



**VILLAGE OF WEST JEFFERSON
MADISON COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**VILLAGE OF WEST JEFFERSON
MADISON COUNTY**

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INDEPENDENT ACCOUNTANT'S REPORT

Village of West Jefferson
Madison County
28 East Main Street
West Jefferson, Ohio 43162

To the Village Council:

We have audited the accompanying financial statements of the Village of West Jefferson, Madison County, Ohio, (the Village) as of and for the years ended December 31, 2000 and December 31, 1999. 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 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 prepares its financial statements on the basis of accounting prescribed 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 reserves for encumbrances of the Village as of December 31, 2000 and December 31, 1999, 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 February 26, 2001 on our consideration of the Government'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 management, 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.

JIM PETRO
Auditor of State

February 26, 2001

**VILLAGE OF WEST JEFFERSON
MADISON COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
DECEMBER 31, 2000**

	<u>Governmental Fund Types</u>				Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	
Cash Receipts:					
Property Tax and Other Local Taxes	\$730,588	\$107,735	\$0	\$323,205	\$1,161,528
Intergovernmental Receipts	166,002	194,932	0	0	360,933
Charges for Services	46,311	0	0	0	46,311
Fines, Licenses, and Permits	22,503	893	0	0	23,396
Miscellaneous	118,653	5,281	0	0	123,934
Total Cash Receipts	<u>1,084,056</u>	<u>308,841</u>	<u>0</u>	<u>323,205</u>	<u>1,716,102</u>
Cash Disbursements:					
Current:					
Security of Persons and Property	744,198	57,693	0	0	801,892
Public Health Services	18,521	0	0	0	18,521
Leisure Time Activities	48,001	0	0	0	48,001
Community Environment	18,139	0	0	0	18,139
Transportation	0	213,944	0	0	213,944
General Government	321,657	0	0	0	321,657
Debt Service:					
Principal Payments	0	0	42,029	0	42,029
Capital Outlay	0	26,655	0	319,238	345,892
Total Disbursements	<u>1,150,516</u>	<u>298,292</u>	<u>42,029</u>	<u>319,238</u>	<u>1,810,075</u>
Total Receipts Over/(Under) Disbursements	<u>(66,460)</u>	<u>10,549</u>	<u>(42,029)</u>	<u>3,967</u>	<u>(93,973)</u>
Other Financing Receipts/(Disbursements):					
Transfers-In	0	0	42,029	0	42,029
Transfers-Out	(20,929)	0	0	0	(20,929)
Total Other Financing Receipts/(Disbursements)	<u>(20,929)</u>	<u>0</u>	<u>42,029</u>	<u>0</u>	<u>21,100</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>(87,389)</u>	<u>10,549</u>	<u>0</u>	<u>3,967</u>	<u>(72,873)</u>
Fund Cash Balances January 1, 2000	<u>1,471,283</u>	<u>68,917</u>	<u>822</u>	<u>130,824</u>	<u>1,671,846</u>
Fund Cash Balances, December 31, 2000	<u>\$1,383,894</u>	<u>\$79,467</u>	<u>\$822</u>	<u>\$134,791</u>	<u>\$1,598,974</u>
Reserves for Encumbrances, December 31, 2000	<u>\$238</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$238</u>

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

**VILLAGE OF WEST JEFFERSON
MADISON COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS
AND CHANGES IN FUND CASH BALANCES
PROPRIETARY FUND TYPE
DECEMBER 31, 2000**

	Proprietary Fund Type
	Enterprise
Operating Cash Receipts:	
Charges for Services	\$1,128,443
Miscellaneous	28,368
	1,156,812
Operating Cash Disbursements:	
Personal Services	234,597
Fringe Benefits	72,589
Contractual Services	321,878
Supplies and Materials	185,485
Capital Outlay	294,399
	1,108,948
Total Operating Cash Disbursements	1,108,948
Operating Income/(Loss)	47,864
Non-Operating Cash Disbursements:	
Debt Service	259,953
Other Non-Operating Cash Disbursements	88
	260,041
Total Non-Operating Cash Disbursements	260,041
Excess of Receipts Over/(Under) Disbursements Before Interfund Transfers and Advances	(212,177)
Transfers-In	0
Transfers-Out	(21,100)
Net Receipts Over/(Under) Disbursements	(233,277)
Fund Cash Balances, January 1, 2000	734,540
Fund Cash Balances, December 31, 2000	\$501,263
Reserve for Encumbrances, December 31, 2000	\$58,526

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

**VILLAGE OF WEST JEFFERSON
MADISON COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
DECEMBER 31, 1999**

	<u>Governmental Fund Types</u>				<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	
Cash Receipts:					
Property Tax and Other Local Taxes	\$783,340	\$54,559	\$0	\$327,350	\$1,165,249
Intergovernmental Receipts	164,184	186,455	0	0	350,639
Charges for Services	67,885	0	0	0	67,885
Fines, Licenses, and Permits	54,372	4,160	0	0	58,532
Miscellaneous	115,128	0	0	0	115,128
Total Cash Receipts	<u>1,184,909</u>	<u>245,174</u>	<u>0</u>	<u>327,350</u>	<u>1,757,433</u>
Cash Disbursements:					
Current:					
Security of Persons and Property	699,139	620	0	0	699,759
Public Health Services	18,083	0	0	0	18,083
Leisure Time Activities	23,673	0	0	0	23,673
Community Environment	12,348	0	0	0	12,348
Transportation	0	264,303	0	0	264,303
General Government	409,981	6,290	0	0	416,271
Debt Service:	0	0	0	0	0
Principal Payments	0	0	43,129	0	43,129
Capital Outlay	0	0	0	277,037	277,037
Total Disbursements	<u>1,163,224</u>	<u>271,213</u>	<u>43,129</u>	<u>277,037</u>	<u>1,754,603</u>
Total Receipts Over/(Under) Disbursements	<u>21,685</u>	<u>(26,039)</u>	<u>(43,129)</u>	<u>50,313</u>	<u>2,830</u>
Other Financing Receipts/(Disbursements):					
Transfers-In	0	0	43,129	0	43,129
Transfers-Out	(20,929)	0	0	0	(20,929)
Total Other Financing Receipts/(Disbursements)	<u>(20,929)</u>	<u>0</u>	<u>43,129</u>	<u>0</u>	<u>22,200</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	756	(26,039)	0	50,313	25,030
Fund Cash Balances January 1, 1999	<u>1,470,527</u>	<u>94,956</u>	<u>822</u>	<u>80,511</u>	<u>1,646,816</u>
Fund Cash Balances, December 31, 1999	<u>\$1,471,283</u>	<u>\$68,917</u>	<u>\$822</u>	<u>\$130,824</u>	<u>\$1,671,846</u>
Reserves for Encumbrances, December 31, 1999	<u>\$15,323</u>	<u>\$1,581</u>	<u>\$0</u>	<u>\$0</u>	<u>\$16,904</u>

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

**VILLAGE OF WEST JEFFERSON
MADISON COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS
AND CHANGES IN FUND CASH BALANCES
PROPRIETARY FUND TYPE
DECEMBER 31, 1999**

	Proprietary Fund Type
	Enterprise
Operating Cash Receipts:	
Charges for Services	\$1,180,173
Miscellaneous	4,871
Total Operating Cash Receipts	1,185,044
Operating Cash Disbursements:	
Personal Services	296,041
Contractual Services	320,315
Supplies and Materials	383,988
Capital Outlay	7,085
Total Operating Cash Disbursements	1,007,429
Operating Income/(Loss)	177,615
Non-Operating Cash Receipts:	
Other Non-Operating Receipts	13,452
Total Non-Operating Cash Receipts	13,452
Non-Operating Cash Disbursements:	
Debt Service	259,953
Other Non-Operating Cash Disbursements	0
Total Non-Operating Cash Disbursements	259,953
Excess of Receipts Over/(Under) Disbursements Before Interfund Transfers and Advances	(68,886)
Transfers-In	0
Transfers-Out	(22,200)
Net Receipts Over/(Under) Disbursements	(91,086)
Fund Cash Balances, January 1, 1999	825,626
Fund Cash Balances, December 31, 1999	\$734,540
Reserve for Encumbrances, December 31, 1999	\$94,895

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

**VILLAGE OF WEST JEFFERSON
MADISON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Village of West Jefferson, Madison County, (the 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 is directed by a publicly-elected seven-member Council. The Village provides general governmental services, including water and sewer utilities, pool and park operations (leisure time activities), and police services.

As indicated below, the West Jefferson Mayor's Court statutorily maintains amounts of cash activity in a fiduciary capacity outside the control of the Village Clerk. In July of 1999 the Village Council, by resolution, disbanded the Mayor's Court. This cash activity is not included in the accompanying financial statements.

<u>1999</u>			
Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
\$464	\$45,734	\$46,198	\$0

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

Certificates of deposit are valued at cost. The investment in STAR Ohio (the State Treasurer's investment pool) is valued at amounts reported by the State Treasurer.

Investments 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.

**VILLAGE OF WEST JEFFERSON
MADISON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 Fund

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 Fund:

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

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:

Bond Retirement Fund- This fund receives transfers from the general fund and sewer fund to retire Village debt.

4. Capital Project 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 fund:

Capital Improvement Fund- This fund receives income tax revenue to maintain major capital projects.

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.

**VILLAGE OF WEST JEFFERSON
MADISON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process

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

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund 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 re-appropriated.

A summary of 2000 and 1999 budgetary activity appears in Note 3.

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.

**VILLAGE OF WEST JEFFERSON
MADISON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(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:

	2000	1999
Demand deposits	\$ (74,754)	\$ 237,852
Certificates of deposit	<u>400,000</u>	<u>600,000</u>
Total deposits	<u>325,246</u>	<u>837,852</u>
STAR Ohio	<u>1,774,991</u>	<u>1,568,534</u>
Total investments	<u>1,774,991</u>	<u>1,568,534</u>
Total deposits and investments	<u><u>\$ 2,100,237</u></u>	<u><u>\$ 2,406,386</u></u>

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

Investments: Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2000 and December 31, 1999 follows:

2000 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 1,045,100	\$ 1,084,056	\$ 38,956
Special Revenue	308,300	308,841	541
Debt Service	42,100	42,029	(71)
Capital Projects	352,000	323,205	(28,795)
Enterprise	<u>1,234,350</u>	<u>1,156,812</u>	<u>(77,538)</u>
Total	<u><u>\$ 2,981,850</u></u>	<u><u>\$ 2,914,943</u></u>	<u><u>\$ (66,907)</u></u>

**VILLAGE OF WEST JEFFERSON
MADISON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

2000 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 1,248,656	\$ 1,171,683	\$ 76,973
Special Revenue	313,199	298,292	14,907
Debt Service	42,100	42,029	71
Capital Projects	479,000	319,238	159,762
Enterprise	<u>1,763,604</u>	<u>1,448,615</u>	<u>314,989</u>
Total	\$ 3,846,559	\$ 3,279,857	\$ 566,702

1999 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 1,059,700	\$ 1,184,909	\$ 125,209
Special Revenue	245,000	245,174	174
Debt Service	43,200	43,129	(71)
Capital Projects	299,500	327,350	27,850
Enterprise	<u>1,267,800</u>	<u>1,198,496</u>	<u>(69,304)</u>
Total	<u>\$ 2,915,200</u>	<u>\$ 2,999,058</u>	<u>\$ 83,858</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 1,321,014	\$ 1,199,476	\$ 121,538
Special Revenue	316,492	272,794	43,698
Debt Service	43,200	43,129	71
Capital Projects	379,493	277,037	102,456
Enterprise	<u>1,732,384</u>	<u>1,384,477</u>	<u>347,907</u>
Total	<u>\$ 3,792,583</u>	<u>\$ 3,176,913</u>	<u>\$ 615,670</u>

**VILLAGE OF WEST JEFFERSON
MADISON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by Village 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 payment, the first half is due December 31. The second half payment is due the following June 20.

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

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

5. DEBT

Debt outstanding at December 31, 2000 was as follows:

	Principal	Interest Rate
Ohio Water Development Authority Loan	\$ 1,919,981	8.31%
Ohio Public Works Commission Loan	269,494	0.00%
Ohio Public Works Commission Loan	293,001	0%
Total	\$ 2,482,476	

The Ohio Water Development Authority (OWDA) loan relates to a water and sewer plant expansion project that was mandated by the Ohio Environmental Protection Agency. The OWDA has approved up to \$2,516,190 in loans to the Village for this project. The loans will be repaid in semiannual installments of \$120,994, including interest, over 25 years. The scheduled payment amount below assumes that \$2,516,190 will be borrowed. The scheduled payment will be adjusted to reflect any revisions in amounts actually borrowed. The loan is collateralized by water and sewer receipts. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

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

**VILLAGE OF WEST JEFFERSON
MADISON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

5. DEBT (Continued)

<u>Year ending December 31:</u>	<u>OWDA Loan</u>	<u>Ohio Public Works Commission Loan</u>	<u>Ohio Public Works Commission Loan</u>
2001	\$ 120,994	\$ 17,966	\$ 20,929
2002	241,987	17,966	20,929
2003	241,987	17,966	20,929
2004	241,987	17,966	20,929
2005	241,987	17,966	20,929
Subsequent	<u>2,177,883</u>	<u>179,664</u>	<u>188,356</u>
Total	<u>\$ 3,266,825</u>	<u>\$ 269,494</u>	<u>\$ 293,001</u>

6. 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 (PERS) of Ohio. PFDPF and PERS 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.

Contribution rates are also prescribed by the Ohio Revised Code. For 2000 and 1999, 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 in 1999 and 10.84% for 2000. The Village has paid all contributions required through December 31, 2000.

7. RISK MANAGEMENT

The Village is a member of the Ohio Municipal League Joint Self Insurance Pool (the Pool). The Pool assumes the risk of loss up to the limits of the Village's policy. The Pool may assess supplemental premiums. The following risks are covered by the Pool:

- General liability and casualty
- Public official's liability
- Vehicle

The Village also provides health insurance and dental and vision coverage to full-time employees through a private carrier.

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STATE OF OHIO
OFFICE OF THE AUDITOR
JIM PETRO, AUDITOR OF STATE

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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL REQUIRED BY GOVERNMENT AUDITING STANDARDS

Village of West Jefferson
Madison County
28 East Main Street
West Jefferson, Ohio 43162

To the Village Council:

We have audited the accompanying financial statements of the Village of West Jefferson, Madison County, Ohio (the Village), as of and for the years ended December 31, 2000 and December 31, 1999, and have issued our report thereon dated February 26, 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'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 certain immaterial instances of noncompliance that we have reported to management of the Village in a separate letter dated February 26, 2001.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Village'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 do not require inclusion in this report, that we have reported to management of the Village in a separate letter dated February 26, 2001.

Village of West Jefferson
Madison County
Report on Compliance and on Internal Control
Required by *Government Auditing Standards*
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This report is intended 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.

JIM PETRO
Auditor of State

February 26, 2001



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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VILLAGE OF WEST JEFFERSON

MADISON 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
MARCH 22, 2001**