

Compliance and Other Matters

As part of reasonably assuring whether the Village's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed instances of noncompliance or other matters we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2012-002 and 2012-003.

Entity's Response to Finding

The Village's responses to the findings identified in our audit are described in the accompanying schedule of findings. We did not audit the Village's responses and, accordingly, we express no opinion on them.

Purpose of this Report

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

Dave Yost
Auditor of State

Columbus, Ohio

July 1, 2014

VILLAGE OF WEST UNITY
WILLIAMS COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2012

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

FINDING NUMBER 2012-001

Material Weakness – Cash and Investments

The Village records identify the purchase of investments by specific fund. The Village's accounting policy for cash and investments states investments with an original maturity of less than three months and not purchased from the pool are to be reported as cash equivalents. Investments with an original maturity of more than three months are to be reported as investments.

The Village has four certificates of deposits with 24 months maturity purchased from the Other Debt Service fund, (\$200,000), Other Capital Projects fund, (\$100,000) and the Kissell Trust fund, (\$52,000). These amounts were reported as cash equivalents instead of investments on the financial statements.

Adjustments were made to correct this reporting on the financial statements.

We recommend the fiscal officer review the Village's accounting policy for cash and investments and report investments according to the policy.

Officials' Response:

No response was received by management to this finding.

FINDING NUMBER 2012-002

Significant Deficiency and Noncompliance

Ohio Rev. Code §5705.10 requires all revenue derived from a source other than the general property tax and which the law prescribes shall be used for a particular purpose, shall be paid into a special fund for such purpose.

Ohio Rev. Code §5727.86 (C) requires tangible personal property fixed sum reimbursements to be allocated as the same proportions as if those amounts had been levied and collected as taxes.

Tangible personal property fixed sum reimbursement in the amount of \$2,753 was credited to the General fund instead of the Parks and Recreation Fund.

This adjustment has been recorded in accompanying financial statements and to the Village's accounting records.

We recommend the fiscal officer review the supporting documentation from the receipt to ensure the monies are allocated to the proper funds

Officials' Response:

Management has made appropriate corrective entries.

FINDING NUMBER 2012-003

Noncompliance

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

Operating income of \$66,193 generated in 2012 from sewer charges was not adequate to provide for payments required to remit the Village's debt obligations of \$79,110 for 2012 to the OWDA.

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

Officials' Response:

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

VILLAGE OF WEST UNITY
WILLIAMS COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2012

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2011-001	Material Weakness – Financial Reporting – due to errors in financial reporting.	No	Not corrected and repeated as Finding Number 2012-001 in this report.