

**VILLAGE OF WALBRIDGE**

**WOOD COUNTY**

**JANUARY 1, 2010 TO DECEMBER 31, 2011  
AGREED UPON PROCEDURES**





# Dave Yost • Auditor of State

Village Council  
Village of Walbridge  
111 N. Main Street  
Walbridge, Ohio 43465

We have reviewed the *Independent Accountants' Report on Applying Agreed-Upon Procedures* of the Village of Walbridge, Wood County, prepared by LublinSussman Group LLP, for the period January 1, 2010 through December 31, 2011. Based upon this review, we have accepted this report in lieu of the audit required by Section 117.11, Revised Code.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Village of Walbridge is responsible for compliance with these laws and regulations.

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

Dave Yost  
Auditor of State

February 7, 2013

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# LublinSussman Group LLP

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## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Village of Walbridge  
111 N. Main Street  
Walbridge, Ohio 43465

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, 2011 and 2010, including mayor's court receipts, disbursements and 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, 2011 and December 31, 2010 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2010 beginning fund balances recorded in the Fund Ledger Report to the December 31, 2009 documentation in the prior year Agreed-Upon Procedures working papers. We found the following exceptions:

Fund	1/1/2010 Beginning Balance Fund Status Report	12/31/09 Fund Balance From AUP Working Papers	Variance
General	\$328,185	\$346,144	\$(17,959)
Special Revenue	342,743	330,126	12,617
Capital Projects	320,253	314,732	5,521

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### **Cash and Investments (Continued)**

3. We agreed the totals per the bank reconciliations to the total of the December 31, 2011 and 2010 fund cash balances reported in the Fund Status Reports. The amounts agreed.
4. We confirmed the December 31, 2011 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, 2011 bank reconciliation without exception.
5. We selected five reconciling debits (such as outstanding checks) haphazardly from the December 31, 2011 bank reconciliation:
  - a. We traced each debit to the subsequent January and February bank statements. We found no exceptions.
  - b. We traced the amounts and dates to the check register, to determine the debits were dated prior to December 31. We noted no exceptions.
6. There were no reconciling credits (such as deposits in transit) listed on the December 31, 2011 bank reconciliation.
7. We tested investments held at December 31, 2011 and December 31, 2010 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 one Statement of Semiannual Apportionment of Taxes (the Statement) for 2011 and one from 2010:
  - 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.
  - c. We determined whether the receipt was recorded in the proper year. The receipt was recorded in the proper year.
2. We scanned the Receipt Register Report to determine whether it included two real estate tax receipts for 2011 and 2010. We noted the Receipts Register Report included the proper number of tax receipts for each year.

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

3. We selected five receipts from the State Distribution Transaction Lists (DTL) from 2011 and five from 2010. We also selected five receipts from the County Auditor's Detail Expense Transactions Report from 2011 and five from 2010.
  - a. We compared the amount from the above reports 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 2011 and five from 2010.
  - 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 income tax cash receipts book total from step a. to the amount recorded as income tax receipts in the Receipt Register Report for that date. The amounts agreed.
2. We determined whether the receipts were recorded in the proper year. We found no exceptions.
3. We selected five income tax refunds from 2011 and five from 2010.
  - a. We compared the refund paid from the 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. From the prior agreed upon procedures documentation, we noted the following loans outstanding as of December 31, 2009. These amounts agreed to the Villages' January 1, 2010 balances on the summary we used in step 3.

Loan	Principal Outstanding as of December 31, 2009
Ohio Public Works Commission Note – Street Repair	\$31,869
Metamora State Bank – 38 Acres of Land	\$204,686
Metamora State Bank – Commercial Building	\$77,533
Metamora State Bank – Sewer Cleaner	\$85,557

## **Debt (Continued)**

2. We inquired of management, and scanned the Receipt Register Report and Payment Register Detail Report for evidence of debt issued during 2011 or 2010 or debt payment activity during 2011 or 2010. All debt noted agreed to the summary we used in step 3.
3. We obtained a summary of note debt activity for 2011 and 2010 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.
4. There was one refinancing for \$204,269 and one issuance of new debt of \$56,120, however, the Village did not record any of the debt proceeds received. This is an exception because the proceeds and the corresponding disbursements should have been recorded in the Village's accounting system.
5. For new debt issued during 2011, we inspected the debt legislation, noting the Village must use the proceeds to purchase two police cars. We scanned the Payment Register Detail Report and noted no payment was recorded because the funds were directly paid from the bank to the automobile dealership.

## **Payroll Cash Disbursements**

1. We haphazardly selected one payroll check for five employees from 2011 and one payroll check for five employees from 2010 from the Employee Detail Adjustment Report and:
  - a. We compared the hours and pay rate, or salary amount used in the Employee Detail Adjustment Report to supporting documentation (timecards, legislatively or statutorily-approved rate or salary). We found no exceptions.
  - b. We determined whether the fund and account code(s) to which the check were 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.
2. We tested the checks we selected in step 1, as follows:
  - a. Name
  - b. Authorized Salary or pay rate
  - c. Department(s) and funds 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 (deferred compensation, etc.)

### Payroll Cash Disbursements (Continued)

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

3. We scanned the last remittance of tax and retirement withholdings for the year ended December 31, 2011 to determine whether remittances were timely paid, and if the amounts paid agreed to the amounts withheld, plus the employer's share where applicable, during the final withholding period during 2011. We noted the following:

#### 2011

Withholding	Due Date	Date Paid	Amount Due	Amount Paid
Federal Income Taxes and Medicare	1/31/2012	12/18/11	\$2,518	\$2,518
State Income Taxes	1/15/2012	12/31/11	969	969
Village of Walbridge Income Taxes	3/31/2012	12/31/11	1,853	1,853
OPERS Retirement (WH's + Employer Share)	1/31/2012	1/1/12	7,955	7,955
OP&F Retirement (WH's + Employer Share)	1/31/2012	1/4/12	6,108	6,108

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, 2011 and ten from the year ended 2010 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.

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

- 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 three instances in 2011 and four instances in 2010 where the certification date was after the vendor invoice date and there was also no evidence that a *Then and Now Certificate* was issued. Ohio Rev. Code Section 5705.41(D) requires certifying at the time of a commitment, which should be on or before the invoice date, unless a *Then and Now Certificate* is used. Because we did not test all disbursements requiring certification, our report provides no assurance whether or not additional similar errors occurred.

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

1. We tested the mathematical accuracy of the December 31, 2011 and December 31, 2010 bank reconciliations. We found no exceptions.
2. We compared the reconciled cash totals as of December 31, 2011 and December 31, 2010 to the Mayor's Court Agency Fund balance reported in the Fund Status Reports. The balances are not being reported in the UAN system, and consist of \$110 for 2011 and \$524 for 2010.
3. We agreed the totals per the bank reconciliations to the total of December 31, 2011 and 2010 listing of unpaid distributions as of each December 31. The amounts agreed.
4. We confirmed the December 31, 2011 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, 2011 bank reconciliation without exception.
5. We selected the only deposit in transit from the December 31, 2011 bank reconciliation:
  - a. We traced the deposit to the credit appearing in the subsequent January bank statement. We found no exceptions.
  - b. We agreed the deposits amount to the court's cash book. The deposit in transit was recorded as a December receipt for the same amount recorded in the reconciliation.
6. 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 (i.e. mayor).
  - c. Case file.

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

### Mayor's Court Transactions (Continued)

7. From the cash book, we haphazardly selected one month from the year ended December 31, 2011 and one month from the year ended December 31, 2010 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 estimated receipts from the *Amended Official Certificate of the Total Amount From All Sources Available For Expenditures and Balances*, required by Ohio Rev. Code Section 5705.36(A)(1), to the amounts recorded in the Revenue Status Report for the General, Street Maintenance and Repair and Note Retirement Funds for the years ended December 31, 2011 and 2010. The amounts on the *Certificate* agreed to the amount recorded in the accounting system, except for the General Fund in 2010. The Revenue Status Report recorded budgeted (i.e. certified) resources for the General Fund of \$690,161. However, the final *Amended Official Certificate of Estimated Resources* reflected \$819,316. 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 2011 and 2010 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 2011 and 2010 for the Village's funds: General, Street Maintenance and Repair, and Capital Projects Funds. The amounts on the appropriation resolutions agreed to the amounts recorded in the Appropriation Status report except as follows:

#### 2011

Fund	Amount per Appropriation Resolution	Amount per Appropriation Status Report	Variance
General	\$939,982	\$979,699	\$39,717
Street M&R	102,320	137,321	35,001
Capital Projects	75,000	123,400	48,400

**Compliance - Budgetary (Continued)**

**2010**

<b>Fund</b>	<b>Amount per Appropriation Resolution</b>	<b>Amount per Appropriation Status Report</b>	<b>Variance</b>
General	\$909,291	\$961,544	\$52,253
Street M&R	85,982	86,247	265

4. Ohio Rev. Code Sections 5705.36(A)(5) and 5705.39 prohibits appropriations from exceeding the certified resources. We compared total appropriations to total certified resources for all of the General, Street Maintenance and Repair, and Debt Service Funds for the years ended December 31, 2011 and 2010. We noted that General Fund appropriations for 2011 exceeded certified resources by \$6,184, contrary to Ohio Rev. Code Section 5705.39. The Council should not pass appropriations exceeding certified resources. Allowing this to occur could cause the Village to incur fund balance deficits.
  
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, 2011 and 2010 for the General, Debt Service and Capital Projects Funds, as recorded in the Appropriation Status Report. We noted the following funds that had expenditures exceeding total appropriations, contrary to Ohio Rev. Code Section 5705.41(B):

**2010**

<b>Fund</b>	<b>Expenditures</b>	<b>Amount per Appropriation Status Report</b>	<b>Variance</b>
General	\$976,308	\$961,544	\$14,764
Debt Service	249,612	45,600	204,012

The Fiscal Officer should not certify the availability of funds and should deny payment requests exceeding appropriations. The Treasurer may request the Council to approve increased expenditure levels by increasing appropriations and amending estimated resources, if necessary, and if resources are available.

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, 2011 and 2010. 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.

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

7. We scanned the 2011 and 2010 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 and Expenditures**

1. We inquired of management and scanned the Payment Register Detail report for the years ended December 31, 2011 and 2010 for material or labor procurements which exceeded \$25,000 (\$50,000 effective September 29, 2011), and therefore required competitive bidding under Ohio Rev. Code Section 731.14.

During 2011, we identified a curb and gutter project and a street paving project, both exceeding \$25,000 and subject to Ohio Rev. Code Section 731.14. During 2010, we identified a street paving project exceeding \$25,000 and subject to Ohio Rev. Code Section 731.14. For these projects, we noted that the Council advertised the projects in a local newspaper, and selected the lowest responsible bidder.

2. We inquired of management and scanned the Payment Register Detail Report for the years ended December 31, 2011 and 2010 to determine if the Village proceeded by force account (i.e. used its own employees) to maintain or repair roads (cost of project exceeding \$30,000) or to construct or reconstruct Village roads (cost of project \$30,000/mile) 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, those charged with governance, the Auditor of State, and others within the Village and is not intended to be, and should not be used by anyone other than these specified parties.

*Seiblin Sussman Group LLP*

August 27, 2012  
Toledo, OH



# Dave Yost • 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  
FEBRUARY 19, 2013