



**VILLAGE OF WEST ALEXANDRIA
PREBLE COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000-1999



**JIM PETRO
AUDITOR OF STATE**

STATE OF OHIO

VILLAGE OF WEST ALEXANDRIA
PREBLE COUNTY

TABLE OF CONTENTS

TITLE	PAGE
Independent Accountants' Report	1
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	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – Enterprise Funds – For the Year Ended December 31, 2000	4
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, 1999	5
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – Enterprise Funds – For the Year Ended December 31, 1999	6
Notes to the Financial Statements	7
Report on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	13

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INDEPENDENT ACCOUNTANTS' REPORT

Village of West Alexandria
Preble County
16 N. Main Street
West Alexandria, Ohio 45381

To the Village Council:

We have audited the accompanying financial statements of the Village of West Alexandria, Preble County, Ohio (the Village), as of and for the years ended December 31, 2000 and 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 auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described 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 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 August 20, 2001, 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.

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

Jim Petro
Auditor of State

August 20, 2001

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**VILLAGE OF WEST ALEXANDRIA
PREBLE 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**

	<u>Governmental Fund Types</u>				<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Expendable Trust</u>	
Cash Receipts:					
Property Tax and Other Local Taxes	\$195,964	\$39,246	\$0	\$243,979	\$479,189
Special Assessments	0	12,304			12,304
Intergovernmental Receipts	107,686	63,770			171,456
Charges for Services	28,682	117,660			146,342
Fines, Licenses, and Permits	3,239	393			3,632
Miscellaneous	31,822	13,555			45,377
Total Cash Receipts	367,393	246,928	0	243,979	858,300
Cash Disbursements:					
Current:					
Security of Persons and Property	154,522	64,583			219,105
Public Health Services	4,619	70,286			74,905
Leisure Time Activities	39,874	0			39,874
Community Environment	6,397	0			6,397
Basic Utility Services	0	79			79
Transportation	0	99,137			99,137
General Government	145,169	205		178,178	323,552
Debt Service:	0	12,000			12,000
Capital Outlay	0	17,516	10,000		27,516
Total Cash Disbursements	350,581	263,806	10,000	178,178	802,565
Total Receipts Over/(Under) Disbursements	16,812	(16,878)	(10,000)	65,801	55,735
Other Financing Receipts/(Disbursements):					
Proceeds from Loan	0	14,900	10,000		24,900
Advances-In	0	300			300
Advances-Out	(300)				(300)
Total Other Financing Receipts/(Disbursements)	(300)	15,200	10,000	0	24,900
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	16,512	(1,678)	0	65,801	80,635
Fund Cash Balances, January 1	59,584	81,452	0	109,836	250,872
Fund Cash Balances, December 31	\$76,096	\$79,774	\$0	\$175,637	\$331,507
Reserves for Encumbrances, December 31	\$9,780	\$27,656	\$0	\$260	\$37,696

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

VILLAGE OF WEST ALEXANDRIA
PREBLE COUNTY

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2000

Operating Cash Receipts:	
Charges for Services	\$389,209
Miscellaneous	<u>52</u>
Total Operating Cash Receipts	<u>389,261</u>
Operating Cash Disbursements:	
Personal Services	132,619
Fringe Benefits	3,054
Contractual Services	173,347
Supplies and Materials	<u>62,687</u>
Total Operating Cash Disbursements	<u>371,707</u>
Operating Income/(Loss)	<u>17,554</u>
Non-Operating Cash Disbursements:	
Debt Service	<u>93,765</u>
Total Non-Operating Cash Disbursements	<u>93,765</u>
Net Receipts Over/(Under) Disbursements	(76,211)
Fund Cash Balances, January 1	<u>282,310</u>
Fund Cash Balances, December 31	<u><u>\$206,099</u></u>
Reserve for Encumbrances, December 31	<u><u>\$17,450</u></u>

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

VILLAGE OF WEST ALEXANDRIA
PREBLE 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, 1999**

	<u>Governmental Fund Types</u>				Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Expendable Trust</u>	
Cash Receipts:					
Property Tax and Other Local Taxes	\$206,420	\$102,728	\$0	\$191,803	\$500,951
Special Assessments	0	12,247	0	0	12,247
Intergovernmental Receipts	127,799	62,682	168,962	0	359,443
Charges for Services	10,168	106,439	0	0	116,607
Fines, Licenses, and Permits	4,977	305			5,282
Miscellaneous	26,321	2,020			28,341
Total Cash Receipts	<u>375,685</u>	<u>286,421</u>	<u>168,962</u>	<u>191,803</u>	<u>1,022,871</u>
Cash Disbursements:					
Current:					
Security of Persons and Property	156,942	71,486			228,428
Public Health Services	2,928	69,938			72,866
Leisure Time Activities	27,364	0			27,364
Transportation	0	57,965			57,965
General Government	223,624	0	0	249,083	472,707
Debt Service		15,913			15,913
Capital Outlay	43,078	139,690	168,962		351,730
Total Cash Disbursements	<u>453,936</u>	<u>354,992</u>	<u>168,962</u>	<u>249,083</u>	<u>1,226,973</u>
Total Receipts Over/(Under) Disbursements	<u>(78,251)</u>	<u>(68,571)</u>	<u>0</u>	<u>(57,280)</u>	<u>(204,102)</u>
Other Financing Receipts/(Disbursements):					
Proceeds from Loan		24,785			24,785
Transfers-Out	(6,503)				(6,503)
Other Sources		10,215			35,000
Total Other Financing Receipts/(Disbursements)	<u>(6,503)</u>	<u>35,000</u>	<u>0</u>	<u>0</u>	<u>53,282</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>(84,754)</u>	<u>(33,571)</u>	<u>0</u>	<u>(57,280)</u>	<u>(150,820)</u>
Fund Cash Balances, January 1	<u>144,338</u>	<u>115,023</u>	<u>0</u>	<u>167,116</u>	<u>426,477</u>
Fund Cash Balances, December 31	<u>\$59,584</u>	<u>\$81,452</u>	<u>\$0</u>	<u>\$109,836</u>	<u>\$275,657</u>
Reserves for Encumbrances, December 31	<u>\$6,742</u>	<u>\$16,275</u>	<u>\$0</u>	<u>\$1,250</u>	<u>\$24,267</u>

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

**VILLAGE OF WEST ALEXANDRIA
PREBLE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999**

	Enterprise
Operating Cash Receipts:	
Charges for Services	\$379,753
Miscellaneous	3,961
Total Operating Cash Receipts	383,714
Operating Cash Disbursements:	
Personal Services	122,250
Fringe Benefits	2,899
Contractual Services	150,031
Supplies and Materials	41,039
Total Operating Cash Disbursements	316,219
Operating Income/(Loss)	67,495
Non-Operating Cash Disbursements:	
Debt Service	29,984
Total Non-Operating Cash Disbursements	29,984
Excess of Receipts Over/(Under) Disbursements Before Interfund Transfers and Advances	37,511
Transfers-In	6,503
Net Receipts Over/(Under) Disbursements	44,014
Fund Cash Balances, January 1	238,296
Fund Cash Balances, December 31	\$282,310
Reserve for Encumbrances, December 31	\$51,566

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

**VILLAGE OF WEST ALEXANDRIA
PREBLE 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 Alexandria, Preble County, Ohio (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 general governmental services, including water and sewer utilities, police, fire and ambulance 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 Deposits

Certificates of deposit are valued at cost.

D. Fund Accounting

The Village uses fund accounting to segregate cash and investments that are restricted as to use. The Village classifies its funds into the following types:

1. General Fund

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

2. Special Revenue Funds

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

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

Ambulance Operating Fund - This fund receives money from contracts with other entities for services, Village income taxes and from the individuals using the ambulance service. Expenditures are for maintaining and operating the Village emergency squad.

**VILLAGE OF WEST ALEXANDRIA
PREBLE COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fire Operating Fund - This fund receives money from contracts with other entities for services and Village income taxes. Expenditures are for maintaining and operating the Village fire department.

Ambulance Reserve Fund - This fund receives money from contracts with other entities to be used for the purchase of a new ambulance vehicle by the Village.

Fire Reserve Fund - This fund receives money from contracts with other entities to be used to make loan payments incurred when the Village purchased a fire engine.

3. 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:

CK08B Fund - This fund receives Issue II funds from the Ohio Public Works Commission. The proceeds are used for various water and sewer projects.

VCIF Fund - This fund receives funds from an Ohio Water Development Authority (OWDA) Loan. The proceeds are used for the construction of a water treatment system.

4. 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.

5. Fiduciary Funds (Expendable Trust Fund)

This fund is used to account for resources restricted by legal agreement. The Village had the following significant Expendable Trust Fund:

Income Tax Fund - This fund receives local income tax receipts. According to municipal ordinance, receipts are then allocated to the General and Special Revenue Funds by Council.

E. Budgetary Process

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

**VILLAGE OF WEST ALEXANDRIA
PREBLE COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1. Appropriations

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

2. EQUITY IN POOLED CASH AND DEPOSITS

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

	<u>2000</u>	<u>1999</u>
Demand deposits	\$ 348,932	\$ 397,785
Certificates of deposit	188,474	135,197
	<u>537,406</u>	<u>532,982</u>
Total deposits		
Cash on Hand	<u>200</u>	<u>200</u>
Total deposits and cash on hand	<u>\$ 537,606</u>	<u>\$ 533,182</u>

Deposits: Deposits are either (1) insured by the Federal Depository Insurance Corporation or (2) collateralized by securities specifically pledged by the financial institution to the Village.

**VILLAGE OF WEST ALEXANDRIA
PREBLE COUNTY**

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

3. BUDGETARY ACTIVITY

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

2000 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 335,000	\$ 367,393	\$ 32,393
Special Revenue	254,504	262,128	7,624
Capital Projects	25,000	10,000	(15,000)
Enterprise	338,000	389,261	51,261
Fiduciary	80,000	243,979	163,979
Total	<u>\$ 1,032,504</u>	<u>\$ 1,272,761</u>	<u>\$ 240,257</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 394,584	\$ 360,661	\$ 33,923
Special Revenue	335,955	291,462	44,493
Capital Projects	25,000	10,000	15,000
Enterprise	588,435	482,922	105,513
Fiduciary	214,836	178,438	36,398
Total	<u>\$ 1,558,810</u>	<u>\$ 1,323,483</u>	<u>\$ 235,327</u>

1999 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 355,900	\$ 375,685	\$ 19,785
Special Revenue	305,464	321,421	15,957
Capital Projects	189,375	168,962	(20,413)
Enterprise	352,000	390,217	38,217
Fiduciary	105,000	191,803	86,803
Total	<u>\$ 1,307,739</u>	<u>\$ 1,448,088</u>	<u>\$ 140,349</u>

**VILLAGE OF WEST ALEXANDRIA
PREBLE COUNTY**

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

3. BUDGETARY ACTIVITY (Continued)

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 500,238	\$ 467,181	\$ 33,057
Special Revenue	420,487	371,267	49,220
Capital Projects	172,890	168,962	3,928
Enterprise	592,108	397,769	194,339
Fiduciary	272,116	250,333	21,783
Total	<u>\$ 1,957,839</u>	<u>\$ 1,655,512</u>	<u>\$ 302,327</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 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
VCIF (OWDA) Loan	\$ 25,000	0.00%
Ohio Water Development Authority Loan - 989	17,222	7.84%
Ambulance Loan	24,785	5.50%
Traffic Light System Loan	14,900	6.50%
Total	<u>\$ 81,907</u>	

The VCIF (OWDA) Loan was obtained in 2000 for the design of a water treatment system. The Village received \$10,000 of the \$25,000 loan in 2000. The loan will be repaid in annual installments of \$2,500 over 10 years, with the first payment not due until 2003. The loan is to be repaid from the Village's water revenues.

**VILLAGE OF WEST ALEXANDRIA
PREBLE COUNTY**

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

5. DEBT (Continued)

The OWDA loan relates to water and sewer plant expansion projects that were mandated by the Ohio Environmental Protection Agency. The loan is being repaid in semiannual installments of \$2,348, including interest, over 20 years. The loans are collateralized by water and sewer receipts. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The ambulance loan was obtained for the purchase of an ambulance. The loan matures on July 26, 2001.

The traffic light system loan was obtained for the purchase of a traffic light system. The loan matures on September 15, 2001.

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

Year ending December 31:	VCIF (OWDA) Loan	OWDA Loan 989	Ambulance Loan	Traffic Light System Loan
2001	\$ 0	\$ 2,348	\$ 26,148	\$ 15,869
2002	0	4,697	0	0
2003	2,500	4,697	0	0
2004	2,500	4,697	0	0
2005	2,500	4,696	0	0
Subsequent	17,500	0	0	0
Total	<u>\$ 25,000</u>	<u>\$ 21,135</u>	<u>\$ 26,148</u>	<u>\$ 15,869</u>

6. RETIREMENT SYSTEMS

The Village's law enforcement officers and firefighters belong to the Police & Firefighter'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 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 1999 and 2000 members of PFDPF contributed 10% of their gross salaries 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% in 2000. The Village has paid all contributions required through December 31, 2000.

7. RISK MANAGEMENT

The Village has obtained commercial insurance for the following risks:

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

The Village provides health and dental insurances to full-time employees through a private carrier.



STATE OF OHIO
OFFICE OF THE AUDITOR

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

Village of West Alexandria
Preble County
16 N. Main Street
West Alexandria, Ohio 45381

To the Village Council:

We have audited the financial statements of the Village of West Alexandria, Preble County, Ohio (the Village), as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated August 20, 2001. 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*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the Village in a separate letter dated August 20, 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 August 20, 2001.

Village of West Alexandria
Preble County
Report on Compliance and on Internal Control Required by
Government Auditing Standards
Page 2

This report is intended for the information and use of management and the 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

August 20, 2001



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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VILLAGE OF WEST ALEXANDRIA

PREBLE COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
SEPTEMBER 13, 2001**