



Dave Yost • Auditor of State

VILLAGE OF WALBRIDGE
WOOD COUNTY

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

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

To the Village Council:

Report on the Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type, and related notes of the Village of Walbridge, Wood County, Ohio (the Village) as of and for the years ended December 31, 2017 and 2016.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Village's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Village's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

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

As described in Note 2 of the financial statements, the Village prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38

and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

Though the Village does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Village as of December 31, 2017 and 2016, and the respective changes in financial position thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements by fund type, and related notes of the Village of Walbridge, Wood County as of December 31, 2017 and 2016, for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 2.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2018, 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.



Dave Yost
Auditor of State

Columbus, Ohio

December 19, 2018

**VILLAGE OF WALBRIDGE
WOOD COUNTY**

COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS,
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2017

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
Cash Receipts				
Property and Other Local Taxes	\$76,253	\$33,280		\$109,533
Municipal Income Tax	685,385		\$76,159	761,544
Intergovernmental	132,306	280,831	175,313	588,450
Special Assessments	1,516	29,993		31,509
Charges for Services	29,519			29,519
Fines, Licenses and Permits	22,980	720		23,700
Earnings on Investments	1,473	30		1,503
Miscellaneous	46,207		22,500	68,707
<i>Total Cash Receipts</i>	<u>995,639</u>	<u>344,854</u>	<u>273,972</u>	<u>1,614,465</u>
Cash Disbursements				
Current:				
Security of Persons and Property	382,553	28,935		411,488
Public Health Services	1,941			1,941
Leisure Time Activities	49,928			49,928
Transportation	11,027	322,221		333,248
General Government	486,777			486,777
Capital Outlay			231,405	231,405
Debt Service:				
Principal Retirement			10,483	10,483
Interest and Fiscal Charges			777	777
<i>Total Cash Disbursements</i>	<u>932,226</u>	<u>351,156</u>	<u>242,665</u>	<u>1,526,047</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>63,413</u>	<u>(6,302)</u>	<u>31,307</u>	<u>88,418</u>
Other Financing Receipts				
Other Debt Proceeds			56,057	56,057
Sale of Capital Assets			31,927	31,927
<i>Total Other Financing Receipts</i>			<u>87,984</u>	<u>87,984</u>
<i>Net Change in Fund Cash Balances</i>	63,413	(6,302)	119,291	176,402
<i>Fund Cash Balances, January 1</i>	<u>582,464</u>	<u>504,876</u>	<u>93,338</u>	<u>1,180,678</u>
Fund Cash Balances, December 31				
Restricted		498,574	16,222	514,796
Committed			196,407	196,407
Unassigned	645,877			645,877
<i>Fund Cash Balances, December 31</i>	<u>\$645,877</u>	<u>\$498,574</u>	<u>\$212,629</u>	<u>\$1,357,080</u>

See accompanying notes to the basic financial statements

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VILLAGE OF WALBRIDGE
WOOD COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

Note 1 - Reporting Entity

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

Public Entity Risk Pool

The Village participates in a public entity risk pool. Note 7 to the financial statements provides additional information for this entity. The Village's management believes these financial statements present all activities for which the Village is financially accountable.

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

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

Fund Accounting

The Village uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Village are presented below:

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

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

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

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

Capital Projects Fund This fund receives proceeds from Village income tax and is used for street construction and reconstruction.

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D). This basis is similar to the cash receipts and disbursements accounting basis. The 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).

VILLAGE OF WALBRIDGE
WOOD COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

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

Budgetary Process

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

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

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

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

A summary of 2017 budgetary activity appears in Note 4.

Deposits and Investments

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

Capital Assets

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

Accumulated Leave

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

Fund Balance

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

Nonspendable The Village classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

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

Committed Council can *commit* amounts via formal action (resolution). The Village must adhere to these commitments unless the Council amends the resolution. Committed fund balance also

VILLAGE OF WALBRIDGE
WOOD COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Village Council or a Village official delegated that authority by resolution, or by State Statute.

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

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

Note 3 - Compliance

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the Capital Projects Fund by \$73,151 for the year ended December 31, 2017.

Note 4 - Budgetary Activity

Budgetary activity for the year ending December 31, 2017 follows:

2017 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,163,326	\$995,639	(\$167,687)
Special Revenue	338,524	344,854	6,330
Capital Projects	82,600	361,956	279,356
Total	\$1,584,450	\$1,702,449	\$117,999

2017 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,051,009	\$1,010,379	\$40,630
Special Revenue	401,550	351,159	50,391
Capital Projects	113,457	186,608	(73,151)
Total	\$1,566,016	\$1,548,146	\$17,870

VILLAGE OF WALBRIDGE
WOOD COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

Note 5 – 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:

	<u>2017</u>
Demand deposits	<u>\$1,357,080</u>

Deposits

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

Note 6 – Taxes

Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable 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.

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

Income Taxes

The Village levies a municipal income tax of 1.5 percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village.

Employers within the Village withhold income tax on employee compensation and remit the tax to the Village either monthly or quarterly, as required. Corporations and other individual taxpayers pay estimated taxes quarterly and file a declaration annually.

Note 7 - Risk Management

The Village is exposed to various risks of property and casualty losses, and injuries to employees.

The Village insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

The Village belongs to the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio local governments. PEP provides property and casualty coverage for its members. York Insurance Services Group, Inc. (York) functions as the administrator of PEP and provides underwriting, claims, loss control, risk management, and reinsurance services for PEP. PEP is a member of the American Public Entity Excess Pool (APEEP), which is also administered by York. Member governments pay annual contributions to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

VILLAGE OF WALBRIDGE
WOOD COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

Casualty and Property Coverage

APEEP provides PEP with an excess risk-sharing program. Under this arrangement, PEP retains insured risks up to an amount specified in the contracts. At December 31, 2017, PEP retained \$350,000 for casualty claims and \$100,000 for property claims.

The aforementioned casualty and property reinsurance agreement does not discharge PEP's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective government.

Financial Position

PEP's financial statements (audited by other auditor's) conform with generally accepted accounting principles, and reported the following assets, liabilities and net position at December 31, 2017.

	<u>2017</u>
Assets	\$44,452,326
Liabilities	(13,004,011)
Net Position	\$31,448,315

At December 31, 2017 the liabilities above include approximately \$11.8 million of estimated incurred claims payable. The assets above also include approximately \$11.2 million of unpaid claims to be billed. The Pool's membership increased to 527 members in 2017. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2017, the Government's share of these unpaid claims collectible in future years is approximately \$17,000.

Based on discussions with PEP, the expected rates PEP charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to PEP for each year of membership.

<u>2017 Contributions to PEP</u>
<u>\$27,549</u>

After one year of membership, a member may withdraw on the anniversary of the date of joining PEP, if the member notifies PEP in writing 60 days prior to the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's contribution. Withdrawing members have no other future obligation to PEP. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

Note 8 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Village employees, including part-time police officers, 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.

VILLAGE OF WALBRIDGE
WOOD COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10%, of their gross salaries and the Village contributed an amount equaling 14%, of participants' gross salaries. The Village has paid all contributions required through December 31, 2017.

Ohio Police and Fire Retirement System

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

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25% of their wages. The Village contributed to OP&F an amount equal to 19.5% of full-time police members' wages. The Village has paid all contributions required through December 31, 2017.

Note 9 - Postemployment Benefits

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 1.0 percent during calendar year 2017. OP&F contributes 0.5 percent to fund these benefits.

Note 10 – Debt

Debt outstanding at December 31, 2017 was as follows:

	Principal	Interest Rate
2015 GMC Truck Loan	\$17,132	2.80%
Skid Steer Loan	17,124	2.67%
Police Vehicle Loan #83568	27,122	2.79%
Police Vehicle Loan #84429	28,935	2.79%
Total	\$90,313	

The 2015 GMC Truck Loan was for the purchase of a 2015 GMC Sierra 2500 pickup truck for the street department. The original amount of the loan was for \$31,127, to be repaid in monthly installments of \$557, including interest, over 5 years. The truck is pledged as collateral for the loan.

The Skid Steer Loan was for the purchase of a SR240 Case Skid Steer in 2016. The original amount of the loan was for \$21,502, to be repaid in annual installments of \$4,575, including interest, over a period of 5 years. The skid steer is pledged as collateral for the loan.

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

VILLAGE OF WALBRIDGE
WOOD COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

Amortization

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

Year Ending December 31:	2015 GMC Truck Loan	Skid Steer Loan	Police Vehicle Loan #83569	Police Vehicle Loan #84429
2018	\$6,686	\$4,575	\$5,896	\$6,204
2019	6,686	4,575	5,896	6,204
2020	4,438	4,575	5,896	6,204
2021		4,575	5,896	6,204
2022			5,896	6,204
Total	<u>\$17,810</u>	<u>\$18,300</u>	<u>\$29,480</u>	<u>\$31,020</u>

Note 11 – Miscellaneous Revenue

In 2017, the Village had significant miscellaneous revenue receipts in the Capital Projects Fund totaling \$22,500; these monies were the result of a settlement agreement reached between the Village and Cash Services, LLC for work that was not performed to project specifications for the Parkview Drive curb project. The project was completed in 2013, with original project costs being paid from the Capital Projects Fund. The lawsuit was filed by the Village in 2015; however, the settlement was not finalized until 2017.

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**VILLAGE OF WALBRIDGE
WOOD COUNTY**

COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS,
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2016

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
Cash Receipts				
Property and Other Local Taxes	\$73,802	\$32,850		\$106,652
Municipal Income Tax	743,006		\$82,559	825,565
Intergovernmental	77,948	164,076	30,821	272,845
Special Assessments	3,216	31,658	6,999	41,873
Charges for Services	29,205			29,205
Fines, Licenses and Permits	23,644			23,644
Earnings on Investments	1,480	28		1,508
Miscellaneous	68,439			68,439
<i>Total Cash Receipts</i>	<u>1,020,740</u>	<u>228,612</u>	<u>120,379</u>	<u>1,369,731</u>
Cash Disbursements				
Current:				
Security of Persons and Property	345,503	27,321		372,824
Public Health Services	1,776			1,776
Leisure Time Activities	80,445			80,445
Transportation	5,899	382,542		388,441
General Government	484,432		419	484,851
Capital Outlay			64,823	64,823
Debt Service:				
Principal Retirement			5,932	5,932
Interest and Fiscal Charges			754	754
<i>Total Cash Disbursements</i>	<u>918,055</u>	<u>409,863</u>	<u>71,928</u>	<u>1,399,846</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>102,685</u>	<u>(181,251)</u>	<u>48,451</u>	<u>(30,115)</u>
Other Financing Receipts				
Other Debt Proceeds			21,502	21,502
<i>Net Change in Fund Cash Balances</i>	<u>102,685</u>	<u>(181,251)</u>	<u>69,953</u>	<u>(8,613)</u>
<i>Fund Cash Balances, January 1</i>	<u>479,779</u>	<u>686,127</u>	<u>23,385</u>	<u>1,189,291</u>
Fund Cash Balances, December 31				
Restricted		504,876	16,222	521,098
Committed			77,116	77,116
Unassigned	582,464			582,464
<i>Fund Cash Balances, December 31</i>	<u>\$582,464</u>	<u>\$504,876</u>	<u>\$93,338</u>	<u>\$1,180,678</u>

See accompanying notes to the basic financial statements

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VILLAGE OF WALBRIDGE
WOOD COUNTY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

Note 1 - Reporting Entity

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VILLAGE OF WALBRIDGE
WOOD COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

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

Budgetary Process

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

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

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

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Fund Balance

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

Nonspendable The Village classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

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

VILLAGE OF WALBRIDGE
WOOD COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

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

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Village Council or a Village official delegated that authority by resolution, or by State Statute.

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

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

Note 3 - Compliance

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the Street Construction Maintenance and Repair Fund by \$240,868 for the year ended December 31, 2016.

Note 4 - Budgetary Activity

Budgetary activity for the year ending December 31, 2016 follows:

2016 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,027,698	\$1,020,740	(\$6,958)
Special Revenue	227,676	228,612	936
Capital Projects	562,026	141,881	(420,145)
Total	\$1,817,400	\$1,391,233	(\$426,167)

2016 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,026,135	\$918,055	\$108,080
Special Revenue	176,163	409,863	(233,700)
Capital Projects	549,929	108,885	441,044
Total	\$1,752,227	\$1,436,803	\$315,424

VILLAGE OF WALBRIDGE
WOOD COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

Note 5 – 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:

	2016
Demand deposits	<u>\$1,180,678</u>

Deposits

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

Note 6 – Taxes

Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable 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.

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

Income Taxes

The Village levies a municipal income tax of 1.5 percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village.

Employers within the Village withhold income tax on employee compensation and remit the tax to the Village either monthly or quarterly, as required. Corporations and other individual taxpayers pay estimated taxes quarterly and file a declaration annually.

Note 7 - Risk Management

The Village is exposed to various risks of property and casualty losses, and injuries to employees.

The Village insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

The Village belongs to the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio local governments. PEP provides property and casualty coverage for its members. York Insurance Services Group, Inc. (York) functions as the administrator of PEP and provides underwriting, claims, loss control, risk management, and reinsurance services for PEP. PEP is a member of the American Public Entity Excess Pool (APEEP), which is also administered by York. Member governments pay annual contributions to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

VILLAGE OF WALBRIDGE
WOOD COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

Casualty and Property Coverage

APEEP provides PEP with an excess risk-sharing program. Under this arrangement, PEP retains insured risks up to an amount specified in the contracts. At December 31, 2016, PEP retained \$350,000 for casualty claims and \$100,000 for property claims.

The aforementioned casualty and property reinsurance agreement does not discharge PEP's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective government.

Financial Position

PEP's financial statements (audited by other auditor's) conform with generally accepted accounting principles, and reported the following assets, liabilities and net position at December 31, 2016.

	<u>2016</u>
Assets	\$42,182,281
Liabilities	<u>(13,396,700)</u>
Net Position	<u>\$28,785,581</u>

At December 31, 2016 the liabilities above include approximately 12.0 million of estimated incurred claims payable. The assets above also include approximately \$11.5 million of unpaid claims to be billed. The Pool's membership increased to 520 members in 2016. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2016, the Village's share of these unpaid claims collectible in future years is approximately \$19,000.

Based on discussions with PEP, the expected rates PEP charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to PEP for each year of membership.

<u>2016 Contributions to PEP</u> <u>\$30,000</u>

After one year of membership, a member may withdraw on the anniversary of the date of joining PEP, if the member notifies PEP in writing 60 days prior to the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's contribution. Withdrawing members have no other future obligation to PEP. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

Note 8 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Village employees, including part-time police officers, 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.

VILLAGE OF WALBRIDGE
WOOD COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10%, of their gross salaries and the Village contributed an amount equaling 14%, of participants' gross salaries. The Village has paid all contributions required through December 31, 2016.

Ohio Police and Fire Retirement System

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

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25% of their wages. The Village contributed to OP&F an amount equal to 19.5% of full-time police members' wages. The Village has paid all contributions required through December 31, 2017.

Note 9 - Postemployment Benefits

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 2.0 percent during calendar year 2016. OP&F contributes 0.5 percent to fund these benefits.

Note 10 – Debt

Debt outstanding at December 31, 2016 was as follows:

	Principal	Interest Rate
2015 GMC Truck Loan	\$23,237	2.80%
Skid Steer Loan	21,502	2.67%
Total	\$44,739	

The 2015 GMC Truck Loan was for the purchase of a 2015 GMC Sierra 2500 pickup truck for the street department. The original amount of the loan was for \$31,127, to be repaid in monthly installments of \$557, including interest, over 5 years. The truck is pledged as collateral for the loan.

The Skid Steer Loan was for the purchase of a SR240 Case Skid Steer in 2016. The original amount of the loan was for \$21,502, to be repaid in annual installments of \$4,575, including interest, over a period of 5 years, beginning in 2017. The skid steer is pledged as collateral for the loan.

VILLAGE OF WALBRIDGE
WOOD COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

Amortization

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

Year Ending December 31:	2015 GMC Truck Loan	Skid Steer Loan
2017	\$6,686	\$4,575
2018	6,686	4,575
2019	6,686	4,575
2020	4,438	4,575
2021	4,575	4,575
Total	\$24,496	\$22,875

Note 11 – Miscellaneous Revenue

In 2016, the Village had significant miscellaneous revenue receipts in the General Fund totaling \$68,439. A large portion of these receipts were due to an insurance settlement for damage sustained to a police vehicle, a pipeline easement, and farm rent.

Note 12 – Subsequent Events

The Village filed a lawsuit against Cash Services, LLC (Cash Services) and Feller, Finch and Associates, Inc., (Feller & Finch) in August of 2015. Cash Services was a contractor hired by the Village for a curb replacement project in 2013; Feller & Finch was hired as an engineering firm to provide engineering services to the Village for the referenced project. It was alleged Cash Services failed to install the curbs as required by the bid specifications and failed to complete the project and that Feller & Finch failed to perform inspections during the construction of the curb project, which resulted in the improper installation. The Village reached a settlement agreement with both Cash Services and Feller & Finch, and the lawsuit was dismissed in March of 2017. The Village received a payment of \$22,500 from Cash Services in April of 2017, pursuant to the agreement. Additional payments, totaling \$1,400, were received from Feller & Finch during 2017.

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Dave Yost • Auditor of State

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

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

To the Village Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts, and disbursements by fund type of the Village of Walbridge, Wood County, Ohio (the Village) as of and for the years ended December 31, 2017 and 2016, and the related notes to the financial statements, and have issued our report thereon dated December 19, 2018 wherein we noted the Village followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Village's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Village's internal control. Accordingly, we have not opined on it.

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 combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Village's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings that we consider material weaknesses. We consider findings 2017-001 through 2017-004, and 2017-006 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, opining 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 we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2017-002, 2017-004 through 2017-006.

One Government Center, Suite 1420, Toledo, Ohio 43604-2246
Phone: 419-245-2811 or 800-443-9276 Fax: 419-245-2484
www.ohioauditor.gov

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Village's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Village's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State

Columbus, Ohio

December 19, 2018

**VILLAGE OF WALBRIDGE
WOOD COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2017 AND 2016**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2017-001

Material Weakness – Financial Reporting

In our audit engagement letter, as required by AU-C Section 210, *Terms of Engagement*, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs .A14 & .A16. In addition, Governmental Accounting Standards Board (GASB) Statement No. 54 (codified as GASB Cod 1800.165-.179) requires fund balance be divided into one of five classifications based on the extent to which constraints are imposed upon the resources. The following adjustments are included in the accompanying 2017 and 2016 financial statements:

- The Village erroneously recorded debt payments as Capital Outlay expenditures, instead of properly recording principal and interest expenditures within the Capital Projects Fund, resulting in an overstatement in 2017 of Capital Outlay of \$11,260, and an understatement of principal and interest of \$10,483 and \$777, respectively, and an overstatement in 2016 of Capital Outlay of \$6,686, and an understatement of principal and interest of \$5,932 and \$754, respectively.
- Permissive Motor Vehicle License Tax payments were not correctly split between Taxes and Intergovernmental Revenue in the Permissive Motor Vehicle License Tax Fund, resulting in an overstatement in 2017 Intergovernmental Revenue and an understatement in Local Taxes totaling \$33,280, and an overstatement in 2016 Intergovernmental Revenue and an understatement in Local Taxes totaling \$32,850.
- Debt proceeds for a loan were not booked in 2016, resulting in an understatement of \$21,502 in the Capital Projects Fund Other Debt Proceeds and Capital Outlay line items.
- In 2016, an Ohio Public Works Commission (OPWC) grant payment for the Village's share of a project, totaling \$5,676, was incorrectly recorded as Miscellaneous Revenue instead of Intergovernmental Revenue in the Street Construction, Maintenance and Repair (SCMR) Special Revenue Fund.
- OPWC on-behalf of monies were not booked by the Village in 2016, resulting in an understatement to both Intergovernmental Revenue and Capital Outlay in the Capital Projects Fund in the amount of \$23,978.
- OPWC on-behalf of monies were booked at an incorrect amount by the Village in 2016, resulting in an overstatement to the Capital Projects Fund in both the Intergovernmental Revenue and Capital Outlay line items of \$5,933.
- OPWC on-behalf of monies paid in 2017, were erroneously booked in 2016, and were booked at the incorrect amounts, overstating both the Intergovernmental Revenue and Capital Outlay line items by \$204,305, and understating these same line items within this fund in 2017 by \$175,313.
- The Village incorrectly recorded a reimbursement totaling \$115,896, paid via a reimbursement grant from Northwestern Water and Sewer District, as Miscellaneous Revenue in the SCMR Special Revenue Fund, instead of as Intergovernmental Revenue.
- The fund balance in the Other Capital Projects Fund, which is primarily funded by the Village's income tax, was reported as Restricted in each year of the audit period, when it should have been reported as Committed, totaling \$77,116 in 2016 and \$196,407 in 2017.

These errors were the result of inadequate policies and procedures in reviewing the financial statements. Failure to complete accurate financial statements could lead to Council making misinformed decisions. The accompanying financial statements, notes to the financial statements, and accounting records have

been adjusted to correct these errors. Additional errors were noted in smaller relative amounts and for additional reasons.

To help ensure the Village's financial statements and notes to the statements are complete and accurate, the Village should adopt policies and procedures, including a final review of the statements and notes by the Fiscal Officer and Council, to identify and correct errors and omissions. The Fiscal Officer should also review the Village Handbook and Audit Bulletin 2011-004 for information on GASB Statement No. 54. The Village Council should also review the Village's statements to help ensure all transactions are being properly posted to the financial statements.

FINDING NUMBER 2017-002

Material Weakness and Noncompliance

Ohio Rev. Code Section 5705.10(D) provides 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, shall be paid into a special fund for such purpose.

The Village inappropriately recorded \$1,969 and \$1,676 of Auto Registration Intergovernmental Revenue in the General Fund in 2017 and 2016, respectively. Given the source of these revenues, they should have been recorded in the Street Construction Maintenance and Repair Special Revenue Fund.

The Village received a settlement for a curb project totaling \$22,500 in 2017. These monies were inappropriately recorded as Miscellaneous Revenue in the General Fund. Since the work related to this settlement was originally paid from the Capital Projects Fund, these monies should have been recorded in the Capital Projects Fund.

The Village inappropriately recorded \$6,999 of Special Assessment Revenue, and related fees in the amount of \$419, in the General Fund in 2016. Since the cost to demolish the property related to the assessment was paid from the Other Capital Projects Fund, these monies should have been recorded in the Other Capital Projects Fund.

These errors were the result of inadequate policies and procedures in reviewing the financial statements. Audit adjustments are reflected in the financial statements and in the accounting records correcting these misstatements.

The lack of controls over the posting of financial transactions decreases the reliability of financial data at year-end and can result in undetected errors and irregularities.

The Village should implement controls to help ensure all transactions are reviewed to help ensure posting to the proper funds.

FINDING NUMBER 2017-003

Material Weakness – Income Tax Controls

An internal control structure should oversee whether management's objectives are being achieved, covering operational and legal compliance, as well as financial control objectives. Effective internal controls should identify unexpected results or exceptions (including significant compliance exceptions), investigate underlying causes, and take corrective action.

The Village collects income tax receipts, and allocates those receipts, in accordance with the Village's income tax ordinance, using the City Tax software system to account for individual taxpayer receipts.

In each year of the audit period, we noted the following weaknesses:

- City Tax and UAN were not reconciled to one another;
- There were significant delays in posting income tax receipts to City Tax, ranging from one month to as many as five months from the time the monies were received to when they were posted to City Tax. This resulted in December of 2015 receipts not being posted to City Tax until February of 2016, and December 2017 receipts not being posted to City Tax until January of 2018;
- There were amounts received by the Village and posted to UAN that were never posted to City Tax, or were posted at an incorrect amount. These amounts were posted to the system once identified by audit;
- The Village uses taxpayer social security numbers as tax identification numbers; and,
- The Village does not maintain supporting documentation for credit card payments.

These weaknesses were due to inadequate policies and procedures over income tax receipts. Failure to properly monitor income tax receipts, reconcile the City Tax system to UAN, and enter income tax receipts into the City Tax system when they are received, could result in undetected errors, double postings, amounts not being posted, penalties and late fees being incorrectly assessed, and a loss of revenue. Further, failure to maintain supporting documentation makes it impossible to verify amounts received and if returns were correctly calculated. Using taxpayer social security numbers as taxpayer identification numbers could lead to identity theft and poses a risk to the taxpayer. Lack of monitoring controls also potentially increases the risk that fraud could occur and go undetected, and does not provide management with accurate information to make informed decisions or to detect unusual fluctuations.

To improve controls over the income tax process, the Village's Tax Commissioner/Fiscal Officer should enter returns upon receipt into the City Tax system. Returns can then be audited by the Tax Commissioner for accuracy and reasonableness. Reconciliations between the City Tax system and UAN should be performed monthly. Any variances should be investigated and followed up on at that time, to ensure consistency in reporting between the two systems. Council should be provided with these reconciliations for their review and approval, in addition to a comparison of tax information between years. All supporting documentation, including returns and credit card receipts, should be maintained by the Tax Commissioner/Fiscal Officer in accordance with the Village's records retention policy. Lastly, the Village should devise and enact a change in taxpayer identification numbers, utilizing a number different than the taxpayer's social security number.

FINDING NUMBER 2017-004

Material Weakness and Noncompliance

Ohio Rev. Code § 5705.10(F) requires revenue received from the sale of a permanent improvement to be paid into the sinking fund, the bond retirement fund, or a special fund for the construction or acquisition of permanent improvements. **Ohio Rev. Code § 5705.01(E)** defines "permanent improvement" or "improvement" to mean any property, asset, or improvement with an estimated life or usefulness of five years or more, including land and interests therein, and reconstructions, enlargements, and extensions thereof having an estimated life or usefulness of five years or more.

In 2017, the Village inappropriately recorded \$31,927 from the sale of an old administrative building in the General Fund as miscellaneous receipts. Given the source of the revenue, this should have been recorded in the Other Capital Projects Fund as sale of capital assets. Audit adjustments are reflected in the financial statements and in the accounting records correcting the misstatement.

The lack of controls over the posting of financial transactions decreases the reliability of financial data at year-end and can result in undetected errors and irregularities. The Village should implement controls to help ensure all transactions are reviewed and posted to the proper funds.

FINDING NUMBER 2017-005

Noncompliance

Ohio Rev. Code § 5705.41(B) requires that no subdivision or taxing unit expend money unless it has been lawfully appropriated.

In 2017, the Other Capital Projects Fund had expenditures in excess of appropriations in the amount of \$73,151.

In 2016, the Street Construction Maintenance and Repair Fund had expenditures in excess of appropriations in the amount of \$240,868.

These errors were the result of inadequate policies and procedures related to budgetary compliance. Failure to keep expenditures within appropriations could lead to overspending and result in negative fund balances.

The Village Fiscal Officer and Village Council should review and modify appropriations, as necessary, before incurring obligations that would cause expenditures to exceed appropriations. The Village Fiscal Officer should deny any payments until the legislative authority has passed the necessary changes to the appropriation measures.

FINDING NUMBER 2017-006

Material Weakness and Noncompliance

Ohio Rev. Code § 5705.10(E) provides that all proceeds from the sale of public obligations or fractionalized interests in public obligations as defined in section 133.01 of the Revised Code, except premium and accrued interest, shall be paid into a special fund for the purpose of such issue.

In 2017, the Village inappropriately recorded \$56,057 of debt proceeds in the General Fund. Given the source of the revenue, these should have been recorded as other debt proceeds in the Capital Projects Fund. Audit adjustments are reflected in the financial statements and in the accounting records correcting the misstatement and to appropriately record the capital outlay disbursements made from these proceeds in the same amount.

The lack of controls over the posting of financial transactions decreases the reliability of financial data at year-end and can result in undetected errors and irregularities. The Village should implement controls to help ensure all transactions are reviewed and posted to the proper funds.

Officials' Response: We did not receive a response from Officials to these findings.

Village of Walbridge
705 North Main Street
Walbridge, Ohio 43465

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2017 AND 2016

Finding Number	Finding Summary	Status	Additional Information
2015-001	Finding was first issued in the 2012-2013 audit. Material weakness regarding financial reporting due to errors on the financial statements.	Not corrected. Reissued as finding 2017-001 in this report.	Recurrence due to inadequate policies and procedures in reviewing the financial statements, bulletins, and the Revised Code. Village Council will perform detailed review of financial information to ensure fund balances and financial activity are properly reported.
2015-002	Finding for Recovery – Overpayment of salaried employees, due to the Village having 27 pay periods, and salaried employees receiving an extra pay, resulting in overpayment for the year.	Corrected.	

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VILLAGE OF WALBRIDGE

WOOD COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
JANUARY 10, 2019