penalty of five percent of the total amount due for a particular reporting period shall be added when such report, together with warrant or checks to cover the total amount due from the earnable salary of all amenable employees of such employer, is filed thirty or more days after the last day of such reporting period.

The Village was late for the following report dates and was assessed the following by Ohio Public Employees Retirement System during 2005:

<b>Period End Date</b>	<b>Due Date</b>	<b>Report Received Date</b>	<b>Money Received Date</b>	<b>Member Contributions</b>	<b>Penalty Charge</b>
05-31-2005	06-30-2005	07-25-2005	07-25-2005	\$ 3,464.19	\$ 173.20
06-30-2005	08-01-2005	08-04-2005	08-03-2005	\$ 2,360.76	\$ 118.03
09-30-2005	10-31-2005	11-02-2005	11-02-2005	\$ 2,661.73	\$ 133.08

We recommend the Village pay its retirement contributions in a timely manner.

**FINDING NUMBER 2005-007**

**Material Noncompliance Citation**

**Ohio Revised Code Section 5705.10** states, in part, that money paid into any fund shall be used only for the purpose for which the fund is established. As a result, a negative fund balance indicates that money from one fund was used to cover the expenses of another fund.

On December 31, 2005 the following funds had negative fund balances:

General Fund	(\$ 91,461)
Income Tax Fund	(\$ 102)
Sewer Debt Service Fund	(\$ 78,909)

The Village Fiscal Officer should monitor disbursements to ensure overspending does not occur and to assure monies are being used for the purpose for which the funds were established.

**FINDING NUMBER 2005-008**

**Reportable Condition / Material Weakness – Income Tax Weaknesses**

During our review of the Village's income tax transactions, we noted the following problems and weaknesses:

- Two of seventy income tax returns or remittance being improperly calculated.
- One of seventy remittances did not maintain documentation supporting receipt amounts.
- Two of seventy did not provide for the proper amount of penalties & interest assessed.
- Receipts were not timely posted. On January 14 there was \$47,381 posted as a receipt. On January 31 the fiscal officer reduced this posting by voiding \$11,807 from this same receipt to equal actual receipts for the month.
- As of December 2005 the Village was approximately one year behind in posting income tax receipts to individual taxpayer accounts within the SSI Income Tax Software System. During 2006 the Village was entirely caught up in posting all entries into the SSI Income Tax Software System.
- During 2005 and 2006, the Village did not have any controls in place to assure all residents and businesses subject to taxation are remitting returns.

We recommend the Village review applicable Village ordinances as well as implement effective policies and procedures to ensure all income tax revenue is accurately and timely posted. Also, the Village should implement procedures to ensure all interest and penalties are properly assessed in accordance with all Village ordinances and also to ensure all residents and businesses subject to taxation are remitting returns. In addition, we also recommend the Village send out correspondence to all those taxpayers who were in error from our testing notifying them of any error, especially those whose errors resulted in a credit to their accounts.

Officials Response: As of June 18, 2008 the Income Tax Administrator reviewed each of the errors and contacted the persons affected. She provided the auditor information showing how she contacted them and the resolution of each of the matters above is complete.

## FINDING NUMBER 2005-009

### Reportable Condition / Material Weakness – Cash Disbursement Weaknesses

In our test of the Villages cash disbursement process we noted the following conditions:

- Twenty-six of one-hundred fifty transactions tested had late charges associated with the payment;
- Two of one-hundred fifty transactions were Memo Entries in the accounting system that were paid by check. Further investigation revealed the checks written for these transactions were voided in the accounting system so a Memo Entry had to be made to reflect the expenditure.
- There were seventy-four manual checks written during the period. Of the seventy-four checks written manually, five were hand written. All other checks were typed.
- Thirty-four of one-hundred fifty transactions had no supporting documentation such as invoices. We requested the Village contact the various vendors and request they provide invoices to support the disbursements. After we left the audit for six weeks, on May 9, 2008, in a meeting with the Village, the Village provided thirty of thirty-four invoices. The Village contacted the various vendors to obtain the invoices. Based upon discussions with the fiscal officer four invoices still have no supporting documentation. The following are those which still remain unsupported:
  - a. To Shelley Craine (Former Fiscal Officer) – Check Number 14859 for \$120.00.
  - b. To Shelley Craine (Former Fiscal Officer) – Check Number 15920 for \$93.99.
  - c. To Windham Hardware – Check Number 15565 for \$ 822.98.
  - d. To Windham Hardware – Check Number 15990 for \$ 661.97.
- Cell phone bills were not reconciled to provide evidence of personal versus work usage.
- Invoices were sent to department heads, as opposed to coming in directed to the attention of the fiscal officer. The department heads were not providing invoices in a timely manner causing late fees to compile.
- Eight of sixty-two transactions tested did not have a proper requisition to support the purchase order.
- Twenty of sixty-two transactions did not reflect department heads approving invoices with “OK to Pay” to ensure goods ordered are received

We recommend the Village consider the following:

- The Village should maintain a listing of all unpaid invoices so they have a better understanding of the outstanding commitments at any given time.
- If an issued check is voided outside the accounting system, that check should be voided in the accounting system as well to provide for an easy reconciliation of the transaction.
- Only issue manual checks in emergency situations.
- No check is to be issued by the Village without proper support, such as invoices.
- Reconcile all cell phone bills and determine personal usage so the employees can reimburse the Village. Also, follow IRS Publication 15-BEmployer’s Guide to Fringe Benefits.
- Prior to creation of a purchase order, a preapproved purchase requisition should be provided to the fiscal officer to base the purchase order.
- Inform all vendors’ to direct invoices to the attention of the Village fiscal officer.
- Once the fiscal officer receives the invoice, he should forward the invoice to the proper department head for review and approval prior to creating a check. In performing this function, the fiscal officer ensures the proper person will attest to the validity of the invoices by signing it “OK to Pay” before returning it the fiscal officer for processing.

Implementing and maintaining integrity in the information system may aid in the formulation of better decision making by Council.

## FINDING NUMBER 2005-010

### Reportable Condition / Material Weakness – Payroll Weaknesses

The Village had seventy-one employees during 2005. Fifteen were full time and the remaining fifty-six employees were part time. Of the seventy-one employees there were 6 employees that were underpaid for a total of \$1,214.91 and 13 were overpaid for a total of \$1,340.24 during calendar 2005. A listing of the employees has been provided to management during the post audit.

The errors in payroll included the following:

- Employee folders were not updated to include critical information such as pay rate information or changes in pay rate information. In addition, the folders did not include retirement information such as final payout information. Two employees had entered into agreement to receive back pay but their employee folders did not contain the information for a clear understanding of the allowable payroll.
- The incorrect hourly rate was paid to nine employees. The hourly rates were incorrectly calculated and were off from \$.02 to \$.88 per hour during the period.
- The incorrect overtime rate was paid to eleven employees. The overtime rates were incorrectly calculated and were off from \$.01 to \$3.75 per hour during the period.
- The incorrect amount of longevity was paid to twelve employees. Full time employees do not earn longevity or license fees on the third pay in any month where there are three pays. However, nine full time employees during 2005 received longevity in the third pay in June and December. Also, the years of service were not correctly applied to longevity during the audit period.
- The incorrect amount of license reimbursement was paid to one employee.
- Payroll check numbers 14042 to 14061 for a total of twenty checks for a total of \$9,084.31 were created in the accounting system. Those paper checks were subsequently voided and placed in the voided check folder. However, the checks in the accounting system were never voided hence the payroll disbursements were misstated by the \$9,084.31 during calendar year 2005. Since the checks were not voided in the accounting system each employee who received an additional check in their respective name on January 27, 2005 had FORM W-2's which were misstated in the accounting system. The fiscal officer had to recreate the FORM W-2's outside the accounting system for each of the twenty employees affected. The new FORM W-2's created by the fiscal officer did not include the additional pay on January 27, 2005. The voided payroll checks (Check Numbers 14042 to 14061) totaling \$9,084.31 have been adjusted from the financial statements and the Village's accounting records.
- During 2005, all employees with six months or more working for the police department qualifies for uniform allowance. According to the fiscal officer and records reviewed while performing payroll testing, the payment made to these employees for uniform allowances were paid without requirement to provide receipts. Therefore, the amount paid should have been included in the taxable gross wages of each employee's FORM W-2, but was not.
- Based upon review of the Form W-2's, we noted the fiscal officer made errors in the accounting system which remained part of the accounting system throughout the year (check numbers 14042 to 14061 referred to above). The fiscal officer attempted to recalculate the Form W-2 information but the FORM W-2's do not match the Form 941's remitted to IRS. Comparison of Form W-2 to the Form 941's throughout the year leads us to believe there are mistakes in calculating the Medicare wages as well as, the Federal income tax withheld appears to be incorrect.

**FINDING NUMBER 2005-010  
(Continued)**

We recommend the fiscal officer ensure the following:

- Employee folders are updated to include all pertinent information such as; Name, Hiring authorization (i.e., Resolution), Position and authorized salary rate, Department(s) and fund(s) to which salary will be charged, deduction authorizations, such as deferred compensation programs or charitable contributions, retirement system participation, Federal withholding authorization Form W-4, and State & local income tax withholding authorization.
- The correct hourly rate is input in the payroll module of the accounting system.
- The correct overtime rate multiplier is input in the payroll module of the accounting system.
- The correct amount of longevity is paid to all full time employees.
- The correct amount of license reimbursement is paid to all employees eligible.
- No advance pays or vacation payout are provided to any employee without express approval of Council.
- All checks when voided outside the accounting system are then voided in the accounting system.
- When required, uniform allowance is included in the taxable gross wages of employees.
- We recommend the fiscal officer ensure the amounts remitted on the Form W-2's agree in total to the amounts throughout the year reported on the Form 941 to IRS.
- Review the 2005 W-2's, 941's, Medicare and Federal income tax reporting to determine if there are unpaid obligations or corrected reports that need submitted.

Implementation of the recommendation may aid Council in providing the proper pay to each employee and accurate reporting and payment of deductions and wages.

**FINDING NUMBER 2005-011**

**Reportable Condition / Material Weakness – Enterprise Deposit Fund**

The Village's Enterprise Deposit Fund was established to collect and hold customer deposits when a water service account is opened. These monies are not the property of the Village. The Village simply holds the money in a custodial manner until customers close their water service account. At December 31, 2005, the Enterprise Deposit Fund's fund balance was \$59,596.

However, when reviewing the Village's Utility Billing Deposit Report in their SSI Utility Billing System at December 31, 2005, the amount reflected for customer deposits was \$25,674. Based upon the U/B Deposit Report, the Enterprise Deposit Fund balance is over funded by \$33,922 at December 31, 2005.

The overfunding is a result of the fiscal officer's paying the refunds from the Water and Sewer Operating Funds, respectively, as opposed to paying from the Deposit Fund.

We recommend for Council to make the balances of the Enterprise Deposit Fund and the customer deposits from their SSI Utility Billing System (Utility Billing Deposit Report) equal. The excess balance from the Enterprise Deposit Fund in the amount of \$33,922 may be transferred back to the Water and Sewer Operating funds, respectively. All of this should be done through a formal ordinance with the advice and assistance of the Village's Solicitor.

**FINDING NUMBER 2005-011  
(Continued)**

We also recommend the Village maintain the same manner of accounting as all other funds through the following:

- If a customer has a zero balance owed for water and sewer, the Village should issue the reimbursement from Enterprise Deposit Fund to the customer for the total amount of the deposit,
- If the customer has a balance owed for water and sewer and there will be a remainder in the deposit fund which will need to be reimbursed to the customer then transfer the amount needed to meet the outstanding owed amount to the water or sewer funds, respectively, and then refund the customer from the Enterprise Deposit Fund the remaining balance.
- If the customer has their water service shut off and there is an amount owed that is greater than the deposit amount then transfer the entire deposit amount to the respective water or sewer fund and when the customer pays the remaining balance credit the customer's accounts following the normal procedure for receipting utility billing receipts.

Implementation may aid in more accountability and an accurate fund balance in the Enterprise Deposit Fund.

Officials Response: Except for the Deposit Fund misstatement noted in Finding 2005-011 with the SSI Billing System and the negative fund balances noted in Finding 2005-007 all other material citations and reportable conditions have been addressed through the end of 2006 or during 2007. The Enterprise Deposit Fund was corrected during calendar 2008.

**VILLAGE OF WINDHAM  
PORTAGE COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2005**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b>Explain</b>
2004-001	Finding for Recovery overpayment of wages	Yes	Entered into agreement to have removed from pay on an ongoing basis.
2004-002	Finding for Recovery overpayment of wages	Yes	
2004-003	Finding for Recovery overpayment of wages	Yes	
2004-004	Revised Code Section 149.351 destruction of Records	Yes	
2004-005	Revised Code Sections 733.262 and 733.28 village clerk to keep the books of the village, exhibit accurate statements of all monies received and expended.	No	Repeated Finding 2005-001
2004-006	Revised Code Sections 733.13, 5705.38, 5705.39, 5705.41 (B), 5705.41 (D)	No	Repeated in Findings 2005-002, 2005-003, and 2005-004
2004-007	Revised Code Section 5705.10 negative fund cash balances	No	Repeated Finding 2005-006
2004-008	Revised Code Sections 735.721 and 735.272 and 735.273 Village Administrator performance of duties	Yes	
2004-009	Income Tax Weaknesses	No	Repeated Finding 2005-008







**Mary Taylor, CPA**  
Auditor of State

**VILLAGE OF WINDHAM**

**PORTAGE 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 25, 2008**