



Mary Taylor, CPA  
Auditor of State



VILLAGE OF PORT WILLIAM  
CLINTON COUNTY

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Mary Taylor, CPA  
Auditor of State

Village of Port William  
Clinton County  
227 Main Street, P.O. Box 17  
Port William, Ohio 45164

To the Village Council:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to an interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. Our Report includes an adverse opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

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**Mary Taylor, CPA**  
Auditor of State

April 12, 2010

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# Mary Taylor, CPA

## Auditor of State

### INDEPENDENT ACCOUNTANTS' REPORT

Village of Port William  
Clinton County  
227 Main Street, P.O. Box 17  
Port William, OH. 45164

To the Village Council:

We have audited the accompanying financial statements of the Village of Port William, Clinton County, Ohio (the Village), as of and for the years ended December 31, 2009 and 2008. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. The Village processes its financial transactions with the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to audit the Village because the Auditor of State designed, developed, implemented, and as requested, operates UAN. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. We believe our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Village has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Instead of the combined funds the accompanying financial statements present, GAAP require presenting entity wide statements and also presenting the Village's larger (i.e. major) funds separately. While the Village does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require Villages to reformat their statements. The Village has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2009 and 2008 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Village as of December 31, 2009 and 2008, or its changes in financial position or cash flows, where applicable for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Village of Port William, Clinton County, as of December 31, 2009 and 2008, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated April 12, 2010, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

A handwritten signature in cursive script that reads "Mary Taylor".

**Mary Taylor, CPA**  
Auditor of State

April 12, 2010



**VILLAGE OF PORT WILLIAM  
CLINTON COUNTY**

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

	<u>Governmental Fund Types</u>			<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	
<b>Cash Receipts:</b>				
Property and Local Taxes	\$12,163	\$0	\$0	\$12,163
Intergovernmental	9,229	125,995		135,224
Charges for Services	22,086	75,000		97,086
Fines, Licenses and Permits	310			310
Earnings on Investments	146	36		182
Miscellaneous	4,715			4,715
	<u>48,649</u>	<u>201,031</u>	<u>0</u>	<u>249,680</u>
Total Cash Receipts				
<b>Cash Disbursements:</b>				
Current:				
Security of Persons and Property	15,071	153,334		168,405
Transportation		4,873		4,873
General Government	18,905	4,729		23,634
Debt Service:				
Redemption of Principal			10,762	10,762
Interest and Fiscal Charges			4,620	4,620
Capital Outlay		5,210		5,210
	<u>33,976</u>	<u>168,146</u>	<u>15,382</u>	<u>217,504</u>
Total Cash Disbursements				
Total Receipts Over/(Under) Disbursements	<u>14,673</u>	<u>32,885</u>	<u>(15,382)</u>	<u>32,176</u>
<b>Other Financing Receipts / (Disbursements):</b>				
Transfers-In			15,382	15,382
Transfers-Out		(15,382)		(15,382)
Other Financing Sources		23,832		23,832
Other Financing Uses		(1,350)		(1,350)
	<u>0</u>	<u>7,100</u>	<u>15,382</u>	<u>22,482</u>
Total Other Financing Receipts / (Disbursements)				
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	14,673	39,985	0	54,658
Fund Cash Balances, January 1	<u>18,040</u>	<u>42,133</u>	<u>0</u>	<u>60,173</u>
<b>Fund Cash Balances, December 31</b>	<b><u>\$32,713</u></b>	<b><u>\$82,118</u></b>	<b><u>\$0</u></b>	<b><u>\$114,831</u></b>

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

**VILLAGE OF PORT WILLIAM  
CLINTON COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Governmental Fund Types</u>			<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	
<b>Cash Receipts:</b>				
Property and Local Taxes	\$10,036	\$0	\$0	\$10,036
Intergovernmental	34,517	25,742		60,259
Charges for Services	19,865	60,000		79,865
Fines, Licenses and Permits	291			291
Earnings on Investments	3,016	99		3,115
Miscellaneous	10,100	2,015		12,115
	<u>77,825</u>	<u>87,856</u>	<u>0</u>	<u>165,681</u>
<b>Total Cash Receipts</b>				
<b>Cash Disbursements:</b>				
Current:				
Security of Persons and Property	19,913	89,027		108,940
Transportation		31,109		31,109
General Government	15,154	17,196		32,350
Debt Service:				
Redemption of Principal			10,575	10,575
Interest and Fiscal Charges			5,011	5,011
Capital Outlay	32,845			32,845
	<u>67,912</u>	<u>137,332</u>	<u>15,586</u>	<u>220,830</u>
<b>Total Cash Disbursements</b>				
<b>Total Receipts Over/(Under) Disbursements</b>	<u>9,913</u>	<u>(49,476)</u>	<u>(15,586)</u>	<u>(55,149)</u>
<b>Other Financing Receipts / (Disbursements):</b>				
Transfers-In			15,586	15,586
Transfers-Out	(2,500)	(15,586)		(18,086)
Other Financing Uses		(1,045)		(1,045)
	<u>(2,500)</u>	<u>(16,631)</u>	<u>15,586</u>	<u>(3,545)</u>
<b>Total Other Financing Receipts / (Disbursements)</b>				
<b>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements</b>	7,413	(66,107)	0	(58,694)
<b>Fund Cash Balances, January 1, restated</b>	<u>10,627</u>	<u>108,240</u>		<u>118,867</u>
<b>Fund Cash Balances, December 31</b>	<u><u>\$18,040</u></u>	<u><u>\$42,133</u></u>	<u><u>\$0</u></u>	<u><u>\$60,173</u></u>
<b>Reserve for Encumbrances, December 31</b>	<u><u>\$0</u></u>	<u><u>\$250</u></u>	<u><u>\$0</u></u>	<u><u>\$250</u></u>

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

VILLAGE OF PORT WILLIAM  
CLINTON COUNTY

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES - PROPRIETARY FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Enterprise</u>
<b>Operating Cash Disbursements:</b>	
Contractual Services	<u>\$35</u>
Total Operating Cash Disbursements	<u>35</u>
Operating Income/(Loss)	<u>(35)</u>
<b>Non-Operating Cash Disbursements:</b>	
Redemption of Principal	<u>2,500</u>
Total Non-Operating Cash Disbursements	<u>2,500</u>
Excess of Receipts Over/(Under) Disbursements Before Interfund Transfers and Advances	(2,535)
Transfers-In	<u>2,500</u>
Net Receipts Over/(Under) Disbursements	(35)
Fund Cash Balances, January 1	<u>35</u>
<b>Fund Cash Balances, December 31</b>	<b><u><u>\$0</u></u></b>

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

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**VILLAGE OF PORT WILLIAM  
CLINTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2009 AND 2008**

**1. Summary of Significant Accounting Policies**

**A. Description of the Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of the Village of Port William, Clinton County, Ohio (the Village) as a body corporate and politic. A publicly-elected six-member Council directs the Village. The Village provides street maintenance, fire and police services.

The Village participates in a jointly governed organization. Note 8 to the financial statements provides additional information for this entity. This organization is:

Jointly Governed Organization:

Clinton County Regional Planning Commission – formulates and reviews plans affecting long and short term social, economic, and governmental development within the region which includes the Village.

The Village's management believes these financial statements present all activities for which the Village is financially accountable.

**B. Accounting Basis**

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Village recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the Auditor of State prescribes or permits.

**C. Deposits**

The Village funds are pooled in a checking account with a local commercial bank. Interest is recognized and recorded when received.

**D. Fund Accounting**

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

**1. General Fund**

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

**VILLAGE OF PORT WILLIAM  
CLINTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2008 AND 2009  
(Continued)**

**1. Summary of Significant Accounting Policies (Continued)**

**2. Special Revenue Funds**

These funds account for proceeds from specific sources (other than from private-purpose trusts or for capital projects) that are restricted to expenditure for specific purposes. The Village had the following significant Special Revenue Funds:

Street Construction, Maintenance and Repair Fund - This fund receives gasoline tax and motor vehicle tax money for constructing, maintaining, and repairing Village streets.

Fire Fund – This fund receives contract money from other governments to provide fire services.

FEMA Fund – This fund received grant monies for the purpose of purchasing a fire truck.

**3. Debt Service Fund**

This fund accounts for resources the Village accumulates to pay bonded debt. The Village had the following significant Debt Service Fund.

Fire Truck Debt Service Fund - This fund accounts for loan payments for the Village's fire truck.

**4. Enterprise Fund**

This fund account for operations that is similar to private business enterprises, where management intends to recover the significant costs of providing certain goods or services through user charges. The Village had the following significant Enterprise Fund:

Sewer Debt Fund - This fund accounted for the loan payment to OWDA. This fund had previously received loan proceeds for a future wastewater treatment facility. The debt was paid off in 2008.

**E. Budgetary Process**

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

**1. Appropriations**

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

**VILLAGE OF PORT WILLIAM  
CLINTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2008 AND 2009  
(Continued)**

**1. Summary of Significant Accounting Policies (Continued)**

**2. Estimated Resources**

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

**3. Encumbrances**

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

A summary of 2009 and 2008 budgetary activity appears in Note 3.

**F. Property, Plant, and Equipment**

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

**2. Equity in Pooled Deposits**

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

	2009	2008
Demand deposits	\$114,831	\$60,173

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

**3. Budgetary Activity**

Budgetary activity for the years ending December 31, 2009 and 2008 follows:

2009 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$45,961	\$48,649	\$2,688
Special Revenue	185,882	224,863	38,981
Debt Service	16,000	15,382	(618)
Total	\$247,843	\$288,894	\$41,051

**VILLAGE OF PORT WILLIAM  
CLINTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2008 AND 2009  
(Continued)**

**3. Budgetary Activity (Continued)**

2009 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$35,743	\$33,976	\$1,767
Special Revenue	209,159	184,878	24,281
Debt Service	16,000	15,382	618
Total	\$260,902	\$234,236	\$26,666

2008 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$75,455	\$77,825	\$2,370
Special Revenue	82,500	87,856	5,356
Debt Service	15,586	15,586	0
Enterprise	0	2,500	2,500
Total	\$173,541	\$183,767	\$10,226

2008 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$71,235	\$70,411	\$824
Special Revenue	167,267	154,214	13,053
Debt Service	15,586	15,586	0
Enterprise	2,535	2,535	0
Total	\$256,623	\$242,746	\$13,877

**4. Property Tax**

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

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



**VILLAGE OF PORT WILLIAM  
CLINTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2008 AND 2009  
(Continued)**

**5. Debt**

Debt outstanding at December 31, 2009 was as follows:

	Principal	Interest Rate
Ohio Water Development Authority Loan	\$103,753	4.125%

The Village issued \$125,000 in acquisition bonds through the United States Department of Agriculture, Rural Development, to finance the purchase of a rescue truck. The Village is required to establish a separate fund to account for the debt. The Village's taxing authority collateralized the bonds.

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

Year ending December 31:	OWDA Loan
2010	\$15,382
2011	15,382
2012	15,382
2013	15,382
2014	15,382
2015-2017	45,989
Total	\$122,899

**6. Retirement Systems**

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

The Ohio Revised Code also prescribes contribution rates. For 2008 and 2009, OPERS members contributed 10% of their gross salaries and the Village contributed an amount equaling 14% of participants' gross salaries. The Village has paid all contributions required through December 31, 2009.

**7. Risk Management**

**Commercial Insurance**

The Village has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.

**VILLAGE OF PORT WILLIAM  
CLINTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2008 AND 2009  
(Continued)**

**8. Jointly Governed Organizations**

The constitution and laws of the State of Ohio establish the rights and privileges for the Clinton County Regional Planning Commission, Clinton County, Ohio (the Commission), as a body corporate and politic. An appointed 13 member Board governs the Commission. The Board consists of representatives from participating political subdivisions, the county commissioners, and appointed citizens. The Commission formulates and reviews plans affecting long and short term social, economic, and governmental development within the region. The participating subdivisions are:

Clinton County	Village of Midland	Village of Clarksville
City of Wilmington	Village of Blanchester	Village of Sabina
Village of Martinsville	Village of Port William	Village of New Vienna
Union Township		

**9. Prior Period Adjustment**

Adjustments were made to the January 1, 2008 beginning fund balances in the General and Street Construction and Maintenance Fund. This adjustments were due to receipts that were posted to the wrong fund and to prior year outstanding checks that were voided in the system in the current period. The following table reflects the changes in fund balances:

	<b>General Fund</b>	<b>Special Revenue Fund</b>
Fund Cash Balances 12/31/07	(\$10,698)	\$128,969
Audit Adjustments	20,729	( 20,729)
Prior Year checks that were void in 2008	596	
Restated Fund Cash Balances 1/1/2008	\$10,627	\$108,240



# Mary Taylor, CPA

## Auditor of State

### REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

Village of Port William  
Clinton County  
227 Main Street, P. O. Box 17  
Port William, Ohio 45164

To the Village Council:

We have audited the financial statements of the Village of Port William, Clinton County, Ohio (the Village), as of and for the year ended December 31, 2009 and 2008, and have issued our report thereon dated April 12, 2010, wherein we noted the Village followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. We also noted the Village uses the Auditor of State's Uniform Accounting Network (UAN) to process its financial transactions. *Government Auditing Standards* considers this service to impair the Auditor of State's independence to audit the Village because the Auditor of State designed, developed, implemented, and, as requested, operates UAN. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

#### Internal Control Over Financial Reporting

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

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and timely corrected. We consider finding 2009-001 described in the accompanying schedule of findings to be a material weakness.

### **Compliance and Other Matters**

As part of reasonably assuring whether the Village's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed an instance of noncompliance or other matters we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2009-001.

We did note certain matters not requiring inclusion in this report that we reported to the Village's management in a separate letter dated April 12, 2010.

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

A handwritten signature in cursive script that reads "Mary Taylor".

**Mary Taylor, CPA**  
Auditor of State

April 12, 2010

VILLAGE OF PORT WILLIAM  
CLINTON COUNTY

SCHEDULE OF FINDINGS  
DECEMBER 31, 2009 AND 2008

FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

FINDING NUMBER 2009-001

**Noncompliance/Material Weakness**

**Ohio Rev. Code, Section 5705.09(F)**, provides that each subdivision shall establish a special fund for each source of revenue derived from a source other than the general property tax which the law requires to be used for a particular purpose. **Ohio Rev. Code, Section 5705.10 (H)**, provides that monies paid into any fund shall be used only for the purpose for which such fund is established.

**Ohio Rev. Code, Section 5705.10 (H)**, provides that monies paid into any fund shall be used only for the purpose for which such fund is established.

Additionally, **Ohio Rev. Code, Section 733.28**, states, in part, that the village clerk shall keep the books of the village, exhibit accurate statements of all moneys received and expended, of all the property owned by the Village and the income derived therefrom, and all taxes and assessments.

During 2008, a payment for street lights was made from the Street Construction and Maintenance Fund instead of the General Fund in the amount of \$4,589.34. As a result, the records maintained by the fiscal officer were not an accurate reflection of all moneys received and expended by the Village. An audit adjustment has been posted to the Village's 2008 financial records and is reflected in the accompanying financial statements to properly reflect receipts and disbursements of the Village. The following table reflects the net effect of audit adjustments.

	General Fund	Street Construction Maintenance Fund
2008 Adjustment on Fund Balance	(\$4,589.34)	\$4,589.34

In addition, the Village established an Enterprise Debt Service Fund instead of a Governmental Debt Service Fund to account for the debt payments for the Village's fire truck. This fund was reclassified from a Proprietary Fund Type to a Governmental Fund Type to properly account for the fund's activity.

We recommend that the fiscal officer review the Village's chart of accounts and the Ohio Revised Code to help determine the proper coding of expenditures. This will help to ensure that expenditures have been properly coded.

**We did not receive a response from officials regarding this finding.**

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**VILLAGE OF PORT WILLIAM  
CLINTON COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2009 AND 2008**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain</i></b>
2007-001	Ohio Rev. Code, Section 5705.09 (F) and Ohio Rev. Code, Section 733.28, monies were not posted to the proper funds.	No	Reissued as 2009-001
2007-002	Ohio Rev. Code, Sections 145.47 and 145.48, the employer and employees share of OPERS was not remitted.	Yes	
2007-003	26 United States Code, Section 3102(A) and 3402, withholdings were not remitted to the IRS.	Yes	
2007-004	Ohio Rev. Code, Section 5705.41 (D)(1) funds were not properly certified or encumbered.	Yes	
2007-005	Ohio Rev. Code, Section 149.351, Records were lost or destroyed and not available for audit.	Yes	
2007-006	Ohio Rev. Code, Section 135.21, interest was not allocated to the proper funds.	Yes	
2007-007	State ex rel. McClure v. Hagerman (1951) 155 Ohio St. – expenditures did not serve a proper public service	Yes	
2007-008	Ohio Rev. Code, Section 5705.36 (A)(1) The Village did not file budgetary documents with the County Auditor.	Yes	
2007-009	Ohio Rev. Code, Section 5705.41(B), expenditures exceeded appropriations	Yes	

Village of Port William  
 Clinton County  
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2007-010	Ohio Rev. Code, Section 5705.39, Appropriations exceeded estimated revenue.	Yes	
2007-011	Ohio Rev. Code, Section 5705.10 (H), The General Fund had a negative fund balance	Yes	
2007-012	Ohio Admin. Code, Section 117-2-01(A), Internal Control System was not adequately maintained.	Yes	





**Mary Taylor, CPA**  
Auditor of State

**VILLAGE OF PORT WILLIAM**

**CLINTON 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  
MAY 6, 2010**