

VILLAGE OF WEST MILTON

DAYTON REGION, MIAMI COUNTY

REGULAR AUDIT

JANUARY 1, 2000 THROUGH DECEMBER 31, 2001



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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Village Council
Village of West Milton
701 S. Main Street
West Milton, Ohio 45383

We have reviewed the Independent Auditor's Report of the Village of West Milton, Miami County, prepared by Vanderhorst & Manning CPAs, LLC, for the audit period January 1, 2000 through December 31, 2001. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Village of West Milton is responsible for compliance with these laws and regulations.

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JIM PETRO
Auditor of State

July 5, 2002

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**VILLAGE OF WEST MILTON
MIAMI COUNTY**

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**Vanderhorst & Manning CPAs, LLC
6105 North Dixie Drive
Dayton, Ohio 45413**

REPORT OF INDEPENDENT AUDITORS'

Village Council
Village of West Milton
701 South Miami Street
West Milton, Ohio 45383

We have audited the accompanying financial statements of the Village of West Milton, Miami County, (the Village), as of and for the years ended December 31, 2001, and 2000. 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 audits 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 audits provide a reasonable basis for our opinion.

As described 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 reserve for encumbrances of the Village of West Milton, Miami County, as of December 31, 2001 and 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 a report dated May 23, 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 on considering the results of our audit.

This report is intended solely for the information and use of the management, the 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.

Vanderhorst & Manning CPAs, LLC
Dayton, Ohio

May 23, 2002

**VILLAGE OF WEST MILTON
MIAMI COUNTY**

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN FUND
CASH BALANCES - ALL GOVERNMENTAL FUND TYPES AND SIMILAR FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

	GOVERNMENTAL FUND TYPES				FIDUCIARY	Total (Memorandum Only)
	General	Special Revenue	Debt Service Funds	Capital Project Funds	Expendable Trust Funds	
Cash Receipts:						
Taxes	\$ 1,008,856	\$ 87,397	\$ 0	\$ 0	\$ 0	\$ 1,096,253
Intergovernmental Receipts	263,171	133,644	0	362,973	0	759,788
Charges for Services	144	936	0	1,318	0	2,398
Fines, Licenses, and Permits	4,622	262	0	55	0	4,939
Interest	139,499	13,469		3,360	98	156,426
Miscellaneous	19,314	1,075	0	10,123	0	30,512
Total Cash Receipts	\$ 1,435,606	\$ 236,783	\$ 0	\$ 377,829	\$ 98	\$ 2,050,316
Cash Disbursements:						
General Government	\$ 278,928	\$ 1,435	\$ 0	\$ 0	\$ 0	\$ 280,363
Security of Persons and Property	593,964	0	0	0	0	593,964
Public Health Services	0	0	0	0	0	0
Leisure Time Activities	17,283	48,805	0	0	0	66,088
Community Environment	3,005	0	0	0	4,208	7,213
Transportation	0	202,125	0	0	0	202,125
Capital Outlay	0	0	0	833,929	0	833,929
Debt Service	0	0	252,182	0	0	252,182
Total Cash Disbursements	\$ 893,180	\$ 252,365	\$ 252,182	\$ 833,929	\$ 4,208	\$ 2,235,864
Total Receipts Over/ (Under) Disbursements	\$ 542,426	\$ (15,582)	\$ (252,182)	\$ (456,100)	\$ (4,110)	\$ (185,548)
Other Financing Sources/(Uses)						
Sale of Fixed Assets	\$ 8,368	\$ 0	\$ 0	\$ 0	\$ 0	\$ 8,368
Transfers In	0	31,200	252,182	145,000	0	428,382
Transfers Out	(176,200)	0	0	0	0	(176,200)
Other Uses	0	0	0	(40)	0	(40)
Total Other Financing Sources/(Uses)	\$ (167,832)	\$ 31,200	\$ 252,182	\$ 144,960	\$ 0	\$ 260,510
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	\$ 374,594	\$ 15,618	\$ 0	\$ (311,140)	\$ (4,110)	\$ 74,962
Fund Cash Balances, January 1, 2001	1,897,172	479,491	10,226	503,725	12,107	2,902,721
Fund Cash Balances, December 31, 2001	\$ 2,271,766	\$ 495,109	\$ 10,226	\$ 192,585	\$ 7,997	\$ 2,977,683
Reserve for Encumbrances, December 31, 2001	\$ 71,331	\$ 22,309	\$ 0	\$ 36,866	\$ 1,111	\$ 131,617

**VILLAGE OF WEST MILTON
MIAMI COUNTY**

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

	PROPRIETARY FUND TYPE Enterprise
Cash Receipts:	
Charges for Services	\$ 1,108,338
Miscellaneous	24,852
	1,133,190
Total Cash Receipts	\$ 1,133,190
Cash Disbursements:	
Personal Services	\$ 462,896
Travel Transportation	2,951
Contractual Services	167,233
Supplies and Materials	58,282
Capital Outlay	116,196
	807,558
Total Cash Disbursements	\$ 807,558
Operating Income/(Loss)	\$ 325,632
Non-Operating Cash Disbursements:	
Other Non-Operating Cash Disbursements	(2,290)
	(2,290)
Excess of Receipts Over/(Under) Disbursements Before Interfund Transfers	\$ 323,342
Transfers-In	56,749
Transfers-Out	(308,931)
	(308,931)
Net Receipts Over/(Under) Disbursements	\$ 71,160
Fund Cash Balances, January 1, 2001	1,252,620
Fund Cash Balances, December 31, 2001	\$ 1,323,780
Reserve for Encumbrances, December 31, 2001	\$ 98,756

The Notes to the Financial Statements are an integral part of this statement.

**VILLAGE OF WEST MILTON
MIAMI COUNTY**

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

	GOVERNMENTAL FUND TYPES				FIDUCIARY	Total (Memorandum Only)
	General	Special Revenue	Debt Service Funds	Capital Project Funds	Expendable Trust Funds	
Cash Receipts:						
Taxes	\$ 981,497	\$ 94,244	\$ 0	\$ 0	\$ 0	\$ 1,075,741
Intergovernmental Receipts	276,791	143,464	0	0	0	420,255
Charges for Services	219	1,418	0	3,001	10,207	14,845
Fines, Licenses and Permits	4,230	343	0	80	0	4,653
Miscellaneous	190,363	26,488	0	2,911	0	219,762
Total Cash Receipts	<u>\$ 1,453,100</u>	<u>\$ 265,957</u>	<u>\$ 0</u>	<u>\$ 5,992</u>	<u>\$ 10,207</u>	<u>\$ 1,735,256</u>
Cash Disbursements:						
General Government	\$ 246,287	\$ 1,534	\$ 0	\$ 0	\$ 0	\$ 247,821
Security of Persons and Property	519,629	0	0	0	0	519,629
Public Health Services	0	25	0	0	0	25
Leisure Time Activities	3,022	26,545	0	0	0	29,567
Community Environment	2,183	0	0	0	22,665	24,848
Transportation	0	98,379	0	0	0	98,379
Capital Outlay	108,727	142,192	0	11,306	0	262,225
Debt Service	0	0	252,182	0	0	252,182
Total Cash Disbursements	<u>\$ 879,848</u>	<u>\$ 268,675</u>	<u>\$ 252,182</u>	<u>\$ 11,306</u>	<u>\$ 22,665</u>	<u>\$ 1,434,676</u>
Total Receipts Over/(Under) Disbursements	<u>\$ 573,252</u>	<u>\$ (2,718)</u>	<u>\$ (252,182)</u>	<u>\$ (5,314)</u>	<u>\$ (12,458)</u>	<u>\$ 300,580</u>
Other Financing Sources/(Uses)						
Sale of Fixed Assets	\$ 0	\$ 3,901	\$ 0	\$ 0	\$ 0	\$ 3,901
Transfers In	0	40,000	252,182	437,885	0	730,067
Transfers Out	(202,885)	(100,000)	0	0	0	(302,885)
Other Uses	(1,763)	(1,041)	0	0	0	(2,804)
Total Other Financing Receipts/(Disbursements)	<u>\$ (204,648)</u>	<u>\$ (57,140)</u>	<u>\$ 252,182</u>	<u>\$ 437,885</u>	<u>\$ 0</u>	<u>\$ 428,279</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	\$ 368,604	\$ (59,858)	\$ 0	\$ 432,571	\$ (12,458)	\$ 728,859
Fund Cash Balances, January 1, 2000	<u>1,528,568</u>	<u>539,349</u>	<u>10,226</u>	<u>71,154</u>	<u>24,565</u>	<u>2,173,862</u>
Fund Cash Balances, December 31, 2000	<u>\$ 1,897,172</u>	<u>\$ 479,491</u>	<u>\$ 10,226</u>	<u>\$ 503,725</u>	<u>\$ 12,107</u>	<u>\$ 2,902,721</u>
Reserve for Encumbrances, December 31, 2000	<u>\$ 57,058</u>	<u>\$ 30,033</u>	<u>\$ 0</u>	<u>\$ 400,000</u>	<u>\$ 9,500</u>	<u>\$ 496,591</u>

The Notes to the Financial Statements are an integral part of this statement.

**VILLAGE OF WEST MILTON
MIAMI COUNTY**

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

	PROPRIETARY FUND TYPE Enterprise
Cash Receipts:	
Charges for Services	\$ 1,089,067
Miscellaneous	15,424
	1,104,491
Total Cash Receipts	\$ 1,104,491
Cash Disbursements:	
Personal Services	\$ 510,427
Travel Transportation	6,242
Contractual Services	151,634
Supplies and Materials	56,320
Capital Outlay	121,727
	846,350
Total Cash Disbursements	\$ 846,350
Operating Income/(Loss)	\$ 258,141
Non-Operating Cash Disbursements:	
Other Non-Operating Cash Disbursements	(596)
Excess of Receipts Over/(Under) Disbursements Before Interfund Transfers	\$ 257,545
Transfers-In	56,749
Transfers-Out	(483,931)
	(427,182)
Net Receipts Over/(Under) Disbursements	\$ (169,637)
Fund Cash Balances, January 1, 2000	1,422,257
Fund Cash Balances, December 31, 2000	\$ 1,252,620
Reserve for Encumbrances, December 31, 2000	\$ 92,472

The Notes to the Financial Statements are an integral part of this statement.

**VILLAGE OF WEST MILTON
MIAMI COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Village of West Milton of Miami 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, refuse services, park operations (leisure time activities), police and fire 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 a payment is made 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, and US Treasury Notes are valued at cost. The investment in STAR Ohio (the State Treasurers' investment pool), is valued at amounts reported by the State Treasurer. Mutual funds are recorded at share values reported by the mutual fund. Investments are also in Fifth Third, Public Funds - Banksafe Plus Account.

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:

General Fund

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

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 MILTON
MIAMI COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

Special Revenue Funds (Continued)

Street Construction, Maintenance and Repair Fund - This fund receives intergovernmental revenues to maintain and repair streets.

Street Levy Fund - This fund receives intergovernmental revenues to improve roads.

Debt Service Funds

The debt service fund is used to accumulate resources for the payment of bonds and note indebtedness. The Village had the following significant Debt Service Funds:

OWDA Debt fund - This fund received proceeds from Ohio Water Development Authority for the Waster Water Treatment Plant.

OPWC Debt fund - This fund received proceeds from Ohio Public Works Commission for water tower replacement.

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:

Sidewalk, Curb and Gutter Fund - This fund receives intergovernmental revenue for maintenance of the Village's sidewalks, curbs and gutters.

Proprietary Fund Type

Enterprise Funds

These funds are used to account for the activities of Village operations which are operated on a self-sustaining basis. The Village had the following enterprise funds:

Water Fund - This fund receives the revenue from water sales to Village residents on a per gallon basis. Water system operating expenditures are charged to this fund.

Sewer Fund - This fund receives the revenue from sewer rates charged to Village residents based on water usage. Sewer system operating expenditures are charged to this fund.

Fiduciary Funds (Trust Funds)

Trust funds are used to account for resources restricted by legally binding trust agreements. If the agreement requires the Village to maintain the copies of the trust, the fund is classified as a non-expendable trust fund. Other trust funds are classified as expendable.

The Village has classified their trust funds as Expendable Trust Funds.

**VILLAGE OF WEST MILTON
MIAMI COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process

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

Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Village Council must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Appropriations lapse at year-end.

Estimated Resources

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

Encumbrances

The Ohio Revised Code requires the Village to reserve (encumber) appropriations when individual commitments are made.

Encumbrances outstanding at year-end are carried over and need not be reappropriated.

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

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.

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.

**VILLAGE OF WEST MILTON
MIAMI COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000

2. EQUITY IN POOLED CASH AND INVESTMENTS (Continued)

The carrying amount of cash and investments at December 31 was as follows:

	2001	2000
Demand Deposits	\$ 39,069	\$ 97,478
Certificates of Deposit	1,076,817	1,033,822
Repurchase Agreements	764,795	1,990,616
STAR Ohio	<u>2,420,782</u>	<u>1,033,425</u>
Total Deposits and Investments	<u>\$4,301,463</u>	<u>\$4,155,341</u>

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

Investments: Investments in Star Ohio and mutual funds are not evidenced by securities that exist in physical or book-entry form.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ended December 31, 2001, and 2000 were as follows:

2001 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,319,534	\$1,443,974	\$124,440
Special Revenue	318,349	267,983	(50,366)
Debt Service	252,183	252,182	(1)
Capital Projects	513,600	522,829	9,229
Enterprise	1,210,750	1,189,939	(20,811)
Fiduciary	<u>150</u>	<u>98</u>	<u>(52)</u>
Total	<u>\$3,614,566</u>	<u>\$3,677,005</u>	<u>\$ 62,439</u>

**VILLAGE OF WEST MILTON
MIAMI COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000

3. BUDGETARY ACTIVITY (Continued)

2001 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,633,248	\$1,140,711	\$ 492,537
Special Revenue	426,103	274,674	151,429
Debt Service	252,182	252,182	0
Capital Projects	931,300	870,835	60,465
Enterprise	1,907,250	1,217,535	689,715
Fiduciary	<u>12,137</u>	<u>5,319</u>	<u>6,818</u>
Total	<u>\$5,162,220</u>	<u>\$3,761,256</u>	<u>\$1,400,964</u>

2000 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,453,100	\$1,453,100	\$ 0
Special Revenue	309,858	309,858	0
Debt Service	252,182	252,182	0
Capital Projects	443,876	443,877	1
Enterprise	1,161,240	1,161,240	0
Fiduciary	<u>10,242</u>	<u>10,207</u>	<u>(35)</u>
Total	<u>\$3,630,498</u>	<u>\$3,630,464</u>	<u>\$ (34)</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,716,322	\$1,141,554	\$ 574,768
Special Revenue	508,667	399,749	108,918
Debt Service	252,182	252,182	0
Capital Projects	465,266	411,306	53,960
Enterprise	2,078,221	1,330,877	747,344
Fiduciary	<u>33,002</u>	<u>32,165</u>	<u>837</u>
Total	<u>\$5,053,660</u>	<u>\$3,567,833</u>	<u>\$1,485,827</u>

**VILLAGE OF WEST MILTON
MIAMI COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000

4. PROPERTY TAX

Real property taxes become a lien on January 1 proceeding 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.

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
OPWC - Water Tower Replacement Loan	\$ 354,060	0%
EVCISA – Loans	4,450	0%
OWDA - Loan - Waste Water Treatment Plant	<u>2,010,716</u>	5%
Total	<u>\$2,369,226</u>	

Debt outstanding at December 31, 2000 was as follows:

	Principal	Interest Rate
OPWC - Water Tower Replacement Loan	\$ 379,350	0%
EVCISA – Loans	6,500	0%
OWDA - Loan - Waste Water Treatment Plant	<u>2,130,515</u>	5%
Total	<u>\$2,516,365</u>	

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

Year Ending December 31, 2001	
2002	\$ 252,182
2003	252,182
2004	250,482
2005	250,132
2006	250,132
2007-2015	<u>1,114,116</u>
Total	<u>\$2,369,226</u>

**VILLAGE OF WEST MILTON
MIAMI COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000

5. DEBT (Continued)

Year Ending December 31, 2000	
2001	\$ 252,182
2002	252,182
2003	252,182
2004	250,482
2005	250,132
2006-2015	<u>1,259,205</u>
Total	<u>\$2,516,365</u>

6. RETIREMENT SYSTEMS

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

Contribution rates are also prescribed by the Ohio Revised Code. For 2001 and 2000, PFDPF members contributed 10% of their gross salaries. The Village contributed an amount equal to 19.5% of their wages. PERS members contributed an amount equal to 8.5% of their gross salaries. The Village contributed an amount equal to 13.55% of participants' gross salaries through June 30, 2000, for the period July 1, 2000 through December 31, 2000, the Village contributed 8.13%. For 2001 the Village contributed 13.55%. The Village has paid all contributions required through December 31, 2001.

7. RISK MANAGEMENT

The Village has obtained Pool Insurance (Ohio Municipal League Joint Self-Insurance Pool) for the following risks:

-General Liability	-Public Officials Liability
-Auto Liability & Auto Physical Damage	-Stop GAP
-Property Coverage	-Boiler Insurance
-Law Enforcement Liability	-Gatekeepers
-Inland Marine Coverage	

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

**Vanderhorst & Manning CPAs, LLC
6105 North Dixie Drive
Dayton, Ohio 45413**

**REPORT OF INDEPENDENT ACCOUNTANTS' ON COMPLIANCE AND ON
INTERNAL CONTROL REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

Members of Council
Village of West Milton
701 South Miami Street
West Milton, Ohio 45383

We have audited the financial statements of the Village of West Milton, Miami County (the Village), as of and for the years ended December 31, 2001, and 2000, and have issued our report thereon dated May 23, 2002. We conducted our audits 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. However we noted certain immaterial instances of noncompliance that we have reported to the management of the Village in a separate letter dated May 23, 2002.

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 specific 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 operations 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 May 23, 2002.

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

Vanderhorst & Manning CPAs, LLC
Dayton, Ohio

May 23, 2002



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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VILLAGE OF WEST MILTON

MIAMI 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 30, 2002**