



Dave Yost • Auditor of State

VILLAGE OF MIDDLE POINT
VAN WERT COUNTY

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Dave Yost • Auditor of State

Village of Middle Point
Van Wert County
P.O. Box 191
103 N. Adams St.
Middle Point, Ohio 45863

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.

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

Dave Yost
Auditor of State

November 28, 2011

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Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Village of Middle Point
Van Wert County
P.O. Box 191
103 N. Adams St.
Middle Point, Ohio 45863

To the Village Council:

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

Except as noted below in paragraph 6, 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(A) mandates 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 years ended December 31, 2010 and 2009 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Village as of December 31, 2010 and 2009, or its changes in financial position or cash flows, where applicable for the years then ended.

We were unable to obtain sufficient evidential matter supporting the amounts recorded in the General Fund as Municipal Income Tax receipts and Enterprise Fund Type Charges for Services in 2009. Municipal Income Tax Receipts in the amount of \$46,485 represent 38 percent of the General Fund receipts. Charges for Services receipts in the amount of \$197,016 represent 100 percent of the Enterprise Fund Type receipts. Also we were unable to obtain sufficient evidential matter to support the January 1, 2009 fund balances for the General Fund and Enterprise Fund Type, in the amount of \$63,657 and \$68,836, respectively

Also, in our opinion, except for the effects of such adjustment, if any, as might have been determined to be necessary had we been able to examine General Fund Municipal Income Tax receipts and Enterprise Fund Charges for Services receipts in 2009 and the January 1, 2009 fund balances for the General Fund and Enterprise Fund Type, 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 Middle Point, Van Wert County, as of December 31, 2010 and 2009, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 28, 2011, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.



Dave Yost
Auditor of State

November 28, 2011

**VILLAGE OF MIDDLE POINT
VAN WERT COUNTY**

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

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Property and Local Taxes	\$15,623	\$18,064	\$33,687
Municipal Income Tax	63,830		63,830
Intergovernmental	31,834	144,293	176,127
Charges for Services	4,850	89,295	94,145
Fines, Licenses and Permits	2,718		2,718
Earnings on Investments	25		25
Miscellaneous	36,731	1,349	38,080
Total Cash Receipts	<u>155,611</u>	<u>253,001</u>	<u>408,612</u>
Cash Disbursements:			
Current:			
Security of Persons and Property	8,286	219,431	227,717
Public Health Services	3,674		3,674
Community Environment	5,634		5,634
Transportation		35,591	35,591
General Government	104,240	387	104,627
Debt Service:			
Redemption of Principal	81,213		81,213
Interest and Fiscal Charges	5,993		5,993
Total Cash Disbursements	<u>209,040</u>	<u>255,409</u>	<u>464,449</u>
Total Receipts (Under) Disbursements	<u>(53,429)</u>	<u>(2,408)</u>	<u>(55,837)</u>
Other Financing Receipts / (Disbursements):			
Sale of Fixed Assets	104,969		104,969
Transfers-Out	(4,100)		(4,100)
Advances-Out	(19,500)		(19,500)
Total Other Financing Receipts / (Disbursements)	<u>81,369</u>		<u>81,369</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	27,940	(2,408)	25,532
Fund Cash Balances, January 1	<u>43,189</u>	<u>99,310</u>	<u>142,499</u>
Fund Cash Balances, December 31	<u>\$71,129</u>	<u>\$96,902</u>	<u>\$168,031</u>
Reserve for Encumbrances, December 31	<u>\$3,858</u>	<u>\$3,767</u>	<u>\$7,625</u>

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

**VILLAGE OF MIDDLE POINT
VAN WERT COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - ENTERPRISE FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2010**

Operating Cash Receipts:	
Charges for Services	<u>\$223,335</u>
Operating Cash Disbursements:	
Personal Services	33,617
Employee Fringe Benefits	8,670
Contractual Services	52,855
Supplies and Materials	<u>28,961</u>
Total Operating Cash Disbursements	<u>124,103</u>
Operating Income	<u>99,232</u>
Non-Operating Cash Receipts:	
Sale of Fixed Assets	2,995
Miscellaneous Receipts	<u>89</u>
Total Non-Operating Cash Receipts	<u>3,084</u>
Non-Operating Cash Disbursements:	
Capital Outlay	11,653
Redemption of Principal	59,463
Interest and Other Fiscal Charges	9,920
Other Non-Operating Cash Disbursements	<u>225</u>
Total Non-Operating Cash Disbursements	<u>81,261</u>
Excess of Receipts Over Disbursements Before Interfund Transfers and Advances	21,055
Transfers-In	90,808
Transfers-Out	(86,708)
Advances-In	<u>19,500</u>
Net Receipts Over Disbursements	44,655
Fund Cash Balances, January 1	<u>43,462</u>
Fund Cash Balances, December 31	<u><u>\$88,117</u></u>
Reserve for Encumbrances, December 31	<u><u>\$6,099</u></u>

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

**VILLAGE OF MIDDLE POINT
VAN WERT COUNTY**

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

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Property and Local Taxes	\$14,466	\$15,830	\$30,296
Municipal Income Tax	46,485		46,485
Intergovernmental	36,666	35,727	72,393
Charges for Services	5,800	96,627	102,427
Fines, Licenses and Permits	2,722		2,722
Earnings on Investments	218	17	235
Miscellaneous	13,201	4,485	17,686
Total Cash Receipts	<u>119,558</u>	<u>152,686</u>	<u>272,244</u>
Cash Disbursements:			
Current:			
Security of Persons and Property	7,192	90,104	97,296
Public Health Services	4,172		4,172
Community Environment	8,027		8,027
Transportation		53,062	53,062
General Government	112,648	359	113,007
Debt Service:			
Redemption of Principal	1,867	29,445	31,312
Interest and Fiscal Charges	6,120	1,220	7,340
Total Cash Disbursements	<u>140,026</u>	<u>174,190</u>	<u>314,216</u>
Total Receipts(Under) Disbursements	<u>(20,468)</u>	<u>(21,504)</u>	<u>(41,972)</u>
Other Financing Receipts:			
Sale of Fixed Assets		2,948	2,948
Excess of Cash Receipts and Other Financing Receipts (Under) Cash Disbursements	(20,468)	(18,556)	(39,024)
Fund Cash Balances, January 1	<u>63,657</u>	<u>117,866</u>	<u>181,523</u>
Fund Cash Balances, December 31	<u>\$43,189</u>	<u>\$99,310</u>	<u>\$142,499</u>
Reserve for Encumbrances, December 31	<u>\$8,877</u>	<u>\$2,859</u>	<u>\$11,736</u>

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

**VILLAGE OF MIDDLE POINT
VAN WERT COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - ENTERPRISE FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2009**

Operating Cash Receipts:	
Charges for Services	<u>\$197,016</u>
Operating Cash Disbursements:	
Personal Services	27,257
Employee Fringe Benefits	19,981
Contractual Services	53,458
Supplies and Materials	<u>42,369</u>
Total Operating Cash Disbursements	<u>143,065</u>
Operating Income	<u>53,951</u>
Non-Operating Cash Disbursements:	
Capital Outlay	9,148
Redemption of Principal	58,712
Interest and Other Fiscal Charges	11,390
Other Non-Operating Cash Disbursements	<u>75</u>
Total Non-Operating Cash Disbursements	<u>79,325</u>
Fund Cash Balances, January 1	<u>68,836</u>
Fund Cash Balances, December 31	<u><u>\$43,462</u></u>
Reserve for Encumbrances, December 31	<u><u>\$5,787</u></u>

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

**VILLAGE OF MIDDLE POINT
VAN WERT COUNTY**

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

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 Middle Point, Van Wert County, (the Village) as a body corporate and politic. A publicly-elected six-member Council directs the Village. The Village provides general government services, streets, water and sewer utilities, and fire protection services.

The Village appropriates Fire Fund money to support a volunteer fire department.

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. 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.

D. Fund Accounting

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

1. General Fund

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

2. Special Revenue Funds

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

Fire Fund – This fund receives property tax receipts, revenue from contracts with other municipalities for which the Village provides fire protection services, and charges for services from EMS runs.

**VILLAGE OF MIDDLE POINT
VAN WERT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Sewer Debt Fund - This fund received loan proceeds from the Ohio Water Development Authority to finance a utility plant expansion. A utility surcharge recorded in this fund will repay the loan.

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. Unencumbered appropriations lapse at year end.

2. 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 also approve estimated resources.

3. 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 re-appropriated. The Village did not encumber all commitments required by Ohio law. Management has included audit adjustments in the accompanying budgetary presentations for material items that should have been encumbered.

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

F. Property, Plant, and Equipment

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

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.

**VILLAGE OF MIDDLE POINT
VAN WERT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009
(Continued)**

2. EQUITY IN POOLED DEPOSITS

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

	2010	2009
Demand deposits	\$256,148	\$185,961

Deposits: Deposits are insured by the Federal Depository Insurance Corporation or collateralized by the financial institution's public entity deposit pool.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2010 and 2009 follows:

2010 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$300,987	\$260,580	(\$40,407)
Special Revenue	222,794	253,001	30,207
Enterprise	323,005	317,227	(5,778)
Total	\$846,786	\$830,808	(\$15,978)

2010 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$221,400	\$216,998	\$ 4,402
Special Revenue	259,937	259,176	761
Enterprise	316,002	298,171	17,831
Total	\$797,339	\$774,345	\$22,994

2009 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$131,525	\$119,558	(\$11,967)
Special Revenue	103,794	155,634	51,840
Enterprise	192,123	197,016	4,893
Total	\$427,442	\$472,208	\$44,766

2009 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$193,327	\$148,903	\$ 44,424
Special Revenue	236,187	177,049	59,138
Enterprise	249,267	228,177	21,090
Total	\$678,781	\$554,129	\$124,652

The Village did not encumber all required commitments as required by Ohio Rev. Code 5705.41(D). Also, various receipts were not recorded in the correct funds as required by Ohio Rev. Code 5705.10(D) and 5705.10(F). Some expenditures were charged to the wrong fund which violated Ohio Rev. Code Section 5705.10(H).

**VILLAGE OF MIDDLE POINT
VAN WERT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009
(Continued)**

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.

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 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.

6. DEBT

Debt outstanding at December 31, 2010 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Ohio Water Development Authority Loan (#2803)	\$349,464	2%
Ohio Water Development Authority Loan (#4604)	85,000	2%
Ohio Public Works Commission	13,600	0%
Mortgage - Community Building	4,407	7%
Total	<u>\$452,471</u>	

The Ohio Water Development Authority (OWDA) loan #2803 relates to a water and sewer plant expansion project the Ohio Environmental Protection Agency mandated. The Village will repay the loans in semiannual installments of \$31,193, including interest, over 25 years. The loan is collateralized by the water and sewer receipts. The village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Ohio Water Development Authority (OWDA) loan # 4604 relates to the water tower replacement project. The loan will be repaid in semiannual installments over 20 years. The loan is collateralized by water and sewer receipts. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements. The Village has been approved to borrow \$101,747, however, as of December 31, 2010, only \$96,891 has been disbursed.

The Ohio Public Works Commission (OPWC) loan relates to the water tower replacement project. The interest free loan will be repaid in semiannual installments of \$400 over a 20 year period. The loan is collateralized by water and sewer receipts. The Village has agreed to set utility rates sufficient to cover OPWC debt service requirements.

**VILLAGE OF MIDDLE POINT
VAN WERT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009
(Continued)**

6. DEBT (Continued)

The mortgage loan relates to the purchase of a community building. The loan was issued in the Village's name during 1999, however, the community building committee made the required payments through May, 2001. The Village reissued the debt with the first annual payment due during the year 2002 and the final payment during the year 2014, which includes a balloon payment. The Village made additional principal payments in 2010 for a total of \$81,213 in order to retire the debt early.

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

Year ending December 31:	OWDA Loan #2803	OWDA Loan #4604	OPWC Loan	Mortgage
2011	\$ 62,386	\$ 5,923	\$ 800	\$7,987
2012	62,386	5,923	800	
2013	62,386	5,923	800	
2014	62,386	5,923	800	
2015	62,386	5,923	800	
2016-2020	62,386	29,614	4,000	
2021-2025		29,614	4,000	
2026-2028		11,844	1,600	
Total	<u>\$374,316</u>	<u>\$100,687</u>	<u>\$13,600</u>	<u>\$7,987</u>

7. RETIREMENT SYSTEMS

The Village's 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 healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2010 and 2009, OPERS members contributed 10%, respectively, of their gross salaries and the Village contributed an amount equaling 14%, respectively, of participants' gross salaries. The Village has paid all contributions required through December 31, 2010.

8. RISK MANAGEMENT

Prior to 2009, the Government belonged to the Ohio Government Risk Management Plan (the "Plan"), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments ("Members"). The Plan was legally separate from its member governments.

On January 1, 2009, through an internal reorganization, the Plan created three separate non-profit corporations including:

- Ohio Plan Risk Management, Inc. (OPRM) - formerly known as the Ohio Risk Management Plan;
- Ohio Plan Healthcare Consortium, Inc. (OPHC) - formerly known as the Ohio Healthcare Consortium; and
- Ohio Plan, Inc. - mirrors the oversight function previously performed by the Board of Directors. The Board of Trustees consists of eleven (11) members that include appointed and elected officials from member organizations.

**VILLAGE OF MIDDLE POINT
VAN WERT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009
(Continued)**

8. RISK MANAGEMENT (Continued)

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio. These coverage programs, referred to as Ohio Plan Risk management (“OPRM”), are developed specific to each member’s risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member’s exposure to loss, except OPRM retains 40% (17.5% through October 31, 2010 and 15% through October 31, 2009) of the premium and losses on the first \$250,000 casualty treaty and 10% of the first \$1,000,000 property treaty. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. OPRM had 761 and 725 members as of December 31, 2010 and 2009 respectively. The Village participates in this coverage.

The Plan formed the Ohio Plan Healthcare Consortium (“OPHC”), as authorized by Section 9.833 of the Ohio Revised Code. The OPHC was established to provide cost effective employee benefit programs for Ohio political sub-divisions and is a self-funded, group purchasing consortium that offers medical, dental, vision and prescription drug coverage as well as life insurance for its members. The OPHC is sold through seventeen appointed independent agents in the State of Ohio. Coverage programs are developed specific to each member’s healthcare needs and the related premiums for coverage are determined through the application of uniform underwriting criteria. Variable plan options are available to members. These plans vary primarily by deductibles, coinsurance levels, office visit co-pays and out-of pocket maximums. OPHC had 65 and 60 members as of December 31, 2010 and 2009 respectively. The Village participates in this coverage.

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 financial obligation to the Plan, but still need to promptly notify the Plan of any potential claims occurring during their membership period. The former member’s covered claims, which occurred during their membership period, remain the responsibility of the Plan.

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

The Pool’s audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31: 2010 and 2009, and include amounts for both OPRM and OPHC:

	2010		2009	
	OPRM	OPHC	OPRM	OPHC
Assets	\$12,036,541	\$1,355,131	\$11,176,186	\$1,358,802
Liabilities	(4,845,056)	(1,055,096)	(4,852,485)	(1,253,617)
Members’ Equity	\$ 7,191,485	\$ 300,035	\$ 6,323,701	\$ 105,185

You can read the complete audited financial statements for OPRM and OPHC at the Plan’s website, www.ohioplan.org.



Dave Yost • 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 Middle Point
Van Wert County
P.O. Box 191
103 N. Adams St.
Middle Point, Ohio 45863

To the Village Council:

We have audited the financial statements of the Village of Middle Point (the Village) as of and for the years ended December 31, 2010 and 2009, and have issued our report thereon dated November 3, 2011 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 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(A) mandates the Auditor of State to audit Ohio governments. We qualified our report on General Fund Income Tax receipts for the year ended December 31, 2009 because the income tax returns, receipts, and income tax software records were not available for us to audit. We also qualified our report on the Municipal Income Tax Receipts in the General Fund, Charges for Services in the Enterprise Fund Type for 2009 or the January 1, 2009 fund balances for the General Fund and Enterprise Fund Type because we were not able to obtain sufficient evidential matter. Except as discussed in the preceding sentence, we conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. Therefore, we cannot assure that we have identified all deficiencies, significant deficiencies or material weaknesses. However, as described in the accompanying schedule of findings we identified certain deficiencies in internal control over financial reporting, that we consider material weaknesses.

**Internal Control Over Financial Reporting
(Continued)**

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and timely corrected. We consider findings 2010-01 through 2010-04 described in the accompanying schedule of findings to be material weaknesses.

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 an instance of noncompliance or other matters we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as items 2010-02 through 2010-07.

We also noted certain matters not requiring inclusion in this report that we reported to the Village's management in a separate letter dated November 28, 2011.

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

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



Dave Yost
Auditor of State

November 28, 2011

**VILLAGE OF MIDDLE POINT
VAN WERT COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2010 AND 2009**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2010-01

Material Weakness

Accuracy of Financial Reporting

The Village should have procedures in place to help assure the proper recording of financial activity in the accounting records and annual financial statements. The following recording errors were identified in the Village's accounting records and/or annual reports:

2010

- The proceeds from the sale of farm land recorded in the General Fund, in the amount of \$104,969, was recorded as Miscellaneous Revenue instead of Sale of Assets;
- A debt payment for \$400 was recorded as Capital Outlay instead of Redemption of Principal in the Water Operating Fund;
- Interest expense in the amount of \$9,920 was recorded as Redemption of Principal instead of Interest and Fiscal Charges in the Water Operating Fund;
- Transfers in approved by Council to the Sewer Debt Retirement Fund for \$9,061, the Sewer Fund for \$2,000, Utility Deposit Fund for \$78,648, Equipment Replacement Fund for \$8,060 and the Sewer Fund for \$2,000 were recorded as Advances In;
- Transfers out from the General Fund for \$2,000, from the Utility Deposit Fund for \$9,061, from the Sewer Fund for \$77,646, and Utility Deposit Fund for \$9,061 were recorded as Advances Out.
- The January 1 fund balances were understated for the for the Fire Fund, Sewer Fund, Sewer Debt Retirement Fund and the Utilities Deposit Fund by \$1,322, \$2,158, \$199, and \$100, respectively. The fund balances were overstated for the General Fund and Water Fund by \$1,321 and \$2,457, respectively.
- The budgeted receipts in the budgetary note disclosure for the General and Enterprise Funds were understated by \$100,868 and \$2,000, respectively. Appropriations for the General, Special Revenue and Enterprise Funds were understated by \$8,822, \$4,425, and \$108,172, respectively.

2009

- Interest expense in the amount of \$11,390 was reported as Redemption of Principal instead of Interest and Fiscal Charges in the Sewer Debt Retirement Fund.
- The December 31, fund balances on the financial statements did not foot and beginning balances were not correct. To reconcile the bank to book statements the beginning General Fund balance was increased by \$2,712 and the Water Fund by \$436. The beginning fund balances for the Street Fund, Fire Fund and Motor Vehicle License Fund were decreased by \$5,550, \$1,303 and \$128, respectively;
- A principal payment for \$27,246 and an interest payment of \$1,142 were recorded as Security of Persons and Property in Fire Fund instead of being allocated to Redemption of Principal and Interest and Fiscal Charges.
- Charges for Services in the Fire Fund in the amount of \$2,106 were recorded in the accounting records but not the financial statements;
- A principal payment of \$2,199 and an interest payment of \$78 were recorded as Security of Persons and Property instead of being allocated to Redemption of Principal and Interest & Fiscal Charges;
- Appropriations in the budgetary note disclosure were understated by \$53,301, \$10,801, and \$26,952 for the General Special Revenue, and Enterprise Funds, respectively.

**FINDING NUMBER 2010-01
(Continued)**

The failure to accurately record transactions and prepare note disclosures may not only impact a users' understanding of the financial operations, it may also inhibit the Village Council and management's ability to make sound financial decisions, may impact the Village's ability to comply with budgetary laws, and may result in the material misstatement of the financial statements. The accounting records and accompanying financial statements and notes, and where applicable the accounting records have been adjusted to correct the errors identified above.

The Village Fiscal Officer should utilize the Ohio Village Manual and Auditor of State Audit Bulletins, to help reduce the risk of reporting errors in the accounting records, financial statements, and notes. Additionally, the Village's Fiscal Officer and Council and/or audit committee should also perform a periodic review of the accounting records and financial reports to help identify financial recording errors.

OFFICIALS' RESPONSE:

The Village has or will take steps to correct all issues stated above. The village has hired new people to replace the prior fiscal officers. The new fiscal officer has UAN and government accounting experience that should help to reduce some errors. The Council is receiving better reporting at each monthly meeting to review and help identify and correct any recording errors.

FINDING NUMBER 2010-02

Material Weakness / Noncompliance Citation

Accountability Over Utility and Income Tax Receipts

Ohio Rev. Code 149.351(A) states, in pertinent part, that all records are the property of the public office concerned and shall not be removed, destroyed, mutilated, transferred, or otherwise damaged or disposed of, in whole or in part, except as provided by law or under the rules adopted by the records commissions provided for under Sections 149.38 to 149.42 of the Revised Code.

In addition to the statutory requirement, the Village should maintain records to support the occurrence, completeness, and accuracy of recorded receipts. A former clerk-treasurer maintained income tax records on a database for nine months during 2009. The database was password protected and only the former clerk-treasurer had privileges to the password. Attempts to contact the former clerk-treasurer were unsuccessful and other Village Officials could not access the records. The Village did not maintain deposit summaries, financial journals, billing registers, meter reading worksheets and some payment stubs for the 2009 utility receipts. As a result we were unable to obtain sufficient evidential matter to support the amounts recorded as Municipal Income Tax Receipts in the General Fund and Charges for Services in the Enterprise Fund Type Charges for Services in 2009.

The failure to maintain records that support the income tax and utility receipts increases the risk of errors and/or irregularities not being detected in a timely manner. Also the lack of these records prevented the Village from having sufficient evidential matter to support the amount reported as Municipal Income Tax Receipts in the General Fund and Charges for Services in the Enterprise Fund Type and.

The Village contracted with a third party administrator in 2010 to process income tax returns, thus taking appropriate steps to help correct the deficient system from 2009. However, the Village Council and Fiscal Officer should obtain the annual Statement on Standards for Attestation Engagements (SSAEs) report from this service organization. If there are complementary user entity controls (CUECs) within the SSAE report, the Village Council and Fiscal Officer should review the CUECs and implement appropriate reviews and controls to address the CUECs. Throughout the year the Village Council and Fiscal Officer should review financial reports provided by the service organization to help assure all eligible tax payers file returns and remit taxes.

**FINDING NUMBER 2010-02
 (Continued)**

The Village should implement procedures and controls to help assure all deposit summaries, financial journals, billing registers, meter reading worksheets and payment stubs are maintained for utility receipts. In addition, reconciliations should be performed between the utility system and the accounting system. These reconciliations should be reviewed by Council and/or audit committee and maintained as part of the utility records. Errors and/or unsupported reconciling items on these reconciliations should be investigated and resolved in a timely manner to help prevent errors and/or irregularities.

OFFICIALS' RESPONSE:

The fiscal officer will contact RITA, the village's third party income tax return administrator to request the reports mentioned above. Also, the fiscal officer will work with the new office manager who administers the water and sewer billing to implement procedures to reconcile the billing system with the accounting system.

FINDING NUMBER 2010-03

Material Weakness / Noncompliance Citation

Ohio Rev. Code Section 5705.10(D), requires that all revenue derived from a source other than the general property tax and which the law prescribes shall be used for a particular purpose is to be paid into a special fund for such purpose. **Ohio Rev. Code Section 5705.10(F)** requires proceeds from the sale of property other than a permanent improvement to be paid into the fund from which such property was acquired or is maintained, or if there is no such fund, into the general fund. **Ohio Rev. Code Section 5705.10(H)** requires money paid into any fund shall be used only for the purposes for which such fund is established.

During 2010, the Village recorded \$2,995 from the sale of a sewer jetter originally purchased from the Sewer Fund as Miscellaneous Revenue in the General Fund, instead of Sale of Fixed Assets in the Sewer Fund. The Village recorded \$1,312 in Homestead and Rollback revenue as Miscellaneous Revenue in the General Fund, instead of Intergovernmental Revenue for the Fire Fund. The Village recorded \$651 in State Highway Distribution revenues as Intergovernmental Revenue in the General Fund, instead of the Street Fund.

During 2009, the Village recorded \$2,633 in Homestead and Rollback revenues as Intergovernmental Revenue in the General Fund, instead of the Fire Fund. The Village recorded \$2,948 from the sale of an ambulance originally purchased from the Fire Fund as Sale of Fixed Assets in the General Fund, instead of in the Fire Fund.

In 2010, a salt spreader for the dump truck, in the amount of \$1,608, was recorded as a disbursement in the Sewer Fund instead of the Street Fund. Also in 2010 installation costs in the amount of \$2,578, for a fence around a Diesel Tank used by the Street Fund, was paid from the Fire Fund.

The Village has made the necessary adjustments to increase/decrease fund balances to properly reflect these amounts in the funds. The required adjustments had the following net effect upon the respective funds:

<u>2010</u>	<u>Fund</u>	<u>Amount</u>	<u>2009</u>	<u>Fund</u>	<u>Amount</u>
	General Fund	(\$4,958)		General Fund	(\$5,581)
	Sewer Fund	\$4,603		Fire Fund	\$5,581
	Fire Fund	\$4,070			
	Street Fund	(\$3,535)			

**FINDING NUMBER 2010-03
(Continued)**

The Village Fiscal Officer should utilize resources such as Chapter 1 of the Ohio Compliance Supplement and the Village Handbook to provide guidance on the recording of revenues. In addition, the Council and/or audit committee should implement review and monitoring procedures to help assure that revenues are recorded in the correct fund.

OFFICIALS' RESPONSE:

The Village has or will take steps to correct all issues stated above. The village has hired new people to replace the prior fiscal officers. The new fiscal officer has UAN and government accounting experience that should help to reduce some errors. The Council is receiving better reporting at each monthly meeting to review and help identify and correct any recording errors.

FINDING NUMBER 2010-04

Material Weakness / Noncompliance Citation

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

There are several exceptions to the standard requirement stated above that a fiscal officer's certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The main exceptions are: "then and now" certificates, blanket certificates, and super blanket certificates, which are provided for in sections 5705.41(D)(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"), and at the time that the fiscal officer is completing the certification ("now"), that sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the subdivision or taxing entity has thirty days from the receipt of the "then and now" certificate to approve payment by ordinance or resolution.

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

2. **Blanket Certificate** – Fiscal officers may prepare "blanket" certificates for an amount established by resolution or ordinance adopted by the legislative authority against any specific line item account and not running beyond the current 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 subdivision or taxing entity may also make expenditures and contracts for any amount from a specific line-item appropriation account in a specified fund upon certification of the fiscal officer for most professional services, fuel, oil, food items, and any other specific recurring and reasonably predictable operating expense. This certification is not to extend beyond the current year. More than one super blanket certificate may be outstanding at a particular time for any one line item appropriation.

**FINDING NUMBER 2010-04
 (Continued)**

The Village did not properly certify the availability of funds for thirty-four of the sixty-two of the transactions tested (54.84%) and there was no evidence that the Village followed the aforementioned exceptions. Failure to properly certify the availability of funds can result in overspending funds and negative cash fund balances. 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.

In addition, the failure to properly certify expenditures resulted in unrecorded encumbrances for the following fund types at December 31:

<u>Year</u>	<u>Fund Type</u>	<u>Amount</u>	<u>Fund Type</u>	<u>Amount</u>	<u>Fund Type</u>	<u>Amount</u>
2010	General	\$2,419	Special Revenue	\$2,056	Enterprise	\$5,240
2009	General	\$8,877	Special Revenue	\$2,859	Enterprise	\$5,787

The accompanying financial statements have been adjusted to present these encumbrances.

To improve controls over disbursements; to help reduce the possibility of the Village's funds exceeding budgetary spending limitations; and to reduce the risk of financial statement reporting errors; the Village's Fiscal Officer should certify that the funds are or will be available prior to the obligation of the Village. When prior certification is not possible, "then and now" certification should be used.

OFFICIALS' RESPONSE:

The Village has or will take steps to correct all issues stated above. The new fiscal officer has UAN and government accounting experience that should help to reduce some errors. The Council is receiving better reporting at each monthly meeting to review and help identify and correct any recording errors.

FINDING NUMBER 2010-05

Finding For Recovery

The Village **Council minutes dated July 15, 1999, Resolution 101-01** and **Council minutes dated May 9, 2005, established the 2009 annual salary of former Clerk-Treasurer Cindy Friedrich as \$26,180.91 for**. She resigned as Clerk-Treasurer effective October 1, 2009. Her actual wages for 2009 are calculated as follows:

Wages from 1/1/09 to 9/30/09	\$26,180.91/260 days * 195 days	\$19,636
Wages from 2008 paid in 2009		403
Wages for Overtime		167
Expected Pay		<u>\$20,206</u>

During 2009, the former Clerk-Treasurer, Cindy Friedrich, was paid a salary of \$20,413 resulting in an overpayment of \$207.

In accordance with the foregoing facts and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against Cindy Friedrich and her bonding company, Ohio Government Risk Management Plan, jointly and severally, in the amount of \$207 and in favor of the Village of Middle Point General Fund.

OFFICIALS' RESPONSE:

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

FINDING NUMBER 2010-06

Finding For Recovery

Ohio Rev. Code 149.351(A) states, in pertinent part, that all records are the property of the public office concerned and shall not be removed, destroyed, mutilated, transferred, or otherwise damaged or disposed of, in whole or in part, except as provided by law or under the rules adopted by the records commissions provided for under Sections 149.38 to 149.42 of the Revised Code.

State ex rel. McClure v. Hagerman, 155 Ohio St. 320 (1951), provides that expenditures made by a governmental unit should serve a public purpose. Typically the determination of what constitutes a "proper public purpose" rests with the judgment of the governmental entity, unless such determination is arbitrary or unreasonable. Even if a purchase is reasonable, Ohio Attorney General Opinion 82-006 indicates that it must be memorialized by a duly enacted ordinance or resolution and may have a prospective effect only. **Auditor of State Bulletin 2003-005 Expenditure of Public Funds/Proper Public Purpose** states that the Auditor of State's Office will only question expenditures where the legislative determination of a public purpose is manifestly arbitrary and incorrect.

Former Clerk-Treasurer, Cindy Friedrich, was paid \$171 for mileage reimbursement, however, no support was attached that would indicate where the travel was to, how many miles, or the rate of mileage reimbursement. There was no indication that the Council approved the mileage reimbursement. Additionally, there was no documentation to support that the expenditure was otherwise for a proper public purpose.

In accordance with the foregoing facts and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against Cindy Friedrich and her bonding company, Ohio Government Risk Management Plan, jointly and severally, in the amount of \$171 and in favor of the Village of Middle Point General Fund.

OFFICIALS' RESPONSE:

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

FINDING NUMBER 2010-07

Finding for Recovery / Repaid Under Audit

Ohio Rev. Code 149.351(A) states, in pertinent part, that all records are the property of the public office concerned and shall not be removed, destroyed, mutilated, transferred, or otherwise damaged or disposed of, in whole or in part, except as provided by law or under the rules adopted by the records commissions provided for under Sections 149.38 to 149.42 of the Revised Code.

State ex rel. McClure v. Hagerman, 155 Ohio St. 320 (1951), provides that expenditures made by a governmental unit should serve a public purpose. Typically the determination of what constitutes a "proper public purpose" rests with the judgment of the governmental entity, unless such determination is arbitrary or unreasonable. Even if a purchase is reasonable, Ohio Attorney General Opinion 82-006 indicates that it must be memorialized by a duly enacted ordinance or resolution and may have a prospective effect only. **Auditor of State Bulletin 2003-005 Expenditure of Public Funds/Proper Public Purpose** states that the Auditor of State's Office will only question expenditures where the legislative determination of a public purpose is manifestly arbitrary and incorrect.

On December 21, 2009, the Village paid \$1,956 to Maurice Lewis, Former Village Administrator, for back-pay he stated he earned during 2007-2009, but did not receive. There was no evidence that the Village Council approved payment of these back wages. Additionally, there was no documentation/information from Mr. Lewis's supervisors to support that the back pay was appropriate, or that the expenditure was otherwise for a proper public purpose.

**FINDING NUMBER 2010-07
(Continued)**

In accordance with the foregoing facts and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against Maurice Lewis in the amount of \$1,956 and in favor of the Village of Middle Point General Fund for \$1,232, Water Fund for \$607 and Sewer Fund for \$117.

Council clarified their intent to pay these back wages by retroactively approving the payment in the November 14, 2011 Council Minutes.

OFFICIALS' RESPONSE:

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

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**VILLAGE OF MIDDLE POINT
VAN WERT COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2010 AND 2009**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2008-001	Ohio Rev. Code Section 5705.28 – Adoption of tax budget on or before July 15	Yes	
2008-002	Ohio Rev. Code Section 5705.30 – Filing of budget with the County Auditor by July twentieth	Yes	
2008-003	Ohio Rev. Code Section 5705.34 – Certification of the necessary tax levies to the County Auditor.	Yes	
2008-004	Ohio Rev. Code Section 5706.36(A)(1) –Certification to the County Auditor the total amount from all sources which are available for expenditures from each fund in the tax budget along with any balances that existed at the end of the preceeding year.	Yes	
2008-005	Ohio Rev. Code Section 5705.36(A)(2) – Filing the certificate of estimated resources available for expenditure and amended certificates.	No	Similar noncompliance citation repeated as a management letter comment.
2008-006	Ohio Rev. Code Section 5705.38 (A) – Approval of annual appropriation measures.	Yes	
2008-007	Ohio Rev. Code Section 5705.39 – Filing of the certificate of available balances, obtaining a certificate of estimated revenue and filing an appropriation resolution	Yes	
2008-008	Ohio Rev. Code Section 5705.40 – Amending or supplementing appropriations, contingencies	Yes	
2008-009	Ohio Rev. Code Section 5705.41(B) – No subdivision or taxing unit is to expend money unless it has been appropriated.	Yes	
2008-010	Ohio Rev. Code Section 5705.41(D) – Prior Certification	No	Repeated as finding 2010-04

Village of Middle Point
 Van Wert County
 Schedule of Prior Audit Findings
 Page 3

2008-011	Ohio Rev. Code Section 121.22(C) – Council minutes shall be promptly recorded and open to public inspection	Yes	
2008-012	Ohio Rev. Code Section 733.27 – Continuing education for Village fiscal officers	Yes	
2008-013	Ohio Rev. Code Section 5705.41(C) – Money to be spent by a proper warrant drawn against an appropriate fund	Yes	
2008-014	Payroll Procedures	Yes	
2008-015	Misclassification of Receipts, Disbursements and Debt Payments	No	Similar comment repeated as finding 2010-01
2008-016	Monitoring Financial Reports and Budget	Yes	
2008-017	Income Tax Ledger	Yes	
2008-018	Manual Checks	Yes	
2008-019	Income Tax Policy	Yes	
2008-020	Ohio Rev. Code Section 149.351 – Destruction of Records	No	Repeated as Findings 2010-02, 06, and 07
2008-021	Income Tax Revenues	No	Repeated with modifications as finding 2010-02.
2008-022	Utility Revenues	No	Repeated with modifications as finding 2010-02.
2008-023	Payroll Records and Reports	Yes	
2008-024	Lack of Segregation	Yes	
2008-025	Lack of Oversight of Village Clerk	Yes	
2008-026	Ohio Rev. Code Section 149.43(B)(1)	No	Similar issue reported as findings 2010-02, 06, and 07
2008-027	Reconciliations	Yes	
2008-028	Inadequate accounting system	Yes	



Dave Yost • Auditor of State

VILLAGE OF MIDDLE POINT

VAN WERT 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
JANUARY 3, 2012