



**JIM PETRO**  
**AUDITOR OF STATE**  

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**STATE OF OHIO**



VILLAGE OF MILLERSPORT  
FAIRFIELD COUNTY

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STATE OF OHIO  
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## REPORT OF INDEPENDENT ACCOUNTANTS

Village of Millersport  
Fairfield County  
2245 Refugee Street  
P.O. Box 536  
Millersport, Ohio 43046-0536

To the Village Council:

We have audited the accompanying financial statements of the Village of Millersport, Fairfield County, Ohio (the Village) as of and for the years ended December 31, 2001 and December 31, 2000, as listed in the table of contents. 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 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 of Millersport, Fairfield County, Ohio as of December 31, 2001 and December 31, 2000, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 15, 2002 on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and 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.

We performed our audit to form an opinion on the financial statements of the Village, taken as a whole. The accompanying schedule of federal awards expenditures for the year ended December 31, 2001 is presented for additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. We subjected this information to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements for the year ended December 31, 2001 taken as a whole.

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

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is fluid and cursive, with a large loop at the end.

**JIM PETRO**  
Auditor of State

June 15, 2002

**VILLAGE OF MILLERSPORT  
FAIRFIELD COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUND  
FOR THE YEAR ENDED DECEMBER 31, 2001**

	Governmental Fund Types				Fiduciary Fund Type	Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust	
<b>Cash Receipts:</b>						
Property Tax and Other Local Taxes	\$ 59,087	\$ 35,874	\$ -	\$ -	\$ -	\$ 94,961
Intergovernmental Receipts	40,986	93,564				134,550
Charges for Services		239,850				239,850
Fines, Licenses, and Permits	1,670					1,670
Earnings on Investments	20,296	880				21,176
Miscellaneous	10,600	8,231				18,831
<b>Total Cash Receipts</b>	<b>132,639</b>	<b>378,399</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>511,038</b>
<b>Cash Disbursements:</b>						
Current:						
Security of Persons and Property	29,678	156,503				186,181
Public Health Services	3,817					3,817
Leisure Time Activities		35,695				35,695
Community Environment	202					202
Transportation		74,862				74,862
General Government	97,141					97,141
Debt Service:						
Principal Payments	3,947	21,192	9,139			34,278
Interest Payments	2,955	6,440	3,073			12,468
Capital Outlay		15,996		10,836		26,832
<b>Total Cash Disbursements</b>	<b>137,740</b>	<b>310,688</b>	<b>12,212</b>	<b>10,836</b>	<b>-</b>	<b>471,476</b>
<b>Total Receipts Over/(Under) Disbursements</b>	<b>(5,101)</b>	<b>67,711</b>	<b>(12,212)</b>	<b>(10,836)</b>	<b>-</b>	<b>39,562</b>
<b>Other Financing Receipts and (Disbursements):</b>						
Transfers-In			12,212			12,212
Transfers-Out		(12,212)				(12,212)
<b>Total Other Financing Receipts/(Disbursements)</b>	<b>-</b>	<b>(12,212)</b>	<b>12,212</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(5,101)	55,499	-	(10,836)	-	39,562
Fund Cash Balances, January 1	49,010	172,178	9,159	17,923	288	248,558
<b>Fund Cash Balances, December 31</b>	<b>\$ 43,909</b>	<b>\$ 227,677</b>	<b>\$ 9,159</b>	<b>\$ 7,087</b>	<b>\$ 288</b>	<b>\$ 288,120</b>
Reserves for Encumbrances, December 31	\$ 2,270	\$ 35,899	\$ -	\$ 519	\$ 137	\$ 38,825

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

**VILLAGE OF MILLERSPORT  
FAIRFIELD COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES - PROPRIETARY AND OTHER FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2001**

	Proprietary Fund Type	Fiduciary Fund Type	Totals (Memorandum Only)
	Enterprise	Agency	
<b>Operating Cash Receipts:</b>			
Charges for Services	\$ 544,113	\$ -	\$ 544,113
Miscellaneous	214		214
Total Operating Cash Receipts	<u>544,327</u>	<u>-</u>	<u>544,327</u>
<b>Operating Cash Disbursements:</b>			
Personal Services	107,242		107,242
Fringe Benefits	29,619		29,619
Contractual Services	319,868		319,868
Supplies and Materials	93,811		93,811
Capital Outlay	610,794		610,794
Miscellaneous	1,474		1,474
Total Operating Cash Disbursements	<u>1,162,808</u>	<u>-</u>	<u>1,162,808</u>
Operating Income/(Loss)	<u>(618,481)</u>	<u>-</u>	<u>(618,481)</u>
<b>Non-Operating Cash Receipts:</b>			
Intergovernmental Receipts	492,224		492,224
Proceeds from Loan	337,320		337,320
Other		2	2
Total Non-Operating Cash Receipts	<u>829,544</u>	<u>2</u>	<u>829,546</u>
<b>Non-Operating Cash Disbursements:</b>			
Debt Service	119,641		119,641
Total Non-Operating Cash Disbursements	<u>119,641</u>	<u>-</u>	<u>119,641</u>
Net Excess of Receipts Over/(Under) Disbursements	91,422	2	91,424
Fund Cash Balances, January 1	<u>375,841</u>	<u>239</u>	<u>376,080</u>
<b>Fund Cash Balances, December 31</b>	<b><u>\$ 467,263</u></b>	<b><u>\$ 241</u></b>	<b><u>\$ 467,504</u></b>
Reserve for Encumbrances, December 31	<u>\$ 149,188</u>	<u>\$ -</u>	<u>\$ 149,188</u>

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



**VILLAGE OF MILLERSPORT  
FAIRFIELD COUNTY**

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

	Governmental Fund Types				Fiduciary Fund Type	Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust	
<b>Cash Receipts:</b>						
Property Tax and Other Local Taxes	\$ 51,405	\$ 28,993	\$ -	\$ -	\$ -	\$ 80,398
Intergovernmental Receipts	43,059	42,918				85,977
Charges for Services		206,243				206,243
Fines, Licenses, and Permits	4,745	300				5,045
Earnings on Investments	23,571	1,307				24,878
Miscellaneous	3,455	15,273		350		19,078
<b>Total Cash Receipts</b>	<b>126,235</b>	<b>295,034</b>	<b>-</b>	<b>350</b>	<b>-</b>	<b>421,619</b>
<b>Cash Disbursements:</b>						
Current:						
Security of Persons and Property	40,724	166,372				207,096
Public Health Services	3,795					3,795
Leisure Time Activities		38,336				38,336
Community Environment	202	2,000				2,202
Transportation		47,402				47,402
General Government	92,094					92,094
Debt Service:						
Principal Payments	4,080	17,530	8,615			30,225
Interest Payments	2,823	5,095	3,597			11,515
Capital Outlay	574	25,745		2,139		28,458
<b>Total Cash Disbursements</b>	<b>144,292</b>	<b>302,480</b>	<b>12,212</b>	<b>2,139</b>	<b>-</b>	<b>461,123</b>
<b>Total Receipts Over/(Under) Disbursements</b>	<b>(18,057)</b>	<b>(7,446)</b>	<b>(12,212)</b>	<b>(1,789)</b>	<b>-</b>	<b>(39,504)</b>
<b>Other Financing Receipts and (Disbursements):</b>						
Sale of Bonds or Notes		20,745		18,750		39,495
Transfers-In			13,858			13,858
Transfers-Out		(13,858)				(13,858)
<b>Total Other Financing Receipts/(Disbursements)</b>	<b>-</b>	<b>6,887</b>	<b>13,858</b>	<b>18,750</b>	<b>-</b>	<b>39,495</b>
<b>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements</b>	<b>(18,057)</b>	<b>(559)</b>	<b>1,646</b>	<b>16,961</b>	<b>-</b>	<b>(9)</b>
Fund Cash Balances, January 1	67,067	172,737	7,513	962	288	248,567
<b>Fund Cash Balances, December 31</b>	<b>\$ 49,010</b>	<b>\$ 172,178</b>	<b>\$ 9,159</b>	<b>\$ 17,923</b>	<b>\$ 288</b>	<b>\$ 248,558</b>
Reserves for Encumbrances, December 31	\$ 4,556	\$ 8,533	\$ -	\$ -	\$ 150	\$ 13,239

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

**VILLAGE OF MILLERSPORT  
FAIRFIELD COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES - PROPRIETARY AND OTHER FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2000**

	Proprietary Fund Type	Fiduciary Fund Type	Totals (Memorandum Only)
	Enterprise	Agency	
<b>Operating Cash Receipts:</b>			
Charges for Services	\$ 507,800	\$ -	\$ 507,800
Miscellaneous	2,364		2,364
Total Operating Cash Receipts	<u>510,164</u>	<u>-</u>	<u>510,164</u>
<b>Operating Cash Disbursements:</b>			
Personal Services	96,064		96,064
Fringe Benefits	23,044		23,044
Contractual Services	79,710		79,710
Supplies and Materials	130,572		130,572
Capital Outlay	1,148		1,148
Miscellaneous	1,700		1,700
Total Operating Cash Disbursements	<u>332,238</u>	<u>-</u>	<u>332,238</u>
Operating Income/(Loss)	<u>177,926</u>	<u>-</u>	<u>177,926</u>
<b>Non-Operating Cash Disbursements:</b>			
Debt Service	114,037		114,037
Total Non-Operating Cash Disbursements	<u>114,037</u>	<u>-</u>	<u>114,037</u>
Net Receipts Over/(Under) Disbursements	63,889	-	63,889
Fund Cash Balances, January 1	<u>311,952</u>	<u>239</u>	<u>312,191</u>
<b>Fund Cash Balances, December 31</b>	<b><u>\$ 375,841.00</u></b>	<b><u>\$ 239.00</u></b>	<b><u>\$ 376,080.00</u></b>
Reserve for Encumbrances, December 31	<u>\$ 17,629.00</u>	<u>\$ -</u>	<u>\$ 17,629.00</u>

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

**VILLAGE OF MILLERSPORT  
FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Village of Millersport, Fairfield 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 six-member Council. The Village provides water and sewer utilities, park operations, and police services. The Village provides general governmental services, including water and sewer utilities, park operations (leisure time activities), and police 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**

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.

**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 Funds:

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

**VILLAGE OF MILLERSPORT  
FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Fund Accounting (Continued)**

**2. Special Revenue Fund (Continued)**

Fire Fund- This fund receives fire levy funds through a contractual agreement with Walnut Township. The Village received 56% in 2000 and 60% in 2001 of a 3 mill levy upon property of Walnut Township.

Street Levy Fund- This fund receives real and personal property taxes which is collected by the County and remitted to the Village. This fund is utilized for transportation-related expenditures.

Park and Recreation Fund- This fund receives monies from fees collected for leisure activities.

**3. Debt Service Fund**

These funds are used to accumulate resources for the payment of bonds and note indebtedness. The Village is currently retiring debt for vehicles purchased for the street, police and fire departments.

**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 funds:

Water Tower Fund - This fund receives loan proceeds from the Ohio Water Development Authority to fund the construction of a 300,000 gallon water tower.

**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 Revenue 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 MILLERSPORT  
FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Fund Accounting (Continued)**

**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 the 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:

Christmas Fund (Expendable Trust)- This fund receives donations and contributions from residents to cover the cost of Christmas decorations in the Village.

**E. Budgetary Process**

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

**1. Appropriations**

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

A summary of 2001 and 2000 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**

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused vacation and sick leave. Unpaid leave is not reflected as a liability under the Village's basis of accounting.

**VILLAGE OF MILLERSPORT  
FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000  
(Continued)**

**2. EQUITY IN POOLED CASH AND INVESTMENTS**

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

	2001	2000
Demand deposits	\$405,944	\$284,209
Certificates of deposit	55,152	55,152
Total deposits	461,096	339,361
STAR Ohio	294,528	285,277
Total investments	294,528	285,277
Total deposits and investments	\$755,624	\$624,638

**Deposits:** Deposits are either (1) insured by the Federal Depository Insurance Corporation and/or (2) collateralized by the financial institution's public entity deposit pool.

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

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2001 and December 31, 2000 follows:

<b>2001 Budgeted vs. Actual Receipts</b>			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$122,306	\$132,639	\$10,333
Special Revenue	292,587	378,399	85,812
Debt Service	12,212	12,212	0
Capital Projects	100	0	(100)
Enterprise	1,944,897	1,373,871	(571,026)
Fiduciary	0	2	2
Total	\$2,372,102	\$1,897,123	(\$474,979)

**VILLAGE OF MILLERSPORT  
FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000  
(Continued)**

**3. BUDGETARY ACTIVITY (Continued)**

<b>2001 Budgeted vs. Actual Budgetary Basis Expenditures</b>			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$172,315	\$140,010	\$32,305
Special Revenue	448,404	358,799	89,605
Debt Service	21,371	12,212	9,159
Capital Projects	18,022	11,355	6,667
Enterprise	2,577,031	1,771,365	805,666
Fiduciary	377	0	377
Total	<u>\$3,237,520</u>	<u>\$2,293,741</u>	<u>\$943,779</u>

<b>2000 Budgeted vs. Actual Receipts</b>			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$117,169	\$126,235	\$9,066
Special Revenue	312,700	315,779	3,079
Debt Service	12,212	13,858	1,646
Capital Projects	18,850	19,100	250
Enterprise	959,081	510,164	(448,917)
Fiduciary	0	0	0
Total	<u>\$1,420,012</u>	<u>\$985,136</u>	<u>(\$434,876)</u>

<b>2000 Budgeted vs. Actual Budgetary Basis Expenditures</b>			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$174,458	\$148,848	\$25,610
Special Revenue	485,499	324,871	160,628
Debt Service	19,725	12,212	7,513
Capital Projects	19,811	2,139	17,672
Enterprise	1,256,397	463,904	792,493
Fiduciary	527	0	527
Total	<u>\$1,956,417</u>	<u>\$951,974</u>	<u>\$1,004,443</u>

**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 payments, the first half is due December 31. The second half payment is due the following June 20.

**VILLAGE OF MILLERSPORT  
FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000  
(Continued)**

**4. PROPERTY TAX (Continued)**

Public utilities are also taxed on personal and real property located within the Village.

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

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

**5. DEBT**

Debt outstanding at December 31, 2001 was as follows:

	Principal	Interest Rate
Mortgage Revenue Bond 91-01	\$62,600	4.00%
Mortgage Revenue Bond 91-02	548,000	5.00%
Mortgage Revenue Bond 91-03	70,700	7.375%
Ohio Water Development Authority Loan 0209	106,772	2.00%
Ohio Water Development Authority Loan 0799	103,169	7.65%
Ohio Water Development Authority Loan 8032	192,678	6.04%
Ohio Water Development Authority Loan 8032S	18,786	5.66%
Ohio Water Development Authority Loan 3401	117,191	3.64%
Ohio Water Development Authority Loan 3405	66,227	1.50%
Ohio Public Works Commission Loan	221,950	2.00%
Fire Truck Loan	42,342	5.97%
Backhoe Lease	24,119	6.00%
Fire Squad Loan	25,360	5.90%
Building Addition Loan	42,447	6.55%
Street Truck Loan	17,166	6.46%
Total	\$1,659,507	

The United States Department of Agriculture-Farmers Home Administration (FHA) Mortgage Revenue Bonds relate to the constructing, enlarging, improving, and expansion of the Village's waste water system. The bonds are collateralized by the Village's water and sewer revenues. The bonds will be repaid in annual installments, including interest, over 40 years.

The Ohio Water Development Authority (OWDA) loans 0209 and 0799 relate to constructing certain wastewater treatment and sewage collection facilities. Loan 8032 and 8032S relate to the construction of a 300,000 gallon elevated water storage tank. Loans 3401 and 3405 relate to sewer rehabilitation projects. The loans are collateralized by the Village's water and sewer revenues. The loans will be repaid in semi-annual installments, including interest, over 25 years.

In 2001, the Village entered into a loan agreement with Ohio Public Works Commission for waste water collection system improvements. The loan is collateralized by the Village's water and sewer revenues. The loan will be repaid in semi-annual installments, including interest, over 20 years.



**VILLAGE OF MILLERSPORT  
FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000  
(Continued)**

**5. DEBT**

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

Year ending December 31:	Mortgage Revenue Bonds	OWDA Loans	Ohio Public Works Commission	Loans and Leases
2002	\$0	\$22,366	\$7,142	\$43,090
2003	67,418	44,733	13,519	46,336
2004	66,992	44,733	13,519	33,182
2005	67,509	44,733	13,519	23,711
2006	68,019	44,733	13,519	6,492
2007 - 2011	233,415	223,665	67,595	22,722
2012 - 2016	267,743	119,533	67,595	0
2017 - 2021	220,352	93,500	67,595	0
2022 - 2026	19,911	0	6,760	0
Total	<u>\$1,011,359</u>	<u>\$637,996</u>	<u>\$270,763</u>	<u>\$175,533</u>

The above schedule does not include OWDA loans 3401 and 3405 principal and interest payments. These loans were not complete as of December 31, 2001 and OWDA has not prepared an amortization schedule.

**6. RETIREMENT SYSTEMS**

All full-time employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. The plan provides 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 2001 and 2000, PERS members contributed 8.5% of their wages. The Village contributed an amount equal to 13.55% of participants' gross salaries for 2001 and from January 1, 2000 through June 30, 2000. PERS temporarily reduced the employer contribution rate to 8.13%, effective July 1, 2000 through December 31, 2000. The Village has paid all contributions required through December 31, 2001.

**7. SOCIAL SECURITY**

The Village's part-time law enforcement officers, fire-fighters, Mayor and Council belong to the Social Security Administration and pay FICA taxes.

FICA contribution rates are approved by the United States Congress. Members of FICA contributed 6.2% of their wages to FICA. The Village also contributed an amount equal to 6.2% of their wages.

The Village has paid all contributions required through December 31, 2001.

VILLAGE OF MILLERSPORT  
FAIRFIELD COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000  
(Continued)

8. RISK MANAGEMENT

The Village belongs to the Ohio Government Risk Management Plan (the "Plan"), an unincorporated non-profit association with over 600 governmental entity members providing a formalized, jointly administered self-insurance risk management program and other administrative services.

Pursuant to Section 2744.081 of the Ohio Revised Code, the Plan is deemed a separate legal entity. The plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages, modified for each member's needs. The Plan pays judgments, settlements and other expense resulting from covered claims that exceed the member's deductible.

The Plan uses conventional insurance coverages and reinsures these coverages 100%, rather than using a risk pool of member funds to pay individual and collective losses. Therefore, the individual members are only responsible for their self-retention (deductible) amounts which vary from member to member. The Village had the following coverage through the Pool:

<u>Description</u>	<u>Limit</u> <u>(Occurrence/Aggregate)</u>
Property	\$3,327,715
Law Enforcement Officers Liability	1,000,000/3,000,000
Public Officials Liability	1,000,000/3,000,000
Automobile	1,000,000
Inland Marine	368,551
Electronic Data Processing	24,850
Employee Dishonesty coverage	10,000

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

**VILLAGE OF MILLERSPORT  
FAIRFIELD COUNTY**

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
DECEMBER 31, 2001**

Federal Grantor/ <i>Pass Through Grantor</i> Program Title	CFDA #	Pass Through Entity Number	Disbursements
<b><u>U.S DEPARTMENT OF DEVELOPMENT</u></b>			
<i>Passed through the Ohio Department of Development:</i>			
Community Development Block Grant	14.228		<u>\$ 469,607</u>
Total Federal Awards			<u><u>\$ 469,607</u></u>

The accompanying notes to this schedule are an integral part of this schedule.

**VILLAGE OF MILLERSPORT  
FAIRFIELD COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
DECEMBER 31, 2001**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Schedule of Federal Awards Expenditures (the Schedule) summarizes activity of the Village's federal award program. The Schedule has been prepared on the cash basis of accounting.



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

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Columbus, Ohio 43215  
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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON INTERNAL CONTROL  
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Village of Millersport  
Fairfield County  
2245 Refugee Street  
P. O. Box 536  
Millersport, Ohio 43046-0536

To the Village Council:

We have audited the accompanying financial statements of the Village of Millersport, Fairfield County, Ohio (the Village) as of and for the years ended December 31, 2001 and December 31, 2000, and have issued our report thereon dated June 15, 2002. 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.

**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*.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the 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.

Village of Millersport  
Fairfield County  
Report of Independent Accountants on Compliance and on Internal Control  
Required by *Government Auditing Standards*  
Page 2

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

A handwritten signature in black ink, appearing to read "Jim Petro", written in a cursive style.

**JIM PETRO**  
Auditor of State

June 15, 2002



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

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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO MAJOR FEDERAL PROGRAM AND INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Village of Millersport  
Fairfield County  
2245 Refugee Street  
P. O. Box 536  
Millersport, Ohio 43046-0536

To the Village Council:

**Compliance**

We have audited the compliance of the Village of Millersport, Fairfield County, Ohio (the Village) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to its major federal program for the year ended December 31, 2001. The Village's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the Village's management. Our responsibility is to express an opinion on the Village's compliance based on our audit.

We have conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance occurred with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program. An audit includes examining, on a test basis, evidence about the Village's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Village's compliance with those requirements.

In our opinion, the Village complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 2001. However, we noted an instance of noncompliance that does not require inclusion in this report that we have reported to the management of the Village in a separate letter dated June 15, 2002.

**Internal Control Over Compliance**

The management of the Village is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Village's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control 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 noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program 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 compliance and its operation that we consider to be material weaknesses.

This report is intended for the information and use of the finance committee, management, village council, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro", written in a cursive style.

**JIM PETRO**  
Auditor of State

June 15, 2002



**VILLAGE OF MILLERSPORT  
FAIRFIELD COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 §.505**

**1. SUMMARY OF AUDITOR'S RESULTS**

<i>(d)(1)(i)</i>	<b>Type of Financial Statement Opinion</b>	Unqualified
<i>(d)(1)(ii)</i>	<b>Were there any material control weakness conditions reported at the financial statement level (GAGAS)?</b>	No
<i>(d)(1)(ii)</i>	<b>Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?</b>	No
<i>(d)(1)(iii)</i>	<b>Was there any reported material non-compliance at the financial statement level (GAGAS)?</b>	No
<i>(d)(1)(iv)</i>	<b>Were there any material internal control weakness conditions reported for major federal programs?</b>	No
<i>(d)(1)(iv)</i>	<b>Were there any other reportable internal control weakness conditions reported for major federal programs?</b>	No
<i>(d)(1)(v)</i>	<b>Type of Major Programs' Compliance Opinion</b>	Unqualified
<i>(d)(1)(vi)</i>	<b>Are there any reportable findings under § .510?</b>	No
<i>(d)(1)(vii)</i>	<b>Major Programs (list):</b>	Community Development Block Grant CFDA #14.228
<i>(d)(1)(viii)</i>	<b>Dollar Threshold: Type A\B Programs</b>	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	<b>Low Risk Auditee?</b>	No

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

None.

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

None.

VILLAGE OF MILLERSPORT  
FAIRFIELD COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2001 AND 2000

FINDING NUMBER	FINDING SUMMARY	STATUS OF FINDINGS
1999-30623-001	Swimming Pool Collections – not reconciled to daily admissions and season passes	Fully Corrected



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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**VILLAGE OF MILLESPORT**

**FAIRFIELD COUNTY**

**CLERK'S CERTIFICATION**

**This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.**

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
JULY 16, 2002**