

**VILLAGE OF WALBRIDGE**

**WOOD COUNTY**

**JANUARY 1, 2008 TO DECEMBER 31, 2009**

**AGREE UPON PROCEDURES**



## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Village of Walbridge  
Wood County  
Walbridge, Ohio

We have performed the procedures enumerated below, with which the Village Council and Mayor and the management of the Village of Walbridge and the Auditor of State have agreed solely to assist the Council and Mayor in evaluating receipts, disbursements and balances recorded in their cash-basis accounting records for the years ended December 31, 2009 and 2008, including mayor's court receipts, disbursements, balances, and certain compliance requirements related to these transactions and balances. Management is responsible for recording transactions; and management, the Mayor, and/or the Council are responsible for complying with the compliance requirements. This agreed-upon procedures engagement was conducted in accordance with the American Institute of Certified Public Accountants' attestation standards and applicable attestation engagement standards included in the Comptroller General of the United States' *Government Auditing Standards*. The sufficiency of the procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

This report only describes exceptions exceeding \$10.

### Cash and Investments

1. We tested the mathematical accuracy of the December 31, 2009 and December 31, 2008 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2008 beginning fund balances recorded in the Fund Status Report to the December 31, 2007 balances in the prior year audited statements. We found the following exceptions:

<b>Fund</b>	<b>1/1/2008 Beginning Balance Fund Status Report</b>	<b>12/31/2007 Fund Balance From The Financial Statements</b>	<b>Variance</b>
General	\$ 514,350	\$ 515,917	\$ (1,567)
Special Revenue	\$ 306,142	\$ 309,917	\$ (3,775)
Capital Projects	\$ 313,444	\$ 307,923	\$ 5,521
Totals	\$ 1,133,936	\$ 1,133,757	\$ 179

**Cash and Investments (Continued)**

These variances are a result of prior period audit adjustments not posted into the UAN system.

3. We agreed the totals per the bank reconciliations to the total of the December 31, 2009 and 2008 fund cash balances reported in the Fund Status Reports. The amounts agreed.
4. We confirmed the December 31, 2009 and December 31, 2008 bank account balances with the Village's financial institutions. We found no exceptions. We also agreed the confirmed balances to the amounts appearing in the December 31, 2009 and December 31, 2008 bank reconciliation without exception.
5. We selected five outstanding checks haphazardly from the December 31, 2009 bank reconciliations:
  - a. We traced each check to the debit appearing in the subsequent January bank statement. We found no exceptions.
  - b. We traced the amounts and date written to the check register, to determine the checks were dated prior to December 31. We noted no exceptions.
6. We tested investments held at December 31, 2009 and December 31, 2008 to determine that they:
  - a. Were of a type authorized by Ohio Rev. Code Sections 135.13, 135.14 or 135.144. We found no exceptions.
  - b. Mature within the prescribed time limits noted in Ohio Rev. Code Section 135.13 or 135.14. We noted no exceptions.

**Property Taxes, Intergovernmental and Other Confirmable Cash Receipts**

1. We selected a property tax receipt from the Statement of Semiannual Apportionment of Taxes (the Statement) for 2009 and one from 2008:
  - a. We traced the gross receipts from the Statement to the amount recorded in the Receipt Register Report. The amounts agreed.
  - b. We determined whether the receipt was allocated to the proper fund(s) as required by Ohio Rev. Code Sections 5705.05-.06 and 5705.10. We found no exceptions in 2009. We found the following exception for 2008:

Statement	Purpose	Posted Fund	Proper Fund	\$ Amount
First Half 2007 Dated 3/14/2008	Special Assessment – Street Lighting	General Fund	Special Revenue Fund	\$ 16,392.02

- c. We determined whether the receipt was recorded in the proper year. The receipts were recorded in the proper year.

### **Property Taxes, Intergovernmental and Other Confirmable Cash Receipts (Continued)**

2. We scanned the Receipt Register Report to determine whether it included the proper number of tax receipts for 2009 and 2008:
  - a. Two personal property tax receipts
  - b. Two real estate tax receipts

We noted the Receipts Register Report included the proper number of tax settlement receipts for each year.

3. We selected five receipts from the State Distribution Transaction Lists (DTL) from 2009 and five from 2008.
  - a. We compared the amount from the DTL to the amount recorded in the Receipt Register Report. The amounts agreed.
  - b. We determined whether these receipts were allocated to the proper fund(s). We found no exceptions.
  - c. We determined whether the receipts were recorded in the proper year. We found no exceptions.

### **Income Tax Receipts**

1. We selected five income tax returns filed during 2009 and five from 2008.
  - a. We compared the payment recorded on the tax return to the amount recorded in the income tax cash receipts book. The amounts agreed.
  - b. We compared the cash register tape total from step a. to the amount recorded as income tax receipts in the Receipt Register Report for that date. The amounts agreed.
  - c. We determined whether these receipts were allocated to the proper fund(s) as required by the Village tax code. We found no exceptions.
  - d. We determined whether the receipts were recorded in the proper year. We found no exceptions.
2. We selected five income tax refunds from 2009 and five from 2008.
  - a. We compared the refund paid from Payment Register Detail Report to the refund amount requested in the tax return. The amounts agreed.
  - b. We noted each of the refunds was approved by Patricia Crawford, Village Fiscal officer.
  - c. We noted the refunds were paid from the municipal income tax funds, as is required.

### **Debt**

1. We inquired of management, and scanned the Receipt Register Report and Payment Register Detail Report for evidence of bonded or note debt issued during 2009 or 2008 or outstanding as of December 31, 2009 or 2008. All debt noted agreed to the summary we used in step 2.

### **Debt (Continued)**

2. We obtained a summary of note debt activity for 2009 and 2008 and agreed principal and interest payments from the related debt amortization schedules to debt service fund payments reported in the Payment Register Detail Report. We also compared the date the debt service payments were due to the date the Village made the payments. We found no exceptions.
3. For the new debt that was issued, the Village did not record any of the debt proceeds received. The amounts of the debt proceeds were obtained from the original debt documents and compared to amounts disbursed by the bank to the appropriate individuals and companies for capital projects. The amounts did agree, however this is an exception because the proceeds and the corresponding disbursements should have been recorded in the Villages accounting system.
4. For new debt issued during 2009 and 2008, we inspected the debt legislation, noting the Village must use the proceeds to purchase commercial property in 2009 along with a sewer cleaner vehicle and farmland property in 2008. We scanned the Payment Register Detail Report and noted the Village purchased the above items in the applicable years.

### **Payroll Cash Disbursements**

1. We haphazardly selected one payroll check for five employees from 2009 and one payroll check for five employees from 2008 from the Employee Detail Adjustment Report and determined whether the following information in the employees' personnel files or information recorded in the board minutes was consistent with the information used to compute gross and net pay related to this check:
  - a. Name
  - b. Authorized salary or pay rate
  - c. Department and fund to which the check should be charged.
  - d. Retirement system participation and payroll withholding.
  - e. Federal, State & Local income tax withholding authorization and withholding.
  - f. Any other deduction authorizations.

We found no exceptions related to steps a. through f. above.

2. We tested the checks we selected in step 1, as follows:
  - a. We compared the hours and pay rate, or salary amount used in computing gross pay to supporting documentation (timecards, legislatively or statutorily-approved rate or salary). We found no exceptions.
  - b. We determined whether the fund and account code to which the check was posted was reasonable based on the employees' duties as documented in the employees' personnel files or information recorded in the minutes. We also determined whether the payment was posted to the proper year. We found no exceptions.

**Payroll Cash Disbursements (Continued)**

3. We scanned the last remittance of tax and retirement withholdings for the year ended December 31, 2009 and December 31, 2008 to determine whether remittances were timely paid, and that the amounts paid agreed to the amounts withheld during the final withholding period during 2009 and 2008. We noted the following:

**2009**

<b>Withholding</b>	<b>Due Date</b>	<b>Date Paid</b>	<b>Amount Withheld</b>	<b>Amount Paid</b>
Federal Income Taxes	1/31/2010	12/23/2009	\$1,967.71	\$ 1,967.71
State Income Taxes	1/15/2010	12/28/2009	\$ 1,148.60	\$ 1,148.60
Village of Walbridge Income Taxes	3/31/2010	12/28/2009	\$ 2,346.21	\$ 2,346.21
OPERS Retirement (WH's + Employee Share)	1/31/2010	12/29/2009	\$ 6,478.63	\$ 6,478.63
OP&F Retirement (WH's + Employee Share)	1/31/2010	12/29/2009	\$ 4,660.96	\$ 4,660.96

**2008**

<b>Withholding</b>	<b>Due Date</b>	<b>Date Paid</b>	<b>Amount Withheld</b>	<b>Amount Paid</b>
Federal Income Taxes	1/31/2009	12/26/2008	\$ 2,631.71	2,631.71
State Income Taxes	1/15/2009	12/26/2008	\$ 973.11	973.11
Village of Walbridge Income Taxes	3/31/2009	12/26/2008	\$ 2,214.14	2,214.14
OPERS Retirement (WH's + Employee Share)	1/31/2009	12/26/2008	\$ 6,307.99	6,307.99
OP&F Retirement (WH's + Employee Share)	1/31/2009	12/26/2008	\$ 3,412.11	3,412.11

No exceptions were noted in either year for the above testing.

### **Payroll Cash Disbursements (Continued)**

4. We haphazardly selected and recomputed one termination payment (unused vacation, etc.) using the following information, and agreed the computation to the amount paid as recorded in the Employee Detail Adjustment Report:
  - a. Accumulated leave records
  - b. The employee's pay rate in effect as of the termination date
  - c. The Village's payout policy.

The amount paid was consistent with the information recorded in a. through c. above.

### **Non-Payroll Cash Disbursements**

1. We haphazardly selected ten disbursements from the Payment Register Detail Report for the year ended December 31, 2009 and ten from the year ended 2008 and determined whether:
  - a. The disbursements were for a proper public purpose. We found no exceptions.
  - b. The check number, date, payee name and amount recorded on the returned, canceled check agreed to the check number, date, payee name and amount recorded in the Payment Register Detail Report and to the names and amounts on the supporting invoices. We found no exceptions.
  - c. The payment was posted to a fund consistent with the restricted purpose for which the fund's cash can be used. We found no exceptions.
  - d. The fiscal officer certified disbursements requiring certification or issued a *Then and Now Certificate*, as required by Ohio Rev. Code Section 5705.41(D). We found two instances in 2009 and four instances in 2008 where the certification date was after the vendor invoice date. Ohio Rev. Code Section 5705.41(D) requires certifying at the time of a commitment, which should precede the invoice date. We also found one instance where an invoice for a disbursement could not be located in 2009.

### **Mayor's Court Transactions**

1. We tested the mathematical accuracy of the December 31, 2009 and December 31, 2008 bank reconciliations. We found no exceptions.
2. We compared the reconciled cash totals as of December 31, 2009 and December 31, 2008 to the Mayor's Court Agency Fund balance reported in the Fund Status Reports. The balances are not being reported in the UAN system.
3. We agreed the totals per the bank reconciliations to the total of December 31, 2009 and 2008 listing of unpaid distributions as of each December 31. The amounts agreed.



**Mayor's Court Transactions (Continued)**

4. We confirmed the December 31, 2009 and 2008 bank account balances with the Mayor's Court financial institution. We found no exceptions. We also agreed the confirmed balances to the amounts appearing in the December 31, 2009 and 2008 bank reconciliation without exception.
5. We haphazardly selected five cases from the court cash book and agreed the payee and amount posted to the:
  - a. Duplicate receipt book.
  - b. Docket, including comparing the total fine paid to the judgment issued by the judge.
  - c. Case file.

The amounts recorded in the cash book, receipts book, docket and case file agreed.

6. From the cash book, we haphazardly selected one month from the year ended December 31, 2009 and one month from the year ended 2008 and determined whether:
  - a. The monthly sum of fines and costs collected for those months agreed to the amounts reported as remitted to the Village, State or other applicable government in the following month. We found no exceptions.
  - b. The totals remitted for these two months per the cash book agreed to the returned canceled checks. The check number, date, payee name and amount recorded on the returned, canceled check agreed to the check number, date, payee name and amount recorded in the cash book.

**Compliance – Budgetary**

1. We compared the total from the *Amended Official Certificate of Estimated Resources* required by Ohio Rev. Code Section 5705.36(A)(1), to the amounts recorded in the Revenue Status Report for the General, Special Revenue, Debt Service and Capital Projects funds for the years ended December 31, 2009 and 2008. The amounts on the *Certificate* agreed to the amount recorded in the accounting system, except for the following funds.

**2009**

<b>Fund</b>	<b>Amount per Certificate</b>	<b>Amount per Revenue Status Report</b>	<b>Variance</b>
General	\$ 910,936	\$850,627	\$ 60,309
Capital Projects	\$ 140,482	\$128,082	\$ 12,400

**Compliance – Budgetary (Continued)**

**2008**

<b>Fund</b>	<b>Amount per Certificate</b>	<b>Amount per Revenue Status Report</b>	<b>Variance</b>
General	\$ 999,112	\$ 901,954	\$ 97,158
Special Revenue	\$ 206,080	\$ 200,003	\$ 6,077
Debt Service	\$ 115,650	\$ 117,963	\$ (2,313)
Capital Projects	\$ 175,380	\$ 134,823	\$ 40,557

The fiscal officer should periodically compare amounts recorded in the Revenue Status Report to amounts recorded on the *Amended Official Certificate of Estimated Resources* to assure they agree. If the amounts do not agree, the Council may be using inaccurate information for budgeting and to monitor spending.

2. We scanned the appropriation measures adopted for 2009 and 2008 to determine whether, for all the funds, the Council appropriated separately for “each office, department, and division, and within each, the amount appropriated for personal services,” as is required by Ohio Rev. Code Section 5705.38(C). We found no exceptions.
3. We compared total appropriations required by Ohio Rev. Code Section 5705.38 and 5705.40, to the amounts recorded in the Appropriation Status Report for 2009 and 2008 for all of the Village’s funds. The amounts on the appropriation resolutions agreed to the amounts recorded in the Appropriation Status report except for the following funds:

**2009**

<b>Fund</b>	<b>Amount per Appropriation Resolution</b>	<b>Amount per Appropriation Status Report</b>	<b>Variance</b>
General	\$ 1,093,042	\$ 1,091,294	\$ 1,748
Special Revenue	\$ 196,454	\$ 195,954	\$500

**2008**

<b>Fund</b>	<b>Amount per Appropriation Resolution</b>	<b>Amount per Appropriation Status Report</b>	<b>Variance</b>
General	\$ 1,029,855	\$ 1,041,853	\$ (11,998)
Special Revenue	\$ 197,987	\$ 203,533	\$ (5,546)
Capital Projects	\$ 106,909	\$ 135,410	\$ (28,501)

### **Compliance – Budgetary (Continued)**

4. Ohio Rev. Code Section 5705.39 prohibits appropriations from exceeding the certified resources. We compared total appropriations to total certified resources for all of the Village's funds for the years ended December 31, 2009 and 2008. We noted no funds for which appropriations exceeded certified resources.
5. Ohio Rev. Code Section 5705.41(B) prohibits expenditures (disbursements plus certified commitments) from exceeding appropriations. We compared total expenditures to total appropriations for the years ended December 31, 2009 and 2008 for all of the Village's funds, as recorded in the Appropriation Status Report. We noted no funds for which expenditures exceeded appropriations.
6. Ohio Rev. Code Section 5705.09 requires establishing separate funds to segregate externally-restricted resources. We scanned the Receipt Register Report for evidence of new restricted receipts requiring a new fund during December 31, 2009 and 2008. We also inquired of management regarding whether the Village received new restricted receipts. We noted no evidence of new restricted receipts for which Ohio Rev. Code Section 5705.09 would require the Village to establish a new fund.
7. We scanned the 2009 and 2008 Revenue Status Reports and Appropriation Status Reports for evidence of interfund transfers exceeding \$5,000 for which Ohio Rev. Code Sections 5705.14 -- .16 restrict. We found no evidence of transfers these Sections prohibit, or for which Section 5705.16 would require approval by the Tax Commissioner and Court of Common Pleas.
8. We inquired of management and scanned the Appropriation Status Reports to determine whether the Village elected to establish reserve accounts permitted by Ohio Rev. Code Section 5705.13. We noted the Village did not establish these reserves.

### **Compliance – Contracts & Expenditures**

1. We inquired of management and scanned the Payment Register Detail report for the years ended December 31, 2009 and 2008 for material or labor procurements which exceeded \$25,000, and therefore required competitive bidding under Ohio Rev. Code Section 731.14.

We identified a renovation project of a commercial building purchased by the Village that exceeded \$25,000, subject to Ohio Rev. Code Section 731.14. The payment was for \$26,092.50 to Granata & Haack, LLC. The Village never put the project up for bid, and consequently, may have not selected the lowest possible cost for the project.

2. We inquired of management and scanned the Payment Register Detail Report for the years ended December 31, 2009 and 2008 to determine if the Village had road construction projects exceeding \$30,000 for which Ohio Rev. Code Sections 117.16(A) and 723.52 requires the Village engineer, or officer having a different title but the duties and functions of an engineer, to complete a force account project assessment form (i.e., cost estimate). We identified no projects requiring the completion of the force account assessment form.

***Officials' Response: The Village is aware of these issues and will take appropriate corrective action.***

We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on the Village's receipts, disbursements, balances and compliance with certain laws and regulations. Accordingly, we do not express an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of management and those charged with governance and the Auditor of State and is not intended to be, and should not be used by anyone other than these specified parties.

*Seiblin Sussman Group LLP*

April 21, 2010  
Toledo, OH



**Mary Taylor, CPA**  
Auditor of State

**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  
NOVEMBER 4, 2010**