



Dave Yost • Auditor of State

VILLAGE OF WEST UNITY
WILLIAMS COUNTY

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Village of West Unity
Williams County
118 West Jackson Street, P.O. Box 207
West Unity, Ohio 43570-0207

To the Village Council:

Report on the Financial Statements

We have audited the accompanying financial statements and related notes of the Village of West Unity, Williams County, Ohio (the Village) as of and for the year ended December 31, 2013.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

As described in Note 1 of the financial statements, the Village prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America, to satisfy requirements.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Village as of December 31, 2013, or changes in financial position or cash flows, where applicable, for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined cash balances of the Village of West Unity, Williams County, Ohio as of December 31, 2013, and its combined cash receipts and disbursements for the year then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 1.

Emphasis of Matter

As described in note 2, for the year ended December 31, 2013, the Village ceased reporting on a cash basis of accounting comparable to the requirements of Governmental Accounting Standard No. 34 and reported in the accordance with standards established by the Auditor of State for governmental entities that are not required to prepare reports in accordance with general accepted accounting principles, which is similar to the cash receipts and disbursements basis of accounting.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July, 1, 2014, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.



Dave Yost
Auditor of State

Columbus, Ohio

July 1, 2014

**VILLAGE OF WEST UNITY
WILLIAMS COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2013**

	General	Special Revenue	Debt Service	Capital Projects	Permanent	Totals (Memorandum Only)
Cash Receipts						
Property and Other Local Taxes	\$82,558	\$35,377				\$117,935
Municipal Income Tax	256,833		\$297,926	\$215,740		770,499
Intergovernmental	76,691	110,634		37,028		224,353
Charges for Services		815				815
Fines, Licenses and Permits	28,424	483				28,907
Earnings on Investments	1,730	515			\$229	2,474
Miscellaneous	34,861	1,128				35,989
<i>Total Cash Receipts</i>	<u>481,097</u>	<u>148,952</u>	<u>297,926</u>	<u>252,768</u>	<u>229</u>	<u>1,180,972</u>
Cash Disbursements						
Current:						
Security of Persons and Property	310,529					310,529
Public Health Services		159				159
Leisure Time Activities		12,261				12,261
Community Environment	2,065				365	2,430
Basic Utility Services	14,573	2,686				17,259
Transportation		97,646				97,646
General Government	169,801	50,791				220,592
Capital Outlay	4,019			190,975		194,994
Debt Service:						
Principal Retirement			159,267			159,267
Interest and Fiscal Charges			66,985			66,985
<i>Total Cash Disbursements</i>	<u>500,987</u>	<u>163,542</u>	<u>226,252</u>	<u>190,975</u>	<u>365</u>	<u>1,082,120</u>
<i>Net Change in Fund Cash Balances</i>	(19,890)	(14,590)	71,675	61,793	(136)	98,852
<i>Fund Cash Balances, January 1</i>	<u>295,758</u>	<u>333,479</u>	<u>341,368</u>	<u>219,496</u>	<u>52,508</u>	<u>1,242,609</u>
Fund Cash Balances, December 31						
Nonspendable					52,000	52,000
Restricted		318,889		142,575		461,464
Committed			413,042	138,714	372	552,128
Unassigned	275,868					275,868
<i>Fund Cash Balances, December 31</i>	<u>\$275,868</u>	<u>\$318,889</u>	<u>\$413,042</u>	<u>\$281,289</u>	<u>\$52,372</u>	<u>\$1,341,460</u>

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

**VILLAGE OF WEST UNITY
WILLIAMS COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (CASH BASIS)
PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2013**

	Enterprise
Operating Cash Receipts	
Charges for Services	\$476,524
Miscellaneous	7,675
	484,199
<i>Total Operating Cash Receipts</i>	<i>484,199</i>
Operating Cash Disbursements	
Personal Services	124,954
Employee Fringe Benefits	46,187
Contractual Services	89,957
Supplies and Materials	111,133
Other	14,687
	386,918
<i>Total Operating Cash Disbursements</i>	<i>386,918</i>
<i>Operating Income</i>	<i>97,281</i>
Non-Operating Receipts (Disbursements)	
Earnings on Investments	240
Principal Retirement	(77,985)
Interest and Other Fiscal Charges	(27,495)
Other Financing Sources	55
	(105,184)
<i>Total Non-Operating Receipts (Disbursements)</i>	<i>(105,184)</i>
<i>Net Change in Fund Cash Balances</i>	<i>(7,903)</i>
<i>Fund Cash Balances, January 1</i>	<i>431,392</i>
<i>Fund Cash Balances, December 31</i>	<i>\$423,489</i>

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

**VILLAGE OF WEST UNITY
WILLIAMS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013**

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 Village of West Unity, Williams County, Ohio (the Village) as a body corporate and politic. A publicly-elected six-member Council directs the Village. The Village provides general governmental services including street maintenance, water and sewer utilities, park operations, and police services. The Village contracts with Brady Township to receive fire protection services.

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 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.

The Village values certificates of deposit at cost.

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 accounts for and reports all financial resources not accounted for and reported in another fund.

2. 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:

VILLAGE OF WEST UNITY
WILLIAMS COUNTY

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013
(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

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

Park and Recreation Fund – This fund receives tax levy money for maintaining and repairing park grounds and facilities.

3. Debt Service Funds

These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The Village had the following significant Debt Service Funds:

Other Debt Service Fund – This fund is used to retire mortgage revenue bonds and loan proceeds received from the Ohio Water Development Authority.

4. 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 funds:

Other Capital Projects Fund – This fund receives income tax monies and grant monies for maintaining facilities, conducting capital improvements, and purchasing equipment.

5. Permanent Funds

These funds account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs (for the benefit of the government or its citizenry). The Village had the following significant Permanent fund:

Kissell Endowment Fund – This fund receives interest earned on the nonexpendable corpus from a trust agreement. These earnings are used for the general maintenance and upkeep of the Village's community (Kissell) building.

6. Enterprise Funds

These funds account for operations that are 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 Funds:

VILLAGE OF WEST UNITY
WILLIAMS COUNTY

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013
(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

Water Fund - This fund receives charges for services from residents to cover water service costs.

Sewer Fund - This fund receives charges for services from residents to cover sewer service costs.

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.

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1. The County Budget Commission must 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 2013 budgetary activity appears in Note 3.

F. 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:

1. Nonspendable

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

VILLAGE OF WEST UNITY
WILLIAMS COUNTY

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013
(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Fund Balance (Continued)

2. 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.

3. 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.

4. Assigned

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

5. 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.

G. 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.

H. 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.

**VILLAGE OF WEST UNITY
WILLIAMS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013
(Continued)**

2. CHANGES IN FINANCIAL STATEMENT PRESENTATION

In 2012, the Village reported the financial statements on the cash basis of accounting comparable to the requirements of Governmental Accounting Standard No. 34. For 2013, the Village began reporting on a regulatory basis. The Village no longer presents entity wide financial statements. The fund financial statements present a column for each fund type, rather than a separate column for each major fund with non-major funds aggregated and presented in a single column.

3. EQUITY IN POOLED DEPOSITS

The Village maintains a deposit pool all funds use except the Village records identify the purchase of certificates of deposit by individual funds. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits at December 31 was as follows:

	2013
Demand deposits	\$1,358,774
Certificates of Deposit	\$406,000
Total deposits	1,764,774
Cash on Hand	175
Total	1,764,949

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

4. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2013 follows:

2013 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$429,319	\$481,097	\$51,778
Special Revenue	140,760	148,952	8,192
Debt Service	280,195	297,926	17,731
Capital Projects	210,000	252,768	42,768
Enterprise	474,000	484,494	10,494
Permanent	450	229	(221)
Total	\$1,534,724	\$1,665,466	\$130,742

**VILLAGE OF WEST UNITY
WILLIAMS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013
(Continued)**

4. BUDGETARY ACTIVITY (Continued)

2013 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$514,236	\$500,987	\$13,249
Special Revenue	199,451	163,542	35,909
Debt Service	226,529	226,252	278
Capital Projects	342,902	190,975	151,927
Enterprise	524,568	492,398	32,170
Permanent	600	365	235
Total	\$1,808,286	\$1,574,519	\$233,768

5. 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.

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.

6. LOCAL INCOME TAX

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.

7. DEBT

Debt outstanding at December 31, 2013 was as follows:

	Principal	Interest Rate
Mortgage Revenue Bonds	\$145,000	5%
Ohio Water Development Authority Sewer Plant Loan	581,033	4.12%
Ohio Water Development Authority Loan - New Water Plant	594,391	4.21%
Total	\$1,320,424	

**VILLAGE OF WEST UNITY
WILLIAMS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013
(Continued)**

7. DEBT (Continued)

The Ohio Water Development Authority (OWDA) Sewer Plant loan relates to a water and sewer plant expansion project the Ohio Environmental Protection Agency mandated. The OWDA approved up to \$2,010,000 in loans to the Village for this project. The Village will repay the loans in semiannual installments of \$71,390, including interest, over 20 years. The scheduled payment amount below assumes that \$1,932,477 will be borrowed. The OWDA will adjust scheduled payment to reflect any revisions in amounts the Village actually borrows. Water and sewer receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

Contrary to the Village's debt agreement, sewer receipts in 2013 were not sufficient to provide for its debt repayment.

The mortgage revenue bonds relate to a sanitary sewer improvement project. The bonds were issued by the Village in 1976 for an aggregate amount of \$901,000. The bonds will be paid in annual installments according to the bond amortization schedule until 2016. The scheduled payment amounts are listed below. As required by the mortgage revenue bond covenant, the Village has established and funded a sewer reserve fund, included as an enterprise fund. The balance in the fund at December 31, 2013, was \$66,730.

The OWDA Water Plant loan relates to construction of the new water treatment plant. The loan will be repaid in semiannual installment of \$52,740, including interest, over 10 years. The loan will be paid through the collection of a user charge for consumer water/sewer Services at the new Turnpike plazas.

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

Year ending December 31:	Mortgage Revenue Bond	OWDA Loans
2014	\$53,250	\$301,509
2015	52,950	301,209
2016	53,550	301,809
2017		248,259
2018		178,869
2019-2023		158,220
Total	\$159,750	\$1,489,875

8. RETIREMENT SYSTEMS

The Village's full time law enforcement officers belong to the Ohio Police and Fire Pension Fund (OP&F). Other employees belong to the Ohio Public Employees Retirement System (OPERS). OP&F and OPERS are cost-sharing, multiple-employer plans. The Ohio Revised Code prescribes these plans' benefits, which include postretirement healthcare and survivor and disability benefits.

**VILLAGE OF WEST UNITY
WILLIAMS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013
(Continued)**

8. RETIREMENT SYSTEMS (Continued)

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 10% of their wages until July 1, 2013 when the rate increased to 10.75%. The Village contributed to OP&F an amount equal to 19.5% of full-time police members' wages. 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, 2013.

9. RISK MANAGEMENT (Continued)

Commercial Insurance

The Village has obtained commercial insurance from HHC Public Risk, an U.S. Specialty Insurance Company for the following risks:

- Comprehensive property and general liability;
- Public officials liability;
- Law enforcement liability;
- Inland Marine;
- Crime;
- Vehicles; and
- Errors and omissions.



Dave Yost • Auditor of State

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

Village of West Unity
Williams County
118 West Jackson Street, P.O. Box 207
West Unity, Ohio 43570-0207

To the Village Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of Village of West Unity, Williams County, Ohio (the Village) as of and for the year ended December 31, 2013 and the related notes to the financial statements and have issued our report thereon dated July 1, 2014 wherein we noted the Village ceased reporting on a cash basis of accounting comparable to the requirements of Governmental Accounting Standard No. 34 and followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 permit.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Compliance and Other Matters

As part of reasonably assuring whether the Village's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed an instance of noncompliance we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2013-001.

Entity's Response to Finding

The Village's response to the finding identified in our audit is described in the accompanying schedule of findings. We did not audit the Village's response and, accordingly, we express no opinion on it.

Purpose of this Report

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



Dave Yost
Auditor of State

Columbus, Ohio

July 1, 2014

VILLAGE OF WEST UNITY
WILLIAMS COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2013

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

FINDING NUMBER 2013-001

Noncompliance

Ohio Water Development Authority (OWDA) Cooperative Agreement for Construction, Maintenance and Operation of Wastewater Project §4.3(a) provides the Village will prescribe and charge such rates for the services of the sewer system which shall result in pledged revenues at least adequate to provide for payments required to remit its debt obligation payments to OWDA.

Operating income of \$27,984 generated in 2013 from sewer charges was not adequate to provide for payments required to remit the Village's debt obligations of \$52,740 for 2013 to the OWDA.

We recommend the Village Council review the Village's sewer operations in order to determine if additional rate increases are needed to generate an adequate amount of revenues to provide for payments to meet its debt obligation to OWDA.

Officials' Response:

Management intends to review expenditures and user charges from sewer operations in order to narrow this deficit.

**VILLAGE OF WEST UNITY
WILLIAMS COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2013**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2012-001	Material Weakness – due to investments with original maturities greater than 90 days are to be reported as cash instead of investments.	N/A	Finding no longer valid.
2012-002	Significant Deficiency and Noncompliance – ORC §5705.10 Fund allocation of personal property tax loss reimbursements was incorrect.	No	Partially corrected. Finding was included in the management letter.
2012-003	OWDA Agreement for Wastewater Project §.3(a) due to rates charged being insufficient to provide for debt obligations.	No	Not corrected. Reissued as Finding 2013-001 in this report.



Dave Yost • Auditor of State

VILLAGE OF WEST UNITY

WILLIAMS 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
JULY 15, 2014**