



**VILLAGE OF WALBRIDGE  
WOOD COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2023-2022**

**OHIO AUDITOR OF STATE  
KEITH FABER**





VILLAGE OF WALBRIDGE  
WOOD COUNTY

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# OHIO AUDITOR OF STATE KEITH FABER



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## INDEPENDENT AUDITOR'S REPORT

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

To the Village Council:

### Report on the Audit of the Financial Statements

#### ***Unmodified and Adverse Opinions***

We have audited the financial statements of the Village of Walbridge, Wood County, Ohio (the Village), which comprises the cash balances, receipts and disbursements for each governmental fund type and the fiduciary fund type as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements.

#### ***Unmodified Opinion on Regulatory Basis of Accounting***

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental fund type and the fiduciary fund type as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

#### ***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* section of our report, the accompanying financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Village, as of December 31, 2023 and 2022, or the changes in financial position thereof for the years then ended.

#### ***Basis for Opinions***

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

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

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

***Responsibilities of Management for the Financial Statements***

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

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

***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for a reasonable period of time.

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

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 1, 2024, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.



Keith Faber  
Auditor of State  
Columbus, Ohio

October 1, 2024

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**Village of Walbridge, Ohio**  
*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, 2023**

	General	Special Revenue	Capital Projects	Combined Total
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$107,993	\$26,630		\$134,623
Municipal Income Tax	851,690		\$94,302	945,992
Intergovernmental	131,112	233,658	170,886	535,656
Special Assessments	2,463	30,497		32,960
Charges for Services	29,925			29,925
Fines, Licenses and Permits	42,662	288	1,320	44,270
Earnings on Investments	605	41		646
Miscellaneous	59,436			59,436
<i>Total Cash Receipts</i>	<u>1,225,886</u>	<u>291,114</u>	<u>266,508</u>	<u>1,783,508</u>
<b>Cash Disbursements</b>				
Current:				
Security of Persons and Property	541,379	35,011		576,390
Public Health Services	1,793			1,793
Leisure Time Activities	136,961			136,961
Community Environment	1,611			1,611
Transportation	16,146	153,714		169,860
General Government	462,111	73,768		535,879
Capital Outlay			253,897	253,897
Debt Service:				
Principal Retirement			53,161	53,161
Interest and Fiscal Charges			5,721	5,721
<i>Total Cash Disbursements</i>	<u>1,160,001</u>	<u>262,493</u>	<u>312,779</u>	<u>1,735,273</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>65,885</u>	<u>28,621</u>	<u>(46,271)</u>	<u>48,235</u>
<b>Other Financing Receipts (Disbursements)</b>				
Loans Issued			31,715	31,715
Sale of Capital Assets	300			300
Other Financing Uses	(26)			(26)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>274</u>		<u>31,715</u>	<u>31,989</u>
<i>Net Change in Fund Cash Balances</i>	66,159	28,621	(14,556)	80,224
<i>Fund Cash Balances, January 1</i>	<u>1,096,691</u>	<u>1,341,673</u>	<u>103,882</u>	<u>2,542,246</u>
<i>Fund Cash Balances, December 31</i>	<u>\$1,162,850</u>	<u>\$1,370,294</u>	<u>\$89,326</u>	<u>\$2,622,470</u>

See accompanying notes to the basic financial statements

**Village of Walbridge, Ohio**  
 Wood County  
 Statement of Additions, Deductions  
 and Changes in Fund Balances (Regulatory Cash Basis)  
 Fiduciary Fund Type  
 For the Year Ended December 31, 2023

	Custodial
<b>Additions</b>	
Fines, Licenses and Permits for Distribution	\$22,480
<b>Deductions</b>	
Distributions to Other Governments	5,890
Distributions to Other Funds (Primary Gov't)	16,590
<i>Total Deductions</i>	\$22,480
<i>Net Change in Fund Balances</i>	
<i>Fund Cash Balances, January 1</i>	
<i>Fund Cash Balances, December 31</i>	

*See accompanying notes to the basic financial statements*

**Village of Walbridge**  
*Wood County, Ohio*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*

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**Note 1 – Reporting Entity**

The Village of Walbridge, Wood County, Ohio (the Village), is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly-elected six-member Council directs the Village. The Village provides storm water maintenance, park operations, and police services. The Village contracts with Lake Township to receive fire protection services.

***Public Entity Risk Pool***

The Village participates in a public entity risk pool. Note 7 to the financial statements provide 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 and a statement of additions, deductions and changes in fund balance (regulatory cash basis) for the fiduciary fund type which are all organized on a fund type basis.

***Fund Accounting***

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

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

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

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

***ARPA*** The ARPA fund accounts for resources received from the federal government under the American Rescue Plan Act Program restricted for costs associated with the Village's response and recovery from the COVID-19 pandemic.

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

***Other Capital Projects Fund*** The other capital projects fund accounts for and reports proceeds from the Village's income tax, and other on behalf of monies, that are restricted for street construction and reconstruction.

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

**Village of Walbridge**  
*Wood County, Ohio*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*

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

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

***Basis of Accounting***

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C). 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 financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C) permit.

***Budgetary Process***

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

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

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

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

A summary of 2023 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.

**Village of Walbridge**  
Wood County, Ohio  
Notes to the Financial Statements  
For the Year Ended December 31, 2023

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**Accumulated Leave**

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

**Fund Balance**

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

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

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

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

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

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

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

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

**Note 3 – Compliance**

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the Other Capital Projects fund by \$59,448 for the year ended December 31, 2023.

**Village of Walbridge**  
*Wood County, Ohio*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*

**Note 4 – Budgetary Activity**

Budgetary activity for the year ending December 31, 2023 follows:

2023 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,024,948	\$1,226,186	\$201,238
Special Revenue	280,677	291,114	10,437
Capital Projects	253,033	298,223	45,190
Total	\$1,558,658	\$1,815,523	\$256,865

2023 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,269,008	\$1,166,646	\$102,362
Special Revenue	440,084	262,816	177,268
Capital Projects	253,331	312,779	(59,448)
Total	\$1,962,423	\$1,742,241	\$220,182

**Note 5 – Deposits**

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

	2023
<b>Cash Management Pool:</b>	
Demand deposits	\$1,622,470
Certificates of deposit	1,000,000
Total deposits	\$2,622,470

The Village does not use a separate payroll clearing account. The expenditures included in the accompanying financial statement reflect net payroll plus all remitted payroll withholdings. At December 31, 2023, the village is holding no unremitted employee payroll withholdings.

**Deposits**

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

**Village of Walbridge**  
*Wood County, Ohio*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*

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**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 non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

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

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

***Income Taxes***

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

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**

***Workers' Compensation***

Workers' Compensation coverage is provided by the State of Ohio. The Village pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

***Risk Pool Membership***

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

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

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

**Village of Walbridge**  
*Wood County, Ohio*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*

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	<u>2023</u>
Cash and investments	\$43,996,442
Actuarial liabilities	\$19,743,401

**Note 8 – Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

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

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the Village contributed an amount equaling 14 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2023.

***Ohio Police and Fire Retirement System***

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

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25 percent of their wages. The Village contributed to OP&F an amount equal to 19.5 percent of full-time police members' wages. The Village has paid all contributions required through December 31, 2023.

***Social Security***

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

Employees contributed 6.2 percent of their gross salaries. The Village contributed an amount equal to 6.2 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2023.

**Note 9 – Postemployment Benefits**

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans. OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax-free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents. OP&F uses a stipend-based health care model. A stipend funded by OP&F is placed in individual Health Reimbursement Accounts that retirees use to be reimbursed for health care expenses. For calendar year 2023, the portion of OPERS employer contributions allocated to health care was 0 percent for members in the traditional pension plan and 2 percent for members in the combined plan. For 2023, the portion of employer contributions OPERS allocated to health care for members in the member-directed plan was 4.0 percent; however, a portion of the health care rate was funded with reserves. OP&F contributes 0.5 percent to fund these benefits.



**Village of Walbridge**  
*Wood County, Ohio*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*

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**Note 10 – Debt**

Debt outstanding at December 31, 2023, was as follows:

	Principal	Interest Rate
Police Vehicle Loan #87201	\$19,362	2.80
Land Loan #91420	152,769	2.60
Ohio Public Works Commission Loan CE44U	129,618	0.00
Ohio Public Works Commission Loan CT20V	113,799	0.00
Ohio Public Works Commission Loan CE41W	27,579	0.00
Ohio Public Works Commission Loan CT16Y	57,074	0.00
Total	\$500,201	

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

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

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

In 2021, the Village entered into a loan agreement with the Ohio Public Works Commission (OPWC) for the Elm Street Phase II Project. The OPWC approved up to \$47,405 in loans for the Village for this project. The Village made drawdowns on the loan, totaling \$30,643. The zero-interest loan, totaling \$30,643, was for a period of 15 years, with payments beginning in July 2022. Payments of \$1,021 will be made semi-annually, with final pay-off occurring in 2037.

In 2022, the Village entered into loan agreement with the State Bank and Trust to purchase 33.5 acres of Land on Walbridge Road (Land Loan #91420), totaling \$175,825. The loan will be paid in annual installments, including interest, of \$10,072 over a period of ten years beginning in 2022.

In 2022, the Village entered into a loan agreement with the Ohio Public Works Commission (OPWC) for the North Main Street Improvement Project. The OPWC approved up to \$100,238 in loans for the Village for this project. The Village made drawdowns on the loan, totaling \$57,074. The zero-interest loan, totaling \$57,074, was for a period of 12 years, with payments beginning in January 2024. Payments of \$2,378 will be made semi-annually, with final pay-off occurring in 2035.

**Village of Walbridge**  
*Wood County, Ohio*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*

**Amortization**

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

Year Ending December 31:	Police Vehicle Loan #87207	Land Loan #91420	OPWC Loan CE44U	OPWC Loan CT20V	OPWC Loan CE41W	OPWC Loan CT16Y
2024	\$19,810	\$20,143	\$12,962	\$3,924	\$2,043	\$4,756
2025		20,143	12,962	3,924	2,043	4,756
2026		20,143	12,962	3,924	2,043	4,756
2027		20,143	12,962	3,924	2,043	4,756
2028		20,143	12,962	3,924	2,042	4,756
2029-2033		70,500	64,808	19,621	10,215	23,780
2034-2038				19,620	7,150	9,514
2039-2043				19,621		
2044-2048				19,620		
2049-2052				15,697		
<b>Total</b>	<b>\$19,810</b>	<b>\$171,215</b>	<b>\$129,618</b>	<b>\$113,799</b>	<b>\$27,579</b>	<b>\$57,074</b>

**Note 11 – Contingent Liabilities**

The Village is a defendant in a lawsuit. Although management cannot presently determine the outcome of this suit, management believes that the resolution of these matters will not materially adversely affect the Village's financial condition.

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

**Note 12 – Fund Balances**

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the balances of these amounts were as follows:

Fund Balances	General	Special Revenue	Total
Outstanding Encumbrances	\$ 6,619	\$ 323	\$ 6,942

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

**Village of Walbridge**  
*Wood County, Ohio*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*

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**Note 13 – Subsequent Events**

At the April 17, 2024 Council meeting, Village Council authorized the purchase of property at 417 Main Street totaling 2.89 acres from NorthernCarroll, LLC for \$190,000. The property was officially closed on August 23, 2024.

**Village of Walbridge, Ohio**  
*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, 2022**

	General	Special Revenue	Capital Projects	Combined Total
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$101,318	\$33,734		\$135,052
Municipal Income Tax	766,293		\$85,144	851,437
Intergovernmental	135,502	383,608	100,238	619,348
Special Assessments	1,742	30,629		32,371
Charges for Services	33,131			33,131
Fines, Licenses and Permits	44,520	175	1,290	45,985
Earnings on Investments	715	25		740
Miscellaneous	46,370			46,370
<i>Total Cash Receipts</i>	<u>1,129,591</u>	<u>448,171</u>	<u>186,672</u>	<u>1,764,434</u>
<b>Cash Disbursements</b>				
Current:				
Security of Persons and Property	527,551	29,855		557,406
Public Health Services	1,793			1,793
Leisure Time Activities	74,022			74,022
Community Environment	117			117
Transportation	14,583	153,328		167,911
General Government	472,449			472,449
Capital Outlay			407,716	407,716
Debt Service:				
Principal Retirement			39,792	39,792
Interest and Fiscal Charges			4,073	4,073
<i>Total Cash Disbursements</i>	<u>1,090,515</u>	<u>183,183</u>	<u>451,581</u>	<u>1,725,279</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>39,076</u>	<u>264,988</u>	<u>(264,909)</u>	<u>39,155</u>
<b>Other Financing Receipts</b>				
Loans Issued			205,120	205,120
<i>Net Change in Fund Cash Balances</i>	39,076	264,988	(59,789)	244,275
<i>Fund Cash Balances, January 1</i>	<u>1,057,615</u>	<u>1,076,685</u>	<u>163,671</u>	<u>2,297,971</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$1,096,691</u></u>	<u><u>\$1,341,673</u></u>	<u><u>\$103,882</u></u>	<u><u>\$2,542,246</u></u>

See accompanying notes to the basic financial statements

**Village of Walbridge, Ohio**  
*Wood County*  
*Statement of Additions, Deductions*  
*and Changes in Fund Balances (Regulatory Cash Basis)*  
*Fiduciary Fund Type*  
*For the Year Ended December 31, 2022*

	Custodial
<b>Additions</b>	
Fines, Licenses and Permits for Distribution	\$20,840
<b>Deductions</b>	
Distributions to Other Governments	5,447
Distributions to Other Funds (Primary Gov't)	15,393
<i>Total Deductions</i>	\$20,840
<i>Net Change in Fund Balances</i>	
<i>Fund Cash Balances, January 1</i>	
<i>Fund Cash Balances, December 31</i>	

*See accompanying notes to the basic financial statements*

**Village of Walbridge**  
*Wood County, Ohio*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

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**Note 1 – Reporting Entity**

The Village of Walbridge, Wood County, Ohio (the Village), is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly-elected six-member Council directs the Village. The Village provides storm water maintenance, park operations, and police services. The Village contracts with Lake Township to receive fire protection 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 and a statement of additions, deductions and changes in fund balance (regulatory cash basis) for the fiduciary fund type which are all organized on a fund type basis.

***Fund Accounting***

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

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

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

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

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

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

***Other Capital Projects Fund*** The other capital projects fund accounts for and reports proceeds from the Village's income tax, and other on behalf of monies, that are restricted for street construction and reconstruction.

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

**Village of Walbridge**  
*Wood County, Ohio*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

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

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

***Basis of Accounting***

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C). 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 financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C) permit.

***Budgetary Process***

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

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

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

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

A summary of 2022 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.

**Village of Walbridge**  
Wood County, Ohio  
Notes to the Financial Statements  
For the Year Ended December 31, 2022

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**Accumulated Leave**

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

**Fund Balance**

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

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

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

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

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

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

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

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



**Village of Walbridge**  
*Wood County, Ohio*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

**Note 3 – Compliance**

Contrary to Ohio law, budgetary expenditures exceeded estimated resources in the Other Capital Projects fund by \$952,353 for the year ended December 31, 2022.

**Note 4 – Budgetary Activity**

Budgetary activity for the year ending December 31, 2022 follows:

2022 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,225,030	\$1,129,591	(\$95,439)
Special Revenue	460,387	448,171	(12,216)
Capital Projects	691,355	391,792	(299,563)
Total	\$2,376,772	\$1,969,554	(\$407,218)

2022 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,226,803	\$1,095,118	\$131,685
Special Revenue	370,735	183,183	187,552
Capital Projects	1,249,254	451,581	797,673
Total	\$2,846,792	\$1,729,882	\$1,116,910

**Note 5 – Deposits**

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

	2022
<b>Cash Management Pool:</b>	
Demand deposits	\$2,542,246

The Village does not use a separate payroll clearing account. The expenditures included in the accompanying financial statement reflect net payroll plus all remitted payroll withholdings. At December 31, 2022, the village is holding no unremitted employee payroll withholdings.

**Deposits**

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

**Village of Walbridge**  
*Wood County, Ohio*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

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**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 non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

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

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

***Income Taxes***

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

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**

***Workers' Compensation***

Workers' Compensation coverage is provided by the State of Ohio. The Village pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

***Risk Pool Membership***

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

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

**Village of Walbridge**  
*Wood County, Ohio*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

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

	<u>2022</u>
Cash and investments	\$ 42,310,794
Actuarial liabilities	\$15,724,479

**Note 8 – Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

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

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the Village contributed an amount equaling 14 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2022.

***Ohio Police and Fire Retirement System***

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

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25 percent of their wages. The Village contributed to OP&F an amount equal to 19.5 percent of full-time police members' wages. The Village has paid all contributions required through December 31, 2022.

***Social Security***

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

Employees contributed 6.2 percent of their gross salaries. The Village contributed an amount equal to 6.2 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2022.

**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 OPERS members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2022. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0 percent during calendar year 2022. OP&F contributes 0.5 percent to fund these benefits.

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

**Village of Walbridge**  
*Wood County, Ohio*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

Effective January 1, 2022, OPERS discontinued the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses.

**Note 10 – Debt**

Debt outstanding at December 31, 2022, was as follows:

	Principal	Interest Rate
Police Vehicle Loan #87201	\$38,084	2.80%
Land Loan #91420	168,280	2.60%
Ohio Public Works Commission Loan CE44U	142,580	0.00%
Ohio Public Works Commission Loan CT20V	117,723	0.00%
Ohio Public Works Commission Loan CE41W	29,622	0.00%
Ohio Public Works Commission Loan CT16Y	25,359	0.00%
Total	\$521,648	

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

In 2022, the Village entered into loan agreement with the State Bank and Trust to purchase 33.5 acres of Land on Walbridge Road (Land Loan #91420), totaling \$175,825. The loan will be paid in annual installments, including interest, of \$10,072 over a period of ten years beginning in 2022.

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

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

In 2021, the Village entered into a loan agreement with the Ohio Public Works Commission (OPWC) for the Elm Street Phase II Project. The OPWC approved up to \$47,405 in loans for the Village for this project. The Village made drawdowns on the loan, totaling \$30,643. The zero-interest loan, totaling \$30,643, was for a period of 15 years, with payments beginning in July 2022. Payments of \$1,021 will be made semi-annually, with final pay-off occurring in 2037.

In 2022, the Village entered into a loan agreement with the Ohio Public Works Commission (OPWC) for the North Main Street Improvement Project. The OPWC approved up to \$100,238 in loans for the Village for this project. The Village made drawdowns on the loan, totaling \$25,359, as of December 31, 2022. The loan has not been closed and a final amortization schedule is unavailable. The loan is not included in the accompanying amortization schedule.

**Village of Walbridge**  
*Wood County, Ohio*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

**Amortization**

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

Year Ending December 31:	Police Vehicle Loan #87201	Land Loan #91420	OPWC Loan CE44U	OPWC Loan CT20V	OPWC Loan CE41W
2023	\$19,810	\$20,143	\$12,962	\$3,924	\$2,043
2024	19,810	20,143	12,962	3,924	2,043
2025		20,143	12,962	3,924	2,043
2026		20,143	12,962	3,924	2,043
2027		20,143	12,962	3,924	2,043
2028-2032		90,643	64,809	19,620	10,214
2033-2037			12,961	19,621	9,193
2038-2042				19,620	
2043-2047				19,621	
2048-2052				19,621	
Total	<u>\$39,620</u>	<u>\$191,358</u>	<u>\$142,580</u>	<u>\$117,723</u>	<u>\$29,622</u>

**Note 11 – Contingent Liabilities**

The Village is a defendant in a lawsuit. Although management cannot presently determine the outcome of these suits, management believes that the resolution of these matters will not materially adversely affect the Village's financial condition.

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

**Note 12 – Fund Balances**

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the balance of these amounts was as follows:

<u>Fund Balances</u>	<u>General</u>
Outstanding Encumbrances	<u>\$ 4,603</u>

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

**Note 13 – Subsequent Events**

At the April 17, 2024 Council meeting, Village Council authorized the purchase of property at 417 Main Street totaling 2.89 acres from NorthernCarroll, LLC for \$190,000. The property was officially closed on August 23, 2024.

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# OHIO AUDITOR OF STATE KEITH FABER



65 East State Street  
Columbus, Ohio 43215  
ContactUs@ohioauditor.gov  
800-282-0370

## 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 the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the cash balances, receipts, and disbursements for each governmental fund type and the fiduciary fund type as of and for the years ended December 31, 2023 and 2022 and the related notes to the financial statements of the Village of Walbridge, Wood County, Ohio (the Village) and have issued our report thereon dated October 1, 2024, wherein we noted the Village followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit.

### ***Report on Internal Control Over Financial Reporting***

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings as item 2023-001 that we consider to be a material weakness.

***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Village's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings as items 2023-002 and 2023-003.

***Village's Response to Findings***

*Government Auditing Standards* requires the auditor to perform limited procedures on the Village's response to the findings identified in our audit and described in the accompanying schedule of findings. The Village's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

***Purpose of this Report***

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



Keith Faber  
Auditor of State  
Columbus, Ohio

October 1, 2024



**VILLAGE OF WALBRIDGE  
WOOD COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2023 AND 2022**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
--

**FINDING NUMBER 2023-001**

**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.

The following errors were identified in the accompanying financial statements:

- In 2023, on-behalf of payments made by the Ohio Public Works Commission (OPWC) for the Village's share of a project, in the amount of \$31,715, were not booked by the Village, resulting in an understatement of both loan proceeds and capital outlay in the Capital Projects fund.
- In 2023, on-behalf of payments made by the Ohio Department of Transportation (ODOT) for the Village's share of a project, in the amount of \$170,886, were not booked by the Village, resulting in an understatement of both intergovernmental revenue and capital outlay in the Capital Projects fund.
- In 2023, Mayor's Court distributions were incorrectly recorded, resulting in an overstatement of distributions to other governments and an understatement of distributions to other funds, in the amount of \$5,180 in the Custodial fund.
- In 2022, on-behalf of payments made by the Ohio Public Works Commission (OPWC) for the Village's share of two separate projects, were either not recorded by the Village, or were incorrectly recorded, resulting in an understatement of loan proceeds in the amount of \$29,295, of capital outlay in the amount of \$3,936, and an overstatement of intergovernmental revenue in the amount of \$25,359 in the Capital Projects fund.
- In 2022, Mayor's Court distributions were incorrectly recorded, resulting in an overstatement of distributions to other governments and an understatement of distributions to other funds, in the amount of \$10,213 in the Custodial fund.

These errors were the result of inadequate policies and procedures in reviewing the financial statements. Failure to complete accurate financial statements could lead to the Village making misinformed decisions. The accompanying financial statements and accounting records have been adjusted to correct these errors. In addition to the errors identified above, we also noted errors ranging from \$3,629 to \$13,244 that were not material and not posted to the financial statements.

To help ensure the Village's financial statements are complete and accurate, the Village should adopt policies and procedures, including a final review of the financial statements and notes to the financial statements by the Fiscal Officer and Village Council, to identify and correct errors and omissions. 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 2023-002

#### Noncompliance

**Ohio Rev. Code § 5705.39** provides that total appropriations from each fund shall not exceed the total of the estimated revenue available for expenditure there-from, as certified by the county budget commission, or in case of appeal, by the board of tax appeals. No appropriation measure shall become effective until the county auditor files with the appropriating authority a certificate that the total appropriations from each fund, taken together with all other outstanding appropriations, do not exceed such official estimate or amended official estimate. For purposes of this section of the Ohio Revised Code, estimated revenue is commonly referred to as “estimated resources” because it includes unencumbered fund balances.

At December 31, 2022, the Village's appropriations exceeded the amount certified as available by the budget commission in the Capital Projects fund by \$952,352.

Failure to limit appropriations to the amount certified by the budget commission due to deficiencies in the Village's compliance monitoring policies and procedures could result in overspending and negative cash fund balances.

The Village should draft, approve, and implement procedures to compare appropriations to estimated resources and, if adequate resources are available for additional appropriations, the Village should submit an amended certificate of estimated resources to the budget commission for certification. If the resources are not available to cover the appropriations, an amendment to the appropriation resolution should be passed by the Village Council to reduce the appropriations.

### FINDING NUMBER 2023-003

#### Noncompliance

**Ohio Rev. Code § 5705.41(B)** prohibits a subdivision or taxing authority unit from making any expenditure of money unless it has been appropriated in accordance with the Ohio Revised Code.

Due to inadequate policies and procedures in approving and reviewing budget versus actual information, the Village's Other Capital Projects fund had expenditures in excess of appropriations of \$59,448, as of December 31, 2023.

Failure to have adequate appropriations in place at the time expenditures are made could cause expenditures to exceed available resources, further resulting in deficit spending practices.

The Village Council should closely monitor expenditures and appropriations and make the necessary appropriation amendments, if possible, to reduce the likelihood of expenditures exceeding appropriations. Additionally, the Fiscal Officer should deny payment requests exceeding appropriations when appropriations are inadequate to cover the expenditures.

#### Officials' Response:

The Village of Walbridge acknowledges the Auditor's findings and will make the appropriate changes to comply with recommendations in the report.

# -THE VILLAGE OF - WALBRIDGE

*"Remembering the Past, on Track for the Future"*

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## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS DECEMBER 31, 2023 AND 2022

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Status</b>	<b>Additional Information</b>
2021-001	Finding was first issued in the 2012-2013 audit. Material weakness regarding financial reporting due to errors on the financial statements.	Not corrected and reissued as finding 2023-001 in this report.	Recurrence due to inadequate policies and procedures in reviewing the financial statements. Village Council will perform detailed review of financial information to ensure financial activity is properly reported.

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# OHIO AUDITOR OF STATE KEITH FABER



**VILLAGE OF WALBRIDGE**

**WOOD COUNTY**

**AUDITOR OF STATE OF OHIO CERTIFICATION**

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



**Certified for Release 10/15/2024**

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

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)