

Village of West Union

Adams County

Regular Audit

January 1, 1999 Through December 31, 2000

Fiscal Years Audited Under GAGAS: 1999 & 2000

**BALESTRA & COMPANY**  
CERTIFIED PUBLIC ACCOUNTANTS  
528 SOUTH WEST STREET, P.O. BOX 687  
**PIKETON, OHIO 45661**





**STATE OF OHIO**  
**OFFICE OF THE AUDITOR**

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Members of the Board  
Village of West Union  
923 Sunrise Avenue  
West Union, Ohio 45693

We have reviewed the Independent Auditor's Report of the Village of West Union, Adams County, prepared by Balestra & Company, for the audit period January 1, 1999 through December 31, 2000. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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 West Union is responsible for compliance with these laws and regulations.

JIM PETRO  
Auditor of State

June 15, 2001

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VILLAGE OF WEST UNION  
ADAMS COUNTY

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**BALESTRA & COMPANY**  
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Ohio Society of Certified Public Accountants

**INDEPENDENT AUDITORS' REPORT**

Members of the Board  
Village of West Union  
923 Sunrise Avenue  
West Union, Ohio 45693

We have audited the accompanying financial statements of the Village of West Union, Adams County, as of and for the years ended December 31, 1999 & 2000. These financial statements are the responsibility of the Village of West Union's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about 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. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the Village of West Union prepares its financial statements on the basis of accounting presented or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and its combined budgeted and actual receipts and budgeted and actual disbursements and encumbrances of the Village of West Union, as of December 31, 1999 & 2000, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 6, 2001 on our consideration of the Village of West Union's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

This report is intended solely for the information and use of the Mayor, management, Board of Public Affairs, Village Council and other officials authorized to receive this report under Section 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

*Balestra & Company*  
Balestra & Company  
April 6, 2001

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VILLAGE OF WEST UNION  
ADAMS COUNTY

COMBINED STATEMENT OF CASH AND FUND  
CASH BALANCES - ALL FUND TYPES  
AS OF DECEMBER 31, 1999 & 2000

	<u>2000</u>	<u>1999</u>
Total Cash and Cash Equivalents	<u>\$ 698,020</u>	<u>\$ 649,664</u>
 <u>CASH BALANCES BY FUND TYPE</u>		
Governmental Fund Type:		
General	\$ 62,122	\$ 11,790
Special Revenue	67,654	30,246
Debt Service	16,935	14,747
Capital Projects	138,705	196,836
Proprietary Fund Type:		
Enterprise	412,604	396,045
Fiduciary Fund Type:		
Agency	<u>-</u>	<u>-</u>
Total	<u>\$ 698,020</u>	<u>\$ 649,664</u>

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

VILLAGE OF WEST UNION  
ADAMS COUNTY

COMBINED STATEMENT OF CASH RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2000

	<u>GOVERNMENTAL FUND TYPES</u>	
	<u>General</u>	<u>Special Revenue</u>
Cash Receipts		
Local Taxes	\$ 79,270	\$ 147,261
Charges for Services	39,472	-
Fines, Licenses and Permits	78,145	518
Intergovernmental Receipts	174,980	94,270
All Other Receipts	<u>13,413</u>	<u>8</u>
Total Cash Receipts	385,280	242,057
Cash Disbursements		
Current		
Security of Persons and Property	215,656	56,980
Public Health Services	5,947	11,799
General Government	131,285	-
Transportation	-	136,772
Capital Outlay	-	-
Debt Service	<u>-</u>	<u>-</u>
Total Cash Disbursements	352,888	205,551
Total Receipts Over/(Under) Disbursements	32,392	36,506
Other Financing Sources (Uses):		
Loan Proceeds	-	-
Interest	18,842	-
Transfers - In	1,512	2,414
Transfers - Out	<u>(2,414)</u>	<u>(1,512)</u>
Total Other Financing Sources (Uses)	17,940	902
Excess of Receipts and Other Financing Sources Over/(Under) Disbursements and Other Uses	<u>50,332</u>	<u>37,408</u>
Fund Cash Balances, January 1, 2000	<u>11,790</u>	<u>30,246</u>
Fund Cash Balances, December 31, 2000	\$ <u><u>62,122</u></u>	\$ <u><u>67,654</u></u>

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

VILLAGE OF WEST UNION  
ADAMS COUNTY

COMBINED STATEMENT OF CASH RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2000

GOVERNMENTAL FUND TYPES

	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Totals (Memorandum Only)</u>
Cash Receipts			
Local Taxes	\$ 49,175	\$ -	\$ 275,706
Charges for Services	-	-	39,472
Fines, Licenses and Permits	-	-	78,663
Intergovernmental Receipts	6,573	-	275,823
All Other Receipts	<u>25</u>	<u>-</u>	<u>13,446</u>
Total Cash Receipts	55,773	-	683,110
Cash Disbursements			
Current			
Security of Persons and Property	-	-	272,636
Public Health Services	-	-	17,746
General Government	-	-	131,285
Transportation	-	-	136,772
Capital Outlay	-	76,039	76,039
Debt Service	<u>53,585</u>	<u>-</u>	<u>53,585</u>
Total Cash Disbursements	53,585	76,039	688,063
Total Receipts Over/(Under) Disbursements	2,188	(76,039)	(4,953)
Other Financing Sources (Uses)			
Loan Proceeds	-	52,000	52,000
Interest	-	-	18,842
Transfers - In	-	-	3,926
Transfers - Out	<u>-</u>	<u>(34,092)</u>	<u>(38,018)</u>
Total Other Financing Sources (Uses)	-	17,908	36,750
Excess of Receipts and Other Financing Sources Over/(Under) Disbursements and Other Uses	<u>2,188</u>	<u>(58,131)</u>	<u>31,797</u>
Fund Cash Balances, January 1, 2000	<u>14,747</u>	<u>196,836</u>	<u>253,619</u>
Fund Cash Balances, December 31, 2000	<u>\$ 16,935</u>	<u>\$ 138,705</u>	<u>\$ 285,416</u>

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

VILLAGE OF WEST UNION  
ADAMS COUNTY

COMBINED STATEMENT OF CASH RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 1999

	<u>GOVERNMENTAL FUND TYPES</u>	
	<u>General</u>	<u>Special Revenue</u>
Cash Receipts		
Local Taxes	\$ 81,518	\$ 100,941
Charges for Services	25,919	-
Fines, Licenses and Permits	102,649	855
Intergovernmental Receipts	102,982	115,830
All Other Receipts	<u>42,665</u>	<u>19,335</u>
Total Cash Receipts	355,733	236,961
Cash Disbursements		
Current		
Security of Persons and Property	224,230	67,642
Public Health Services	5,527	12,744
General Government	134,883	-
Transportation	-	154,457
Capital Outlay	-	-
Debt Service	<u>-</u>	<u>-</u>
Total Cash Disbursements	364,640	234,843
Total Receipts Over/(Under) Disbursements	(8,907)	2,118
Other Financing Sources (Uses):		
Transfers - In	-	-
Transfers - Out	-	-
Other Uses	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	-	-
Excess of Receipts and Other Financing Sources Over/(Under) Disbursements and Other Uses	<u>(8,907)</u>	<u>2,118</u>
Fund Cash Balances, January 1, 1999	<u>20,697</u>	<u>28,128</u>
Fund Cash Balances, December 31, 1999	\$ <u><u>11,790</u></u>	\$ <u><u>30,246</u></u>

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

VILLAGE OF WEST UNION  
ADAMS COUNTY

COMBINED STATEMENT OF CASH RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 1999

GOVERNMENTAL FUND TYPES

	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Totals (Memorandum Only)</u>
Cash Receipts			
Local Taxes	\$ 58,468	\$ -	\$ 240,927
Charges for Services	-	-	25,919
Fines, Licenses and Permits	-	-	103,504
Intergovernmental Receipts	7,613	221,107	447,532
All Other Receipts	<u>-</u>	<u>-</u>	<u>62,000</u>
Total Cash Receipts	66,081	221,107	879,882
Cash Disbursements			
Current			
Security of Persons and Property	-	-	291,872
Public Health Services	-	-	18,271
General Government	-	-	134,883
Transportation	-	-	154,457
Capital Outlay	-	295,613	295,613
Debt Service	<u>88,109</u>	<u>-</u>	<u>88,109</u>
Total Cash Disbursements	88,109	295,613	983,205
Total Receipts Over/(Under) Disbursements	(22,028)	(74,506)	(103,323)
Other Financing Sources (Uses)			
Transfers - In	-	76,862	76,862
Transfers - Out	(7,714)	-	(7,714)
Other Uses	<u>-</u>	<u>(7,714)</u>	<u>(7,714)</u>
Total Other Financing Sources (Uses)	(7,714)	69,148	61,434
Excess of Receipts and Other Financing Sources Over/(Under) Disbursements and Other Uses	<u>(29,742)</u>	<u>(5,358)</u>	<u>(41,889)</u>
Fund Cash Balances, January 1, 1999	<u>44,489</u>	<u>202,194</u>	<u>295,508</u>
Fund Cash Balances, December 31, 1999	\$ <u>14,747</u>	\$ <u>196,836</u>	\$ <u>253,619</u>

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

VILLAGE OF WEST UNION  
ADAMS COUNTY

COMBINED STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND  
CHANGES IN FUND CASH BALANCES  
ALL PROPRIETARY FUND TYPES AND SIMILAR FIDUCIARY FUNDS  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2000

PROPRIETARY FUND TYPE

	<u>Enterprise</u>
Cash Operating Receipts	
Charges for Services	\$ 1,105,911
Other Operating Revenue	<u>76</u>
Total Cash Operating Receipts	1,105,987
Cash Operating Disbursements	
Personal Services	192,443
Travel Transportation	64,492
Contractual Services	335,417
Supplies and Materials	113,731
Capital Outlay	<u>91,777</u>
Total Cash Operating Disbursements	797,860
Operating Receipts Over/(Under)	
Operating Disbursements	308,127
Non-Operating Receipts (Disbursements)	
Debt Service	(323,210)
Miscellaneous	(2,450)
Distributions	<u>-</u>
Total Non-Operating Receipts (Disbursements)	(325,660)
Excess of Receipts Over/(Under)	
Disbursements Before Transfers	(17,533)
Operating Transfers - In	<u>34,092</u>
Net Receipts Over/(Under)	
Disbursements	16,559
Fund Cash Balance, January 1, 2000	<u>396,045</u>
Fund Cash Balance, December 31, 2000	\$ <u><u>412,604</u></u>

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

VILLAGE OF WEST UNION  
ADAMS COUNTY

COMBINED STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND  
CHANGES IN FUND CASH BALANCES  
ALL PROPRIETARY FUND TYPES AND SIMILAR FIDUCIARY FUNDS  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2000

FIDUCIARY FUND TYPE

	<u>Agency</u>	Totals (Memorandum <u>Only</u> )
Cash Operating Receipts		
Charges for Services	\$ -	\$ 1,105,911
Other Operating Revenue	-	76
	<u>-</u>	<u>76</u>
Total Cash Operating Receipts	-	1,105,987
Cash Operating Disbursements		
Personal Services	-	192,443
Travel Transportation	-	64,492
Contractual Services	-	335,417
Supplies and Materials	-	113,731
Capital Outlay	-	91,777
	<u>-</u>	<u>91,777</u>
Total Cash Operating Disbursements	-	797,860
Operating Receipts Over/(Under) Operating Disbursements	-	308,127
Non-Operating Receipts (Disbursements)		
Debt Service	-	(323,210)
Miscellaneous	88,567	86,117
Distributions	<u>(88,567)</u>	<u>(88,567)</u>
Total Non-Operating Receipts (Disbursements)	-	(325,660)
Excess of Receipts Over/(Under) Disbursements Before Transfers	-	(17,533)
Operating Transfers - In	<u>-</u>	<u>34,092</u>
Net Receipts Over/(Under) Disbursements	-	16,559
Fund Cash Balance, January 1, 2000	<u>-</u>	<u>396,045</u>
Fund Cash Balance, December 31, 2000	<u>\$ -</u>	<u>\$ 412,604</u>

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

VILLAGE OF WEST UNION  
ADAMS COUNTY

COMBINED STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND  
CHANGES IN FUND CASH BALANCES  
ALL PROPRIETARY FUND TYPES AND SIMILAR FIDUCIARY FUNDS  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 1999

PROPRIETARY FUND TYPE

	<u>Enterprise</u>
Cash Operating Receipts	
Charges for Services	\$ 1,124,727
Other Operating Revenue	<u>10,510</u>
Total Cash Operating Receipts	1,135,237
Cash Operating Disbursements	
Personal Services	263,723
Contractual Services	339,996
Supplies and Materials	105,203
Capital Outlay	<u>758,118</u>
Total Cash Operating Disbursements	1,467,040
Operating Receipts Over/(Under)	
Operating Disbursements	(331,803)
Non-Operating Receipts (Disbursements)	
Debt Service	(286,892)
Loan Proceeds	728,584
Miscellaneous	-
Other Non-Operating Expenses	(1,614)
Distributions	<u>-</u>
Total Non-Operating Receipts (Disbursements)	440,078
Excess of Receipts Over/(Under)	
Disbursements Before Transfers	108,275
Operating Transfers - Out	<u>(69,148)</u>
Net Receipts Over/(Under)	
Disbursements	39,127
Fund Cash Balance, January 1, 1999	<u>356,918</u>
Fund Cash Balance, December 31, 1999	\$ <u><u>396,045</u></u>

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



VILLAGE OF WEST UNION  
ADAMS COUNTY

COMBINED STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND  
CHANGES IN FUND CASH BALANCES  
ALL PROPRIETARY FUND TYPES AND SIMILAR FIDUCIARY FUNDS  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 1999

FIDUCIARY FUND TYPE

	<u>Agency</u>	Totals (Memorandum <u>Only</u> )
Cash Operating Receipts		
Charges for Services	\$ -	\$1,124,727
Other Operating Revenue	-	10,510
	<u>-</u>	<u>10,510</u>
Total Cash Operating Receipts	-	1,135,237
Cash Operating Disbursements		
Personal Services	-	263,723
Contractual Services	-	339,996
Supplies and Materials	-	105,203
Capital Outlay	-	758,118
	<u>-</u>	<u>758,118</u>
Total Cash Operating Disbursements	-	1,467,040
Operating Receipts Over/(Under)		
Operating Disbursements	-	(331,803)
Non-Operating Receipts (Disbursements)		
Debt Service	-	(286,892)
Loan Proceeds	-	728,584
Miscellaneous	117,591	117,591
Other Non-Operating Expenses	-	(1,614)
Distributions	<u>(117,591)</u>	<u>(117,591)</u>
Total Non-Operating Receipts (Disbursements)	-	440,078
Excess of Receipts Over/(Under)		
Disbursements Before Transfers	-	108,275
Operating Transfers - Out	<u>-</u>	<u>(69,148)</u>
Net Receipts Over/(Under)		
Disbursements	-	39,127
Fund Cash Balance, January 1, 1999	<u>-</u>	<u>356,918</u>
Fund Cash Balance, December 31, 1999	<u>\$ -</u>	<u>\$ 396,045</u>

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

VILLAGE OF WEST UNION  
ADAMS COUNTY

COMBINED STATEMENT OF RECEIPTS - BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2000

<u>Fund Types/Funds</u>	<u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Governmental			
General	\$ 399,000	\$ 405,634	\$ 6,634
Special Revenue	244,434	244,471	37
Debt Service	55,170	55,773	603
Capital Project	82,000	52,000	(30,000)
Proprietary			
Enterprise	<u>1,375,883</u>	<u>1,140,079</u>	<u>(235,804)</u>
Total (Memorandum Only)	<u>\$ 2,156,487</u>	<u>\$ 1,897,957</u>	<u>\$ (258,530)</u>

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

VILLAGE OF WEST UNION  
ADAMS COUNTY

COMBINED STATEMENT OF DISBURSEMENTS  
COMPARED WITH EXPENDITURE AUTHORITY  
FOR THE YEAR ENDED DECEMBER 31, 2000

<u>Fund Types/Funds</u>	<u>2000 Appropriations</u>	<u>Actual 2000 Disbursements</u>	<u>Variance Favorable (Unfavorable)</u>
Governmental			
General	\$ 385,068	\$ 355,302	\$ 29,766
Special Revenue	261,582	207,063	54,519
Debt Service	69,917	53,585	16,332
Capital Projects	395,943	110,131	285,812
Proprietary			
Enterprise	<u>1,566,745</u>	<u>1,123,520</u>	<u>443,225</u>
Total (Memorandum Only)	\$ <u><u>2,679,255</u></u>	\$ <u><u>1,849,601</u></u>	\$ <u><u>829,654</u></u>

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

VILLAGE OF WEST UNION  
ADAMS COUNTY

COMBINED STATEMENT OF RECEIPTS - BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 1999

<u>Fund Types/Funds</u>	<u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Governmental			
General	\$ 375,793	\$ 355,733	\$ (20,060)
Special Revenue	228,820	236,961	8,141
Debt Service	57,400	66,081	8,681
Capital Project	112,583	297,969	185,386
Proprietary			
Enterprise	<u>2,115,104</u>	<u>1,863,821</u>	<u>(251,283)</u>
Total (Memorandum Only)	<u>\$ 2,889,700</u>	<u>\$ 2,820,565</u>	<u>\$ (69,135)</u>

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

VILLAGE OF WEST UNION  
ADAMS COUNTY

COMBINED STATEMENT OF DISBURSEMENTS AND  
ENCUMBRANCES COMPARED WITH EXPENDITURE AUTHORITY  
FOR THE YEAR ENDED DECEMBER 31, 1999

<u>Fund Types/Funds</u>	Prior Year Carryover <u>Appropriations</u>	1999 <u>Appropriations</u>	<u>Total</u>
Governmental			
General	\$ 6,546	\$ 370,674	\$ 377,220
Special Revenue	1,459	237,260	238,719
Debt Service	4,692	87,777	92,469
Capital Projects	-	82,714	82,714
Proprietary			
Enterprise	<u>1,640</u>	<u>2,168,533</u>	<u>2,170,173</u>
Total (Memorandum Only)	\$ <u>14,337</u>	\$ <u>2,946,958</u>	\$ <u>2,961,295</u>

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

VILLAGE OF WEST UNION  
ADAMS COUNTY

COMBINED STATEMENT OF DISBURSEMENTS AND  
ENCUMBRANCES COMPARED WITH EXPENDITURE AUTHORITY  
FOR THE YEAR ENDED DECEMBER 31, 1999

<u>Fund Types/Funds</u>	<u>Actual 1999 Disbursements</u>	<u>Encumbrances Outstanding At 12/31/99</u>	<u>Total</u>	<u>Variance Favorable (Unfavorable)</u>
Governmental				
General	\$ 364,640	\$ -	\$ 364,640	\$ 12,580
Special Revenue	234,843	-	234,843	3,876
Debt Service	95,823	-	95,823	(3,354)
Capital Projects	303,327	-	303,327	(220,613)
Proprietary				
Enterprise	<u>1,824,694</u>	<u>-</u>	<u>1,824,694</u>	<u>345,479</u>
Total (Memorandum Only)	<u>\$ 2,823,327</u>	<u>\$ -</u>	<u>\$2,823,327</u>	<u>\$ 137,968</u>

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

VILLAGE OF WEST UNION  
ADAMS COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 & 2000

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. DESCRIPTION OF THE ENTITY

The Village of West Union is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio.

The Village operates under a council-mayor form of government and provides the following services: Security of persons and property, public health and welfare, and community development. Educational services are provided by Ohio Valley Local School District. The District is a separate governmental entity and its financial statements are not included in those presented in this report.

The financial statements of the Mayor's Court are included in the Village's financial statements as an agency fund because of the oversight responsibility exercised by Village Council through its budgetary authorizations for court operations.

Management believes the financial statements included in this report represent all of the funds of the Village for which the Village is financially accountable.

B. BASIS OF ACCOUNTING

The financial statements were prepared on the cash basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when a payment is made rather than when a liability is incurred.

C. INVESTMENTS AND INACTIVE FUNDS

Investment procedures are restricted by the provisions of the Revised Code. Purchased investments are valued at cost and are neither charged when purchased nor credited at the time of redemption to their respective fund balances. Interest earned is recognized and recorded when received.

D. FUND ACCOUNTING

The Village maintains its accounting records in accordance with the principles of "fund" accounting. Fund accounting is a concept developed to meet the needs of governmental entities in which legal or other restraints require the recording of specific receipts and disbursements. The transactions of each fund are reflected in a self-balancing group of accounts, an accounting entity which stands separate from the activities reported in other funds. The restrictions associated with each type of funds are as follows:

GOVERNMENTAL FUND TYPE:

General Fund

The General Fund is the general operating fund of the Village. It is used to account for all financial resources except those required by law or contract to be accounted for in another fund.

VILLAGE OF WEST UNION  
ADAMS COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 & 2000  
(continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. FUND ACCOUNTING (continued)

GOVERNMENTAL FUND TYPE: (continued)

Special Revenue Funds

To account for proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to disbursements for specified 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 local taxes and revenues from contracts with other political subdivisions to provide fire protection.

Debt Service Fund

To account for the accumulation of resources for the payment of bonds and note indebtedness. The Village had the following significant debt service fund:

Fire Bond - set up to repay debt from fire loans.

Capital Projects Funds

To account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

PROPRIETARY FUND TYPE:

Enterprise Funds

To account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges. The Village had the following significant enterprise funds:

Water Fund - Receives charges for services from residents to cover the cost of providing this utility.

Sewer Fund - Receives charges for services from residents to cover the cost of providing this utility.

FIDUCIARY FUND TYPE:

Agency Fund

Agency funds are used to account for monies collected by one governmental unit for another governmental unit. The Village had the following significant fiduciary fund:

Mayor's Court - Accounts for activity in mayor's court bank account.



VILLAGE OF WEST UNION  
ADAMS COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 & 2000  
(continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. BUDGETARY PROCESS

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

Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The 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.

Estimated Resources

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

Encumbrances

The Ohio Revised Code requires the Village to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

F. PROPERTY, PLANT AND EQUIPMENT

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

G. UNPAID VACATION AND SICK LEAVE

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the cash basis of accounting used by the Village.

H. TOTAL COLUMNS ON FINANCIAL STATEMENTS

Total columns on the financial statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. This data is not comparable to a consolidation. Interfund-type eliminations have not been made in the aggregation of this data.

VILLAGE OF WEST UNION  
ADAMS COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 & 2000  
(continued)

2. EQUITY IN POOLED CASH AND INVESTMENTS

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

	<u>2000</u>	<u>1999</u>
Demand Deposits	\$ <u>727,321</u>	\$ <u>666,036</u>
Total Deposits	<u>727,321</u>	<u>666,036</u>
Reconciling Items	<u>(29,301)</u>	<u>(16,372)</u>
Carrying Amount	\$ <u>698,020</u>	\$ <u>649,664</u>

Deposits were either (1) insured by the Federal Depository Insurance Corporation, (2) collateralized by securities specifically pledged by the financial institution or the Village, or (3) collateralized by the financial institution's public entity deposit pool.

3. PROPERTY TAXES

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by Council. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payments, 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.

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 WEST UNION  
ADAMS COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 & 2000  
(continued)

4. DEBT

Debt outstanding at December 31, 2000, consisted of the following:

Sanitary Sewerage System	
Construction-Bond Anticipation Note 92-07	
Principal Outstanding	\$ 1,141,900
Interest Rate	3.84%
Sanitary Sewerage System	
Construction-Bond Anticipation Note 92-09	
Principal Outstanding	\$ 30,300
Interest Rate	3.84%
Sanitary Sewerage System	
Construction-Bond Anticipation Note 92-13	
Principal Outstanding	\$ 480,100
Interest Rate	4.45%
Sanitary Sewer Mortgage	
Revenue Bonds 92-01	
Principal Outstanding	\$ 880,933
Interest Rate	5.00%
Sanitary Sewer Mortgage	
Revenue Bonds 92-03	
Principal Outstanding	\$ 148,000
Interest Rate	5.00%
First Mortgage Water System	
Revenue Bonds 91-04	
Principal Outstanding	\$ 578,100
Interest Rate	6.00%
Fire Equipment-Bond Levy	
Principal Outstanding	\$ 305,000
Interest Rate	5.45%
OWDA Loan - 8108	
Principal Outstanding	\$ 895,549
Interest Rate	5.86%
OWDA Loan - 521SRF	
Principal Outstanding	\$ 47,052
Interest Rate	Not Fully Drawn to Date

VILLAGE OF WEST UNION  
ADAMS COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 & 2000  
(continued)

4. DEBT (continued)

General obligation bonds are direct obligations of the Village for which its full faith, credit and resources are pledged and are payable from taxes levied on all taxable property within the Village. Revenue bonds and bond anticipation notes are direct obligations of the Village for which its full faith, credit and resources are pledged and are payable from the enterprise fund. The annual requirements to amortize all bonded debt outstanding, excluding OWDA loan 521SRF which is not fully drawn, as of December 31, 2000, including interest payments of \$3,113,703 are as follows:

<u>Year Ending December 31</u>	<u>Water Mortgage Revenue Bonds</u>	<u>Sewer Mortgage Revenue Bonds</u>	<u>Fire Bond Levy</u>	<u>Sewer Bond Anticipation Notes</u>
2001	\$ 44,486	\$ 88,447	\$ 54,623	\$ 104,377
2002	44,498	88,597	52,552	104,677
2003	44,474	88,647	53,481	104,798
2004	44,414	88,597	53,246	105,143
2005	44,418	88,447	53,903	105,100
2006-2010	222,354	436,485	107,176	529,888
2011-2015	222,300	417,735	-	534,035
2016-2020	222,240	296,221	-	306,559
2021-2025	222,200	-	-	316,439
Thereafter	44,414	-	-	603,674
	<u>\$ 1,155,798</u>	<u>\$ 1,593,176</u>	<u>\$ 374,981</u>	<u>\$ 2,814,690</u>

<u>Year Ending December 31</u>	<u>OWDA Loan</u>	<u>Totals (Memorandum Only)</u>
2001	\$ 36,332	\$ 328,265
2002	72,664	362,988
2003	72,664	364,064
2004	72,664	364,064
2005	72,664	364,532
2006-2010	363,320	1,659,223
2011-2015	363,320	1,537,390
2016-2020	363,320	1,188,340
2021-2025	217,992	756,631
Thereafter	-	648,088
	<u>\$ 1,634,940</u>	<u>\$ 7,573,585</u>

5. RISK MANAGEMENT

The Village maintains comprehensive insurance coverage with private carriers for real property, building contents, and vehicles. Vehicle policies include liability coverage for bodily injury and property damage. Real property and contents are 90% coinsured. A Village Liability Policy is maintained by the Village with private carriers up to a maximum amount of \$1,000,000 per each occurrence and \$1,000,000 aggregate.

VILLAGE OF WEST UNION  
ADAMS COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 & 2000  
(continued)

6. RETIREMENT SYSTEM

The Village's law enforcement officers belong to the Police & Firemen's Disability & Pension Funds (PFDPF). Other full-time employees belong to the Public Employees Retirement System (PERS) of Ohio. PFDPF and PERS are cost-sharing, multiple-employer plans. These plans provide retirement benefits, including postretirement health care, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 1999 and 2000, members of PFDPF contributed 10% of their wages to the PFDPF. The Village contributed an amount equal to 19.5% of their wages. PERS members contributed 8.5% of their gross salaries. The Village contributed an amount equal to 13.55% of participants' gross salaries. The Village has paid all contributions required through December 31, 2000.

7. CONTINGENCIES

A. Grants

The Village received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the Village at December 31, 2000.

B. Litigation

The Village is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the Village's counsel that resolution of these matters will not have a material adverse effect on the financial condition of the Village.

**BALESTRA & COMPANY**  
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Ohio Society of Certified Public Accountants

**Report on compliance and on internal control over financial reporting based on an audit of financial statements performed in accordance with *Government Auditing Standards***

Members of the Board  
Village of West Union  
923 Sunrise Avenue  
West Union, Ohio 45693

We have audited the financial statements of the Village of West Union, Adams County, as of and for the years ended December 31, 1999 & 2000, and have issued our report thereon dated April 6, 2001. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Village of West Union's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on 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 such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted other immaterial instances of noncompliance that we have reported to the management of the Village in a separate letter dated April 6, 2001.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Village of West Union's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to the management of the Village in a separate letter dated April 6, 2001.

Members of the Board  
Village of West Union  
West Union, Ohio 45693

Report on compliance and on internal control over financial reporting based on an audit of financial statements performed in accordance with *Government Auditing Standards*  
Page 2

This report is intended for the information and use of the Mayor, management, Board of Public Affairs, and the Village Council and is not intended to be and should not be used by anyone other than these specified parties.

*Balestra & Company*  
Balestra & Company

April 6, 2001







STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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Columbus, Ohio 43216-1140  
Telephone 614-466-4514  
800-282-0370  
Facsimile 614-466-4490

**VILLAGE OF WEST UNION**

**ADAMS 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  
JUNE 26, 2001**