

**VILLAGE OF WEST UNION  
ADAMS COUNTY, OHIO**

**AUDITED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED  
DECEMBER 31, 2006 AND 2005**





# Mary Taylor, CPA

Auditor of State

Village Council  
Village of West Union  
P. O. Box 395  
West Union, Ohio 45693

We have reviewed the *Independent Auditors' Report* of the Village of West Union, Adams County, prepared by Bastin & Company, LLC, for the audit period January 1, 2005 through December 31, 2006. 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.

The financial statements in the attached report are presented in accordance with a regulatory basis of accounting prescribed or permitted by the Auditor of State. Due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA), modifications were required to the *Independent Auditors' Report* on your financial statements. While the Auditor of State 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. The attached report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the statements are misstated under the non-GAAP regulatory basis. The *Independent Auditors' Report* also includes an opinion on the financial statements using the regulatory format the Auditor of State permits.

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.

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

Mary Taylor, CPA  
Auditor of State

September 14, 2007

**This Page is Intentionally Left Blank.**

**VILLAGE OF WEST UNION  
ADAMS COUNTY, OHIO**

**TABLE OF CONTENTS**

| <b>TITLE</b>  | <b>PAGE</b> |
|---|-------------|
| Independent Auditors' Report .....  | 1           |
| Combined Statement of Cash Receipts, Cash Disbursements, and<br>Changes in Fund Cash Balances - All Governmental Fund Types<br>For the Year Ended December 31, 2006.....  | 3           |
| Combined Statements of Cash Receipts, Cash Disbursements, and<br>Changes in Fund Cash Balances - All Proprietary and Similar Fiduciary Fund Types<br>For the Year Ended December 31, 2006.....                  | 4           |
| Combined Statement of Cash Receipts, Cash Disbursements, and<br>Changes in Fund Cash Balances - All Governmental Fund Types<br>For the Year Ended December 31, 2005.....  | 5           |
| Combined Statements of Cash Receipts, Cash Disbursements, and<br>Changes in Fund Cash Balances - All Proprietary and Similar Fiduciary Fund Types<br>For the Year Ended December 31, 2005.....                  | 6           |
| Notes to the Financial Statements.....  | 7           |
| Report on Internal Control Over Financial Reporting and on Compliance and<br>Other Matters Based on an Audit of Financial Statements Performed in Accordance<br>with <i>Government Auditing Standards</i> ..... | 16          |
| Schedule of Audit Findings .....  | 18          |
| Schedule of Prior Year Audit Findings.....  | 20          |

**This Page is Intentionally Left Blank.**

# Bastin & Company, LLC

*Certified Public Accountants*

## **INDEPENDENT AUDITORS' REPORT**

The Honorable Members of Village Council  
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, Ohio, (the Village) as of and for the years ended December 31, 2006 and 2005. 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 *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 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.

Revisions to GAAP would require the Village to reformat its financial statement presentation and make other changes effective for the years ended December 31, 2006 and 2005. Instead of the combined funds the accompanying financial statements present for 2006 and 2005, the revisions require presenting entity wide statements and also to present its larger (i.e. major) funds separately for 2006 and 2005. While the Village does not follow GAAP, generally accepted auditing standards require us to include the following paragraph if the statements do not substantially conform to the new GAAP presentation requirements. The Auditor of State permits, but does not require, governmental units to reformat their statements. The Village has elected not to reformat its statements. Since the Village does not use GAAP to measure financial statement amounts, 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, 2006 and 2005 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, 2006 and 2005, or their changes in financial position for the year then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the Village as of December 31, 2006 and 2005, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

The aforementioned revision to generally accepted accounting principles also requires the Village to include Management's Discussion and Analysis for the year ended December 31, 2006 and 2005. 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 30, 2007, on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in considering the results of our audit.

A handwritten signature in cursive script that reads "Bastin & Company, LLC". The signature is written in black ink on a light-colored background.

Cincinnati, Ohio  
April 30, 2007



**VILLAGE OF WEST UNION  
ADAMS COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2006**

|  | <u>Governmental Fund Types</u> |                            |                         |                             | <u>Totals<br/>(Memorandum<br/>Only)</u> |
|--|--------------------------------|----------------------------|-------------------------|-----------------------------|---|
|  | <u>General</u>                 | <u>Special<br/>Revenue</u> | <u>Debt<br/>Service</u> | <u>Capital<br/>Projects</u> |   |
| <b>Cash Receipts:</b>  |                                |                            |                         |                             |   |
| Property Taxes   | \$ 119,990                     | \$ 180,563                 | \$ 37,199               | \$ -                        | \$ 337,752                              |
| Municipal Income Tax   | 332,294                        | -                          | -                       | -                           | 332,294                                 |
| Intergovernmental Revenues   | 59,968                         | 124,779                    | 2,780                   | -                           | 187,527                                 |
| Charges for Services   | 35,604                         | 20,567                     | -                       | -                           | 56,171                                  |
| Fines, Licenses and Permits  | 95,215                         | 5,476                      | -                       | -                           | 100,691                                 |
| Earnings on Investments  | 9,088                          | -                          | -                       | -                           | 9,088                                   |
| Miscellaneous  | 30,454                         | 22,526                     | -                       | -                           | 52,980                                  |
|  | <u>682,613</u>                 | <u>353,911</u>             | <u>39,979</u>           | <u>-</u>                    | <u>1,076,503</u>                        |
| <b>Cash Disbursements:</b>   |                                |                            |                         |                             |   |
| Current:   |                                |                            |                         |                             |   |
| Security of Persons and Property   | 304,210                        | 88,476                     | 1,113                   | -                           | 393,799                                 |
| Public Health Services   | 4,692                          | 12,496                     | -                       | -                           | 17,188                                  |
| Transportation   | 25,047                         | 220,276                    | -                       | -                           | 245,323                                 |
| Community Environment  | 2,877                          | 16,000                     | -                       | -                           | 18,877                                  |
| General Government   | 253,775                        | 6,200                      | -                       | -                           | 259,975                                 |
| Capital Outlay   | 220,914                        | -                          | -                       | 5,000                       | 225,914                                 |
| Debt Service:  |                                |                            |                         |                             |   |
| Principal  | -                              | -                          | 48,000                  | -                           | 48,000                                  |
| Interest and Fiscal Charges  | -                              | -                          | 5,192                   | -                           | 5,192                                   |
|  | <u>811,515</u>                 | <u>343,448</u>             | <u>54,305</u>           | <u>5,000</u>                | <u>1,214,268</u>                        |
| Total Receipts Over (Under) Disbursements  | <u>(128,902)</u>               | <u>10,463</u>              | <u>(14,326)</u>         | <u>(5,000)</u>              | <u>(137,765)</u>                        |
| <b>Other Financing Receipts and (Disbursements):</b>   |                                |                            |                         |                             |   |
| Advances-In  | -                              | 6,200                      | -                       | -                           | 6,200                                   |
| Advances-Out   | (6,200)                        | -                          | -                       | -                           | (6,200)                                 |
| Other Uses   | (27,881)                       | -                          | -                       | -                           | (27,881)                                |
|  | <u>(34,081)</u>                | <u>6,200</u>               | <u>-</u>                | <u>-</u>                    | <u>(27,881)</u>                         |
| Excess of Cash Receipts and Other Financing<br>Receipts Over (Under) Cash Disbursements<br>and Other Financing Disbursements | (162,983)                      | 16,663                     | (14,326)                | (5,000)                     | (165,646)                               |
| Fund Cash Balances, January 1  | <u>324,849</u>                 | <u>98,956</u>              | <u>49,501</u>           | <u>5,000</u>                | <u>478,306</u>                          |
| Fund Cash Balances, December 31  | <u>\$ 161,866</u>              | <u>\$ 115,619</u>          | <u>\$ 35,175</u>        | <u>\$ -</u>                 | <u>\$ 312,660</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, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES - ALL PROPRIETARY AND SIMILAR FIDUCIARY  
FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2006**

|   | <u>Proprietary<br/>Fund Types</u> | <u>Fiduciary<br/>Fund Types</u> | <u>Totals<br/>(Memorandum<br/>Only)</u> |
|---|-----------------------------------|---------------------------------|---|
|   | <u>Enterprise</u>                 | <u>Agency</u>                   |   |
| <b>Operating Cash Receipts:</b>   |                                   |                                 |   |
| Charges for Services  | \$ 1,190,453                      | \$ -                            | \$ 1,190,453                            |
| <br>Total Operating Cash Receipts   | <br><u>1,190,453</u>              | <br><u>-</u>                    | <br><u>1,190,453</u>                    |
| <b>Operating Cash Disbursements:</b>  |                                   |                                 |   |
| Personal Services   | 229,304                           | -                               | 229,304                                 |
| Fringe Benefits   | 100,963                           | -                               | 100,963                                 |
| Contractual Services  | 91,938                            | -                               | 91,938                                  |
| Supplies and Materials  | 134,466                           | -                               | 134,466                                 |
| Purchased Water   | 330,583                           | -                               | 330,583                                 |
| <br>Total Operating Cash Disbursements  | <br><u>887,254</u>                | <br><u>-</u>                    | <br><u>887,254</u>                      |
| <br>Operating Income  | <br><u>303,199</u>                | <br><u>-</u>                    | <br><u>303,199</u>                      |
| <b>Non-Operating Cash Receipts:</b>   |                                   |                                 |   |
| Earnings on Investments   | 3,241                             | -                               | 3,241                                   |
| Other Non-Operating Receipts  | 31,002                            | 103,410                         | 134,412                                 |
| <br>Total Non-Operating Cash Receipts   | <br><u>34,243</u>                 | <br><u>103,410</u>              | <br><u>137,653</u>                      |
| <b>Non-Operating Cash Disbursements:</b>  |                                   |                                 |   |
| Debt Service-Principal  | (170,456)                         | -                               | (170,456)                               |
| Interest and Fiscal Charges   | (179,434)                         | -                               | (179,434)                               |
| Other Non-Operating Cash Disbursements  | -                                 | (103,410)                       | (103,410)                               |
| <br>Total Non-Operating Cash Disbursements                                      | <br><u>(349,890)</u>              | <br><u>(103,410)</u>            | <br><u>(453,300)</u>                    |
| <br>Excess of Receipts Over (Under) Disbursements<br>Before Interfund Transfers | <br><u>(12,448)</u>               | <br><u>-</u>                    | <br><u>(12,448)</u>                     |
| <br>Transfers-In  | <br>345,532                       | <br>-                           | <br>345,532                             |
| Transfers-Out   | <u>(345,532)</u>                  | <u>-</u>                        | <u>(345,532)</u>                        |
| <br>Net Receipts Over (Under) Disbursements                                     | <br><u>(12,448)</u>               | <br><u>-</u>                    | <br><u>(12,448)</u>                     |
| <br>Fund Cash Balances, January 1   | <br><u>187,096</u>                | <br><u>-</u>                    | <br><u>187,096</u>                      |
| <br>Fund Cash Balances, December 31   | <br><u>\$ 174,648</u>             | <br><u>\$ -</u>                 | <br><u>\$ 174,648</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, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2005**

|   | <u>Governmental Fund Types</u> |                            |                         |                             | <b>Totals<br/>(Memorandum<br/>Only)</b> |
|---|--------------------------------|----------------------------|-------------------------|-----------------------------|---|
|   | <u>General</u>                 | <u>Special<br/>Revenue</u> | <u>Debt<br/>Service</u> | <u>Capital<br/>Projects</u> |   |
| <b>Cash Receipts:</b>   |                                |                            |                         |                             |   |
| Property Taxes  | \$ 116,973                     | \$ 178,262                 | \$ 56,409               | \$ -                        | \$ 351,644                              |
| Municipal Income Tax  | 309,057                        | -                          | -                       | -                           | 309,057                                 |
| Intergovernmental Revenues  | 63,106                         | 120,630                    | 6,383                   | 188,958                     | 379,077                                 |
| Charges for Services  | 36,535                         | 17,621                     | -                       | -                           | 54,156                                  |
| Fines, Licenses and Permits   | 88,520                         | 858                        | -                       | -                           | 89,378                                  |
| Earnings on Investments   | 23,863                         | -                          | -                       | -                           | 23,863                                  |
| Miscellaneous   | 18,222                         | -                          | -                       | -                           | 18,222                                  |
| <b>Total Cash Receipts</b>  | <u>656,276</u>                 | <u>317,371</u>             | <u>62,792</u>           | <u>188,958</u>              | <u>1,225,397</u>                        |
| <b>Cash Disbursements:</b>  |                                |                            |                         |                             |   |
| Current:  |                                |                            |                         |                             |   |
| Security of Persons and Property  | 285,521                        | 72,780                     | 1,770                   | -                           | 360,071                                 |
| Public Health Services  | 10,105                         | 16,868                     | -                       | -                           | 26,973                                  |
| Transportation  | 20,995                         | 210,513                    | -                       | -                           | 231,508                                 |
| Community Environment   | 5,781                          | 2,365                      | -                       | -                           | 8,146                                   |
| General Government  | 228,852                        | -                          | -                       | -                           | 228,852                                 |
| Capital Outlay  | 526,620                        | -                          | -                       | 191,808                     | 718,428                                 |
| Debt Service:   |                                |                            |                         |                             |   |
| Principal   | -                              | -                          | 46,000                  | -                           | 46,000                                  |
| Interest and Fiscal Charges   | -                              | -                          | 7,956                   | -                           | 7,956                                   |
| <b>Total Cash Disbursements</b>   | <u>1,077,874</u>               | <u>302,526</u>             | <u>55,726</u>           | <u>191,808</u>              | <u>1,627,934</u>                        |
| <b>Total Receipts Over (Under) Disbursements</b>  | <u>(421,598)</u>               | <u>14,845</u>              | <u>7,066</u>            | <u>(2,850)</u>              | <u>(402,537)</u>                        |
| <b>Other Financing Disbursements:</b>   |                                |                            |                         |                             |   |
| Other Uses  | (20,404)                       | -                          | -                       | -                           | (20,404)                                |
| <b>Total Other Financing Disbursements</b>  | <u>(20,404)</u>                | <u>-</u>                   | <u>-</u>                | <u>-</u>                    | <u>(20,404)</u>                         |
| Excess of Cash Receipts Over (Under)<br>Cash Disbursements and Other<br>Financing Disbursements |                                |                            |                         |                             |   |
|   | (442,002)                      | 14,845                     | 7,066                   | (2,850)                     | (422,941)                               |
| Fund Cash Balances, January 1   | <u>766,851</u>                 | <u>84,111</u>              | <u>42,435</u>           | <u>7,850</u>                | <u>901,247</u>                          |
| Fund Cash Balances, December 31   | <u>\$ 324,849</u>              | <u>\$ 98,956</u>           | <u>\$ 49,501</u>        | <u>\$ 5,000</u>             | <u>\$ 478,306</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, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES - ALL PROPRIETARY AND SIMILAR FIDUCIARY  
FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2005**

|   | <b>Proprietary<br/>Fund Types</b> | <b>Fiduciary<br/>Fund Types</b> | <b>Totals<br/>(Memorandum<br/>Only)</b> |
|---|-----------------------------------|---------------------------------|---|
|   | <b>Enterprise</b>                 | <b>Agency</b>                   |   |
| <b>Operating Cash Receipts:</b>   |                                   |                                 |   |
| Charges for Services  | \$ 1,136,918                      | \$ -                            | \$ 1,136,918                            |
| Total Operating Cash Receipts   | 1,136,918                         | -                               | 1,136,918                               |
| <b>Operating Cash Disbursements:</b>  |                                   |                                 |   |
| Personal Services   | 218,156                           | -                               | 218,156                                 |
| Fringe Benefits   | 96,813                            | -                               | 96,813                                  |
| Contractual Services  | 82,846                            | -                               | 82,846                                  |
| Supplies and Materials  | 147,873                           | -                               | 147,873                                 |
| Purchased Water   | 320,606                           | -                               | 320,606                                 |
| Total Operating Cash Disbursements  | 866,294                           | -                               | 866,294                                 |
| Operating Income  | 270,624                           | -                               | 270,624                                 |
| <b>Non-Operating Cash Receipts:</b>   |                                   |                                 |   |
| Earnings on Investments   | 5,210                             | -                               | 5,210                                   |
| Other Non-Operating Receipts  | 7,034                             | 90,422                          | 97,456                                  |
| Total Non-Operating Cash Receipts   | 12,244                            | 90,422                          | 102,666                                 |
| <b>Non-Operating Cash Disbursements:</b>                                    |                                   |                                 |   |
| Debt Service-Principal  | (162,060)                         | -                               | (162,060)                               |
| Interest and Fiscal Charges   | (189,784)                         | -                               | (189,784)                               |
| Capital Outlay  | (34,905)                          | -                               | (34,905)                                |
| Other Non-Operating Cash Disbursements                                      | -                                 | (90,422)                        | (90,422)                                |
| Total Non-Operating Cash Disbursements                                      | (386,749)                         | (90,422)                        | (477,171)                               |
| Excess of Receipts Over (Under) Disbursements<br>Before Interfund Transfers | (103,881)                         | -                               | (103,881)                               |
| Transfers-In  | 352,145                           | -                               | 352,145                                 |
| Transfers-Out   | (352,145)                         | -                               | (352,145)                               |
| Net Receipts Over (Under) Disbursements                                     | (103,881)                         | -                               | (103,881)                               |
| Fund Cash Balances, January 1   | 290,977                           | -                               | 290,977                                 |
| Fund Cash Balances, December 31   | \$ 187,096                        | \$ -                            | \$ 187,096                              |

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, 2006 AND 2005**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Village of West Union, Adams County, Ohio (Village) is a body corporate and politic established to exercise 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: water and sewer utilities, police and fire protection, park operations, street lighting, road maintenance and general government services.

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

**B. Basis of Accounting**

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized 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 prescribed or permitted by the Auditor of State.

**C. Cash and Investments**

Investments, if owned by the Village, are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

**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 is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

**2. Special Revenue Funds**

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

**VILLAGE OF WEST UNION  
ADAMS COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2006 AND 2005  
(continued)**

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

*Street Improvement Levy Fund* - This fund receives property tax monies from a specific tax levy for constructing, maintaining and repairing Village streets.

*Fire Levy Fund* - This fund receives local taxes and revenues from contracts with other political subdivisions to provide fire protection services.

**3. Debt Service Fund**

These funds are used to accumulate resources for the payment of bonds and note indebtedness. The Village had the following significant debt service fund:

*Fire Bond* - This fund receives tax monies collected for the retirement of loans related to fire equipment.

**4. Capital Projects Funds**

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise or trust funds). The Village had the following significant capital project funds.

*Walnut Street Construction Grant Fund* - This fund receives grant monies for a road construction project.

**5. Enterprise Funds**

These funds account for operations that are similar to private business enterprises where management intends that the significant costs of providing certain goods or services will be recovered through user charges. The Village had the following significant Enterprise Funds:

*Water Fund* - This fund receives charges for services from residents to cover the cost of providing this utility.

*Sewer Fund* - This fund receives charges for services from residents to cover the cost of providing this utility.

**6. Fiduciary Funds (Trust and Agency Funds)**

Trust funds are used to account for resources restricted by legally binding trust agreements. If the agreement requires the Village to maintain corpus of the trust, the fund is classified as a nonexpendable trust fund. Other trust funds are classified as expendable. Funds for which the Village is acting in an agency capacity are classified as agency funds. The Village had the following significant fiduciary funds:

*Mayors Court Agency Fund* - This fund is used to account for the collection and distribution of Mayor's Court fines, fees and bonds.

**VILLAGE OF WEST UNION  
ADAMS COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2006 AND 2005  
(continued)**

**E. Budgetary Process**

The Ohio Revised Code requires that each fund (except certain agency funds) 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 Council must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year-end.

**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 commitments are made. Encumbrances outstanding at year-end are carried over, and need not be reappropriated.

A summary of 2006 and 2005 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.

**G. 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.

**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, 2006 AND 2005  
(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:

|                         | 2006      | 2005      |
|-------------------------|-----------|-----------|
| Demand deposits         | \$378,690 | \$260,025 |
| Certificates of Deposit | 108,618   | 405,377   |
| Total Deposits          | \$487,308 | \$665,402 |

**Deposits:** Deposits are either 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, 2006 and 2005 follows:

| 2006 Budgeted vs. Actual Receipts |                      |                    |           |
|-----------------------------------|----------------------|--------------------|-----------|
| Fund Type                         | Budgeted<br>Receipts | Actual<br>Receipts | Variance  |
| General                           | \$ 625,850           | \$ 682,613         | \$ 56,763 |
| Special Revenue                   | 328,050              | 360,111            | 32,061    |
| Debt Service                      | 41,250               | 39,979             | (1,271)   |
| Capital Project                   | -                    | -                  | -         |
| Enterprise                        | 1,590,133            | 1,570,228          | (19,905)  |
| Total                             | \$ 2,585,283         | \$ 2,652,931       | \$ 67,648 |

| 2006 Budgeted vs. Actual Budgetary Basis Expenditures |                            |                           |             |
|---|----------------------------|---------------------------|-------------|
| Fund Type   | Appropriation<br>Authority | Budgetary<br>Expenditures | Variance    |
| General   | \$ 762,670                 | \$ 845,596                | \$ (82,926) |
| Special Revenue                                       | 365,689                    | 343,448                   | 22,241      |
| Debt Service  | 55,260                     | 54,305                    | 955         |
| Capital Project                                       | 5,000                      | 5,000                     | -           |
| Enterprise  | 1,649,691                  | 1,582,676                 | 67,015      |
| Total   | \$ 2,838,310               | \$ 2,831,025              | \$ 7,285    |



**VILLAGE OF WEST UNION  
ADAMS COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2006 AND 2005  
(continued)**

2005 Budgeted vs. Actual Receipts

| Fund Type       | Budgeted<br>Receipts | Actual<br>Receipts  | Variance        |
|-----------------|----------------------|---------------------|-----------------|
| General         | \$ 678,800           | \$ 656,276          | \$ (22,524)     |
| Special Revenue | 288,590              | 317,371             | 28,781          |
| Debt Service    | 57,300               | 62,792              | 5,492           |
| Capital Project | 188,958              | 188,958             | -               |
| Enterprise      | 1,510,406            | 1,501,307           | (9,099)         |
| Total           | <u>\$ 2,724,054</u>  | <u>\$ 2,726,704</u> | <u>\$ 2,650</u> |

2005 Budgeted vs. Actual Budgetary Basis Expenditures

| Fund Type       | Appropriation<br>Authority | Budgetary<br>Expenditures | Variance          |
|-----------------|----------------------------|---------------------------|-------------------|
| General         | \$ 1,137,637               | \$ 1,098,278              | \$ 39,359         |
| Special Revenue | 324,365                    | 302,526                   | 21,839            |
| Debt Service    | 56,479                     | 55,726                    | 753               |
| Capital Project | 193,958                    | 191,808                   | 2,150             |
| Enterprise      | 1,685,229                  | 1,605,188                 | 80,041            |
| Total           | <u>\$ 3,397,668</u>        | <u>\$ 3,253,526</u>       | <u>\$ 144,142</u> |

**4. COMPLIANCE**

Ohio Rev. Code, Section 5705.41(B), prohibits a subdivision from making expenditure unless it has been properly appropriated. The following Village funds had expenditures, which exceeded appropriations during 2006:

| Fund                          | Appropriations | Expenditures | Variance   |
|-------------------------------|----------------|--------------|------------|
| General Fund                  | \$762,670      | \$845,596    | (\$82,926) |
| Fire Escrow 80 Logan Lane     | -              | 8,000        | (8,000)    |
| Fire Escrow 276 Cherry Street | -              | 8,000        | (8,000)    |
| Mayor's Court Computer Fund   | -              | 6,200        | (6,200)    |
| Sewer Sinking Fund            | 224,327        | 224,358      | (31)       |

In addition, the Village did not properly certify the availability of funds in accordance with Ohio Revised Code, Section 5705.41 (D) for all commitments that were tested by audit for 2006 and 2005.

Testing also disclosed instances where tickets issued to officers could not be accounted for as to their final disposition by Mayor's court officials as required by Ohio Revised Code Section 1905.21.

**VILLAGE OF WEST UNION  
ADAMS COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2006 AND 2005  
(continued)**

**5. PROPERTY TAXES**

Real property taxes become a lien on January 1 preceding the October 1 date for which the Village Council adopts 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 State pays the Village amounts equaling these deductions. The Village includes these with 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 taxes, and for billing, collecting, and distributing all property taxes on behalf of the Village.

**6. LOCAL EARNINGS TAX**

The Village levies an earnings tax of .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. Proceeds of the tax are credited to the general fund.

**7. DEBT**

Debt outstanding at December 31, 2006 was as follows:

|   | <u>Principal</u>    | <u>Interest Rate</u> |
|---|---------------------|----------------------|
| USDA Rural Development Sewer Bond Issue - 1995            | \$ 1,050,600        | 4.50%                |
| USDA Rural Development Sewer Bond Issue - 1995            | 325,000             | 4.50%                |
| 5/3rd Bank Fire Equipment Bond - 2003                     | 41,000              | 5.91%                |
| OWDA Manchester Water Line Loan 2133 - 1999               | 755,248             | 5.86%                |
| OWDA East Side Sewer Line Loan 3365 - 2001                | 293,491             | 2.20%                |
| 5/3 <sup>rd</sup> Bank Water/Sewer Refinance Bonds - 2003 | 1,265,000           | 3.50% - 5.25%        |
| Total   | <u>\$ 3,730,339</u> |                      |

The USDA Rural Development Sewer Bond Issues were issued in 1995 for \$1,200,000 and \$563,000 respectively. Proceeds were used to rehabilitate the Village's wastewater treatment plant and other system components. The two bond issues mature in varying amounts from \$18,000 in 2007 to \$67,200 in 2034 and \$30,100 in 2007 to \$42,800 in 2015, respectively.

The Village obtained a loan from 5/3<sup>rd</sup> for \$229,000 during 2003. Proceeds from the loan were used towards the purchase of a fire ladder truck. The remaining bonds mature in 2007.

The Village obtained loans from the Ohio Water Development Authority for \$940,000 and \$399,677, respectively for certain water and sewer line construction projects. Upon completion of the projects,

**VILLAGE OF WEST UNION  
ADAMS COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2006 AND 2005  
(continued)**

actual loan balances were adjusted to final costs and payments made through the date the loans were finalized were considered in establishing final payment amortization amounts. Payments of principal and interest are payable semi-annually through 2021 and 2023 respectively.

During 2003, the Village issued a \$1,500,000 refunding issue to consolidate several previously issued bonds related to the water and sewer systems. The water system is responsible for 33 percent of the refunding bonds while the sewer system is responsible for 67 percent. The bonds mature in varying amounts from \$80,000 in 2007 to \$130,000 in 2018.

The annual requirements to amortize all debt outstanding as of December 31, 2006, including interest payments of \$1,840,962 are as follows:

| Year Ending<br>December<br>31, | 5/3 <sup>rd</sup><br>Refinance<br>Bonds | OWDA<br>Loan<br>#3365 | Fire Bond<br>Levy | OWDA<br>Loan #2133 | Sewer<br>Bonds<br>(92-13) | Sewer<br>Bonds<br>(92-07) | Totals      |
|--------------------------------|---|-----------------------|-------------------|--------------------|---------------------------|---------------------------|-------------|
| 2007                           | \$140,088                               | \$24,472              | \$43,423          | \$72,664           | \$44,725                  | \$65,277                  | \$390,649   |
| 2008                           | 157,288                                 | 24,472                | -                 | 72,664             | 44,671                    | 65,367                    | 364,462     |
| 2009                           | 143,788                                 | 24,472                | -                 | 72,664             | 44,758                    | 65,417                    | 351,099     |
| 2010                           | 144,513                                 | 24,472                | -                 | 72,664             | 44,677                    | 65,625                    | 351,951     |
| 2011                           | 140,000                                 | 24,472                | -                 | 72,664             | 44,734                    | 65,585                    | 347,455     |
| 2012-2016                      | 701,306                                 | 122,360               | -                 | 363,320            | 178,840                   | 330,143                   | 1,695,969   |
| 2017-2021                      | 274,730                                 | 97,884                | -                 | 363,320            | -                         | 333,508                   | 1,069,442   |
| 2022-2026                      | -                                       | -                     | -                 | 108,996            | -                         | 337,945                   | 446,941     |
| 2027-2031                      | -                                       | -                     | -                 | -                  | -                         | 343,770                   | 343,770     |
| 2032-2034                      | -                                       | -                     | -                 | -                  | -                         | 209,563                   | 209,563     |
| Total                          | \$1,701,713                             | \$342,604             | \$43,423          | \$1,198,956        | \$402,405                 | \$1,882,200               | \$5,571,301 |

**8. RISK MANAGEMENT**

The Village belongs to the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio local governments. PEP provides property and casualty coverage for its members. PEP is a member of the American Public Entity Excess Pool (APEEP). Member governments pay annual contributions to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the member's deductibles.

Casualty Coverage

For an occurrence prior to January 1, 2006 PEP retains casualty risks up to \$250,000 per occurrence, including claim adjustment expenses. PEP pays a percentage of its contributions to APEEP. APEEP reinsures claims exceeding \$250,000, up to \$1,750,000 per claim and \$10,000,000 in the aggregate per year. For an occurrence on or subsequent to January 1, 2006, the Pool retains casualty risk up to \$350,000 per occurrence, including loss adjustment expenses. Claims exceeding \$350,000 are reinsured with APEEP in an amount not to exceed \$2,650,000 for each claim and \$10,000,000 in the aggregate per year. Governments can elect up to \$10,000,000 in additional coverage with the General Reinsurance Corporation, through contracts with PEP.

If losses exhaust PEP's retained earnings, APEEP provides *excess of funds available* coverage up to \$5,000,000 per year, subject to a per-claim limit of \$2,000,000 (for claims prior to January 1, 2006) or \$3,000,000 (for claims on or after January 1, 2006) as noted above.

**VILLAGE OF WEST UNION  
ADAMS COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2006 AND 2005  
(continued)**

Property Coverage

Through 2004, PEP retained property risks, including automobile physical damage, up to \$100,000 on any specific loss in anyone occurrence. The Travelers Indemnity Company reinsured losses exceeding \$100,000 up to \$500 million per occurrence.

Beginning in 2005, Travelers reinsures specific losses exceeding \$250,000 up to \$600 million per occurrence. APEEP reinsures members for specific losses exceeding \$100,000 up to \$250,000 per occurrence, subject to an annual aggregate loss payment. Travelers provides aggregate stop-loss coverage based upon the combined members' total insurable values. If the stop loss is reached by payment of losses between \$100,000 and \$250,000, Travelers will reinsure specific losses exceeding \$100,000 up to their \$600 million per occurrence limit. The aggregate stop-loss limit for 2006 was \$1,901,127.

The aforementioned casualty and property reinsurance agreements do not discharge PEP's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective government.

Property and casualty settlements did not exceed insurance coverage for the past three fiscal years.

Financial Position

PEP's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2006 and 2005.

|                              |                      |                      |
|------------------------------|----------------------|----------------------|
| <u>Casualty Coverage</u>     | <u>2006</u>          | <u>2005</u>          |
| Assets                       | \$ 30,997,868        | \$ 29,719,675        |
| Liabilities                  | <u>(15,875,741)</u>  | <u>(15,994,168)</u>  |
| Retained earnings            | <u>\$ 15,122,127</u> | <u>\$ 13,725,507</u> |
| <br><u>Property Coverage</u> | <br><u>2006</u>      | <br><u>2005</u>      |
| Assets                       | \$ 5,125,326         | \$ 4,443,332         |
| Liabilities                  | <u>(863,163)</u>     | <u>(1,068,245)</u>   |
| Retained earnings            | <u>\$ 4,262,163</u>  | <u>\$ 3,375,087</u>  |

At December 31, 2006 and 2005, respectively, casualty coverage liabilities noted above include approximately \$14.4 million and \$14.3 million of estimated incurred claims payable. The Casualty Coverage assets and retained earnings above also include approximately \$14.4 million and \$14.3 million of unpaid claims to be billed to approximately 447 member governments in the future, as of December 31, 2006 and 2005, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. This payable includes the subsequent year's contribution due if the Government terminates participation, as described in the last paragraph below.

Based on discussions with PEP, the expected rates PEP charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to PEP for each year of membership.

|                             |          |
|-----------------------------|----------|
| <u>Contributions to PEP</u> |          |
| 2006                        | \$69,285 |
| 2005                        | \$71,892 |

**VILLAGE OF WEST UNION  
ADAMS COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2006 AND 2005  
(continued)**

After completing one year of membership, members may withdraw on each anniversary of the date they joined PEP provided they give written notice to PEP 60 days in advance of the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's budgetary contribution. Withdrawing members have no other future obligation to the pool. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

**9. RETIREMENT SYSTEMS**

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

The Ohio Revised Code also prescribes contribution rates. For 2006 and 2005, PFDPF participants contributed 10 percent of their wages. The Village contributed an amount equal to 19.5 percent of participant wages. For 2006 and 2005, OPERS' members contributed 9 and 8.5 percent, respectively, of their gross wages. The Village contributed an amount equal to 13.70 and 13.55 percent, respectively, of participants' gross salaries. The Village has paid all contributions required through December 31, 2006.

# Bastin & Company, LLC

*Certified Public Accountants*

## **REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

The Honorable Members of Village Council  
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, Ohio (the Village), as of and for the years ended December 31, 2006 and 2005, and have issued our report thereon dated April 30, 2007 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 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 *Government Auditing Standards*, issued by the Comptroller General of the United States.

### **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 auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Village's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Village's financial statements that is more than inconsequential will not be prevented or detected by the Village's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Village's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2006-01 through 2006-03.

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

A handwritten signature in cursive script that reads "Bastin & Company, L L C". The signature is written in black ink on a light-colored background.

Cincinnati, Ohio  
April 30, 2007

**VILLAGE OF WEST UNION  
ADAMS COUNTY  
SCHEDULE OF AUDIT FINDINGS  
DECEMBER 31, 2006 AND 2005**

**FINDING NUMBER 2006-01**

**Noncompliance Citation**

Ohio Rev. Code Section 5705.41(B) states that, “no subdivision or taxing unit is to expend money unless it has been appropriated”. The following Village funds had expenditures, which exceeded appropriations during 2006:

| Fund                          | Appropriations | Expenditures | Variance   |
|-------------------------------|----------------|--------------|------------|
| General Fund                  | \$762,670      | \$845,596    | (\$82,926) |
| Fire Escrow 80 Logan Lane     | -              | 8,000        | (8,000)    |
| Fire Escrow 276 Cherry Street | -              | 8,000        | (8,000)    |
| Mayor’s Court Computer Fund   | -              | 6,200        | (6,200)    |
| Sewer Sinking Fund            | 224,327        | 224,358      | (31)       |

**Village’s Response**

The Village will more accurately monitor its compliance with the ORC in the future to ensure that expenditures are within amounts appropriated.

**FINDING NUMBER 2006-02**

**Noncompliance Citation**

Ohio Revised Code, Section 5705.41 (D), states that no subdivision or taxing authority unit shall make any contract or order any expenditure of money unless there is attached thereto a certificate of the fiscal officer of the subdivision that the amount required to meet the same...has been lawfully appropriated for such purpose and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances. Every such contract made without such a certificate shall be null and void and no warrant shall be issued in payment of any amount due thereon.

This section also provides two “exceptions” to the above requirements:

- A. Then and Now Certificate – If no certificate is furnished as required, upon receipt of the fiscal officers’ certificate that a sufficient sum was appropriated and free of any previous encumbrances, the Village Council may authorize the issuance of a warrant in payment of the amount due upon such contract or order by resolution within 30 days from the receipt of such certificate.
- B. If the amount involved is less than one thousand dollars, the fiscal officer may authorize it to be paid without the affirmation of the Village Council, if such expenditure is otherwise valid.

The Village Clerk did not certify the availability of funds for all transactions tested for 2006 and 2005.

**Village’s Response**

The Village concurs with the citation and will attempt to ensure that proper certification is obtained in the future.



**VILLAGE OF WEST UNION  
ADAMS COUNTY  
SCHEDULE OF AUDIT FINDINGS  
DECEMBER 31, 2006 AND 2005  
(continued)**

**FINDING NUMBER 2006-03**

**Noncompliance Citation**

Ohio Revised Code Section 1905.21 states that the Mayor of a municipal corporation and a mayor's court magistrate shall keep a docket. In addition, a mayor's court magistrate shall account for all such fines, forfeitures, fees, and costs he collects and transfer them to the mayor.

Testing disclosed several instances where tickets had been issued to officers for use but no record of its use or disposition could be provided to ensure that all issued tickets were appropriately accounted for.

**Village's Response**

The Village concurs with the citation and will attempt to begin keeping a proper inventory and reconciliation of all tickets issued to officers for use.

**VILLAGE OF WEST UNION  
ADAMS COUNTY  
SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2006 AND 2005**

| Finding Number | Finding Summary   | Fully Corrected? | Status Explanation:   |
|----------------|---|------------------|---|
| 2004/2003-001  | Failure to properly amend Certificate of Estimated Resources                                      | Yes              | Condition not applicable to current audit period                            |
| 2004/2003-002  | Expenditures exceeded appropriations for 2002 and 2003 noncompliance citation ORC section 5705.41 | No               | Condition existed during current audit period, reissued as finding 2006-01. |



**Mary Taylor, CPA**  
Auditor of State

**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  
SEPTEMBER 27, 2007**