



**bhm cpa group, inc.**  
CERTIFIED PUBLIC ACCOUNTANTS

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VILLAGE OF WEST MILTON  
MIAMI COUNTY

REGULAR AUDIT

For the Years Ended December 31, 2019 and 2018  
Fiscal Years Audited Under GAGAS: 2019 and 2018

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OHIO AUDITOR OF STATE  
KEITH FABER



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

We have reviewed the *Independent Auditor's Report* of the Village of West Milton, Miami County, prepared by BHM CPA Group, Inc., for the audit period January 1, 2018 through December 31, 2019. 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.

A handwritten signature in black ink that reads 'Keith Faber'.

Keith Faber  
Auditor of State  
Columbus, Ohio

August 12, 2020

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Village of West Milton  
Miami County  
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**INDEPENDENT AUDITOR'S REPORT**

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

To the Village Council:

***Report on the Financial Statements***

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type, and related notes of the Village of West Milton, Miami County, Ohio (the Village) as of and for the years ended December 31, 2019 and 2018.

***Management's Responsibility for the Financial Statements***

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Village's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Village's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As described in Note 2 of the financial statements, the Village prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

Though the Village does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Village as of December 31, 2019 and 2018, and the respective changes in financial position or cash flows thereof for the years then ended.

***Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements by fund type, and related notes of the Village of West Milton, Miami County as of December 31, 2019 and 2018, for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 2.

***Emphasis of Matter***

As discussed in Note 10 to the 2019 financial statements, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Village. We did not modify our opinion regarding this matter.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2020, 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 grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.



BHM CPA Group, Inc.  
Piketon, Ohio  
June 23, 2020



**VILLAGE OF WEST MILTON  
MIAMI COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>Governmental Fund Types</u>				<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	
<b>Cash Receipts:</b>					
Property Taxes	\$ 186,654	\$ 178,175	\$ -	\$ -	\$ 364,829
Municipal Income Tax	1,461,131	-	-	-	1,461,131
Intergovernmental	149,106	251,493	-	-	400,599
Special Assessments	-	2,522	-	-	2,522
Charges for Services	2,055	-	-	-	2,055
Fines, Licenses, and Permits	90,715	697	-	-	91,412
Earnings on Investments	64,910	12,188	-	3,147	80,245
Miscellaneous	356,614	4,693	-	-	361,307
<b>Total Cash Receipts</b>	<u>2,311,185</u>	<u>449,768</u>	<u>-</u>	<u>3,147</u>	<u>2,764,100</u>
<b>Cash Disbursements:</b>					
Current:					
Security of Persons and Property	1,052,737	2,089	-	-	1,054,826
Leisure Time Activities	35,253	-	-	-	35,253
Community Environment	845	-	-	-	845
Transportation	56,661	385,509	-	-	442,170
General Government	544,874	-	-	-	544,874
Capital Outlay	92,132	64,981	-	459,710	616,823
Debt Service:					
Redemption of Principal	1,527	-	6,521	20,000	28,048
Interest and Fiscal Charges	286	-	-	8,400	8,686
<b>Total Cash Disbursements</b>	<u>1,784,315</u>	<u>452,579</u>	<u>6,521</u>	<u>488,110</u>	<u>2,731,525</u>
Excess of Receipts Over/(Under) Disbursements	526,870	(2,811)	(6,521)	(484,963)	32,575
<b>Other Financing Receipts (Disbursements):</b>					
Sale of Fixed Assets	1,500	2,800	-	-	4,300
Transfers-In	947	-	6,521	50,000	57,468
Transfers-Out	(50,000)	(947)	-	-	(50,947)
<b>Total Other Financing Receipts (Disbursements)</b>	<u>(47,553)</u>	<u>1,853</u>	<u>6,521</u>	<u>50,000</u>	<u>10,821</u>
Net Change in Fund Cash Balances	479,317	(958)	-	(434,963)	43,396
Fund Cash Balances, January 1	1,718,437	477,600	-	537,803	2,733,840
<b>Fund Cash Balances, December 31</b>					
Restricted	-	476,642	-	-	476,642
Committed	-	-	-	102,840	102,840
Assigned	10,743	-	-	-	10,743
Unassigned (Deficit)	2,187,011	-	-	-	2,187,011
<b>Fund Cash Balances, December 31</b>	<u>\$ 2,197,754</u>	<u>\$ 476,642</u>	<u>\$ -</u>	<u>\$ 102,840</u>	<u>\$ 2,777,236</u>

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

**VILLAGE OF WEST MILTON  
MIAMI COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)  
ALL PROPRIETARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>Proprietary Fund Types</u>
	<u>Enterprise</u>
<b>Operating Cash Receipts:</b>	
Charges for Services	\$ 2,247,053
Miscellaneous	30,247
	<u>2,277,300</u>
<b>Operating Cash Disbursements:</b>	
Personal Services	703,356
Contractual Services	1,140,112
Supplies and Materials	41,963
Other	5,276
	<u>1,890,707</u>
Operating Income (Loss)	386,593
<b>Non-Operating Receipts (Disbursements)</b>	
Intergovernmental	89,890
Special Assessments	6,770
Earnings on Investment	5,360
Sale of Capital Assets	22,551
Capital Outlay	(383,696)
Principal Retirement	(156,475)
Interest and Fiscal Charges	(16,085)
	<u>(431,685)</u>
Income (Loss) before Transfers	(45,092)
Transfers In	130,079
Transfers Out	(136,600)
	<u>(51,613)</u>
Net Change in Fund Cash Balances	(51,613)
Fund Cash Balances, January 1	<u>2,764,977</u>
Fund Cash Balances, December 31	<u><u>\$ 2,713,364</u></u>

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

**Village of West Milton, Ohio**  
*Miami County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

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**Note 1 - Reporting Entity**

The Village of West Milton (the Village), Miami County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly-elected seven-member Council directs the Village. The Village provides general governmental services, including water and sewer utilities, refuse services, park operations (leisure time activities), and police and fire services. The Village contracts with Miami County Sanitary for water supply. The Village contracts with Waste Management for refuse collection.

**Note 2 - Summary of Significant Accounting Policies**

***Basis of Presentation***

The Village's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types, and a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all proprietary and fiduciary fund types which are organized on a fund type basis.

***Fund Accounting***

The Village uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Village are presented below:

***General Fund*** The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Village for any purpose provided it is expended or transferred according to the general laws of Ohio.

***Special Revenue Funds*** These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Village had the following significant Special Revenue Funds:

***Street Construction Maintenance and Repair*** This fund accounts for and reports that portion of the State gasoline tax and motor vehicle license registration fees restricted for construction, maintenance, and repair of streets within the Village.

***Street Levy Fund*** This fund accounts for and reports intergovernmental revenues restricted for the general construction, reconstruction, resurfacing, repair and operation of streets and storm sewers.

***Debt Service Funds*** These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The Village had the following significant Debt Service Fund:

***OPWC Debt Fund*** This fund received proceeds from Ohio Public Works Commission for effluent sewer replacement.

**Village of West Milton, Ohio**  
*Miami County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

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**Note 2 - Summary of Significant Accounting Policies (Continued)**

***Fund Accounting (Continued)***

***Capital Project Funds*** These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets (except those financed through enterprise or trust funds). The Village had the following significant capital project funds:

***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 account for operations that are similar to private business enterprises, where management intends to recover the significant costs of providing certain goods or services through user charges. The Village had the following significant Enterprise Funds:

***Refuse Fund*** The refuse fund accounts for the provision of refuse collection services to the residents and commercial users. It receives charges for services to cover refuse service costs.

***Water Fund*** The water fund accounts for the provision of water treatment and distribution to the residents and commercial users. It receives charges for services to cover water service costs.

***Sewer Fund*** The sewer fund accounts for the provision of sanitary sewer services to the residents and commercial users. It receives charges for services to cover sewer service costs.

***Basis of Accounting***

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements 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 the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D) permit.

***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, personal services, and transfers level of control, and appropriations may not exceed estimated resources. The Village Council must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

**Village of West Milton, Ohio**  
*Miami County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

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**Note 2 - Summary of Significant Accounting Policies (Continued)**

***Budgetary Process (Continued)***

***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 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 re-appropriated.

A summary of 2019 budgetary activity appears in Note 3.

***Deposits and Investments***

The Village's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

The Village values U.S. Treasury Notes and common stock at cost and Money Market Mutual Funds are recorded at share values the mutual funds report. Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value. The Village maintains Certificates of Deposit (CD's) with Fifth Third Bank and Huntington Bank.

***Capital Assets***

The Village records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

***Accumulated Leave***

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

***Fund Balance***

Fund balance is divided into five classifications based primarily on the extent to which the Village must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

***Nonspendable*** The Village classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

**Village of West Milton, Ohio**  
*Miami County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

**Note 2 - Summary of Significant Accounting Policies (Continued)**

***Fund Balance (Continued)***

***Restricted*** Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

***Committed*** Council can *commit* amounts via formal action (resolution). The Village must adhere to these commitments unless the Council amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

***Assigned*** Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Village Council or a Village official delegated that authority by resolution, or by State Statute.

***Unassigned*** Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Village applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**Note 3 - Budgetary Activity**

Budgetary activity for the year ending 2019 follows:

2019 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$2,148,600	\$2,313,632	\$165,032
Special Revenue	400,600	452,568	51,968
Debt Service	6,521	6,521	0
Capital Projects	51,500	53,147	1,647
Enterprise	2,641,357	2,531,950	(109,407)
Total	\$5,248,578	\$5,357,818	\$109,240

**Village of West Milton, Ohio**  
*Miami County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

**Note 3 - Budgetary Activity (Continued)**

2019 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$2,113,625	\$1,834,315	\$279,310
Special Revenue	504,957	453,526	51,431
Debt Service	6,521	6,521	0
Capital Projects	490,000	488,110	1,890
Enterprise	2,895,922	2,583,563	312,359
Total	\$6,011,025	\$5,366,035	\$644,990

**Note 4 – Deposits and Investments**

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

	2019
Demand deposits	\$2,490,600
Certificates of deposit	3,000,000
Total deposits and investments	\$5,490,600

***Deposits***

Deposits are insured by the Federal Depository Insurance Corporation; collateralized by securities specifically pledged by the financial institution to the Village; or collateralized by the financial institution's public entity deposit pool.

***Investments***

The Village does not have investment holdings with the Federal Reserve for U.S. Treasury Notes, repurchase agreements, equity securities, or Star Ohio investments.

**Village of West Milton, Ohio**  
*Miami County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

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**Note 5 – Taxes**

***Property Taxes***

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

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

***Income Taxes***

The Village levies a municipal income tax of 1.5% percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village.

Employers within the Village withhold income tax on employee compensation and remit the tax to the Village either monthly or quarterly, as required. Corporations and other individual taxpayers pay estimated taxes quarterly and file a declaration annually.

**Note 6 - Risk Management**

**Risk Pool Membership**

The Government belongs to the Ohio Municipal Joint Self-Insurance Pool, (the "Pool"), an unincorporated non-profit association available to municipal corporations and their instrumentalities. The Pool is a separate legal entity per Section 2744 of the Ohio Revised Code. The Pool provides property and casualty insurance for its members. The Pool pays judgments, settlements and other expenses resulting for covered claims that exceed the members' deductibles.

The Pool cedes portions of its gross contribution written to a reinsurer under excess reinsurance agreements in order to limit its losses. Treaty basis excess-of-loss contracts in force protect the Pool against losses over the retention level; at March 31, 2019, retention levels are \$50,000 and \$100,000 for property and casualty coverages, respectively.

The Pool remains liable to the extent the reinsuring companies are unable to meet their contractual obligations under reinsurance agreements.



**Village of West Milton, Ohio**  
*Miami County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

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**Note 6 - Risk Management (Continued)**

The Pool's financial statements (audited by other auditors) conform with generally accepted accounting principles, and reported the following assets, liabilities and accumulated surplus at March 31, 2019.

Assets	\$1,582,183
Liabilities	(1,087,219)
Accumulated Surplus	\$ <u>494,964</u>

**Note 7 - Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

Most employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10%, of their gross salaries and the Village contributed an amount equaling 14%, of participants' gross salaries. The Village has paid all contributions required through December 31, 2019.

***Ohio Police and Fire Retirement System***

All of the Village's full-time Police Officers belong to the Police and Fire Pension Fund (OP&F). OP&F is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25% of their wages. The Village contributed to OP&F an amount equal to 19.5% of full-time police members' wages. The Village has paid all contributions required through December 31, 2019.

***Social Security***

The Village's Law Director contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

The employee contributed 6.2% of his/her gross salaries. The Village contributed an amount equal to 6.2% of participant's gross salaries. The Village has paid all contributions required through December 31, 2019.

**Village of West Milton, Ohio**  
*Miami County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

**Note 8 – Postemployment Benefits**

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2019. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 2.0 percent during calendar year 2019. OP&F contributes 0.5 percent to fund these benefits.

**Note 9 – Debt**

Debt outstanding at December 31, 2019 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Minster Bank - Meter Replacement	\$275,802	3.00%
Minster Bank - Larrel Lane	36,437	2.49%
Ohio Public Works Commission (OPWC)	65,206	0.00%
Ohio Water Development Authority (OWDA) - North Tower	271,594	0.64%
Ohio Water Development Authority (OWDA) - South Tower	267,639	0.70%
Minster Bank - Fire Truck	180,000	4.25%
Minster Bank - 26 Lowry Drive	45,419	4.00%
Total	<u>\$1,142,097</u>	

*Meter Replacement Debt (Minster Bank):* This debt was created in 2014 for the purpose of replacing all water meters and upgrading to a new utility reading system. The borrowed amount was \$580,000 at an interest rate of 3%. Payments of \$34,053.50 are made on a semi-annual basis in January and July. The maturity date of the debt is 1/15/24.

*Larrel Lane Debt (Minster Bank):* This debt was created in 2015 for the purpose of replacing sanitary sewer lines, laterals, and manholes on Larrel Lane. The borrowed amount was \$180,742.80 at an interest rate of 2.49%. Payments of \$19,427.72 are made on a semi-annual basis in January and July. The maturity date of the debt is 7/15/20.

*OPWC Debt:* This debt was created in 2015 for the purpose of improvement to the wastewater effluent channel. The borrowed amount was \$97,808.66 at an interest rate of 0%. Payments of \$3,260.29 are made on a semi-annual basis in June and December. The maturity date of the debt is 1/30/30.

*26 Lowry Drive (Minster Bank):* This debt was created in 2018 for the purpose of obtaining the property for future operation of the Village. The borrowed amount was \$50,000 at an interest rate of 4%. Payments will begin in July of 2019 and occur on a semi-annual basis in January and July thereafter. The maturity date of the debt is 1/15/24.

*Fire Truck (Minster Bank) -* This debt as created in 2018 for the purpose of obtaining a fire truck for the West Milton Fire Department. The borrowed amount was \$200,000 at an interest rate of 4.25%. An interest only payment of \$1,582 occurred in July. Standard payments will begin in 2019 and occur on semi-annual basis in January and July. The maturity date of the debt is 7/15/28.

**Village of West Milton, Ohio**  
*Miami County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

**Note 9 – Debt (Continued)**

*N. Tower Refurb (OWDA)* – This debt was created in 2018 for the purpose refurbishing the north water tower. The borrowed amount was \$302,101.74 at an interest rate of .64%. Payments will begin in 2019 and occur on a semi-annual basis in January and July. The maturity date of the debt is 7/1/28.

*S. Tower Refurb (OWDA)* – This debt was created in 2018 for the purpose refurbishing the south water tower. The borrowed amount was \$296,351.30 at an interest rate of .70%. Payments will begin in 2019 and occur on a semi-annual basis in January and July. The maturity date of the debt is 7/1/28.

***Amortization***

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

Year ending December 31:	Meter Debt (Minster Bank)	Larrel Lane Debt (Minster Bank)	OPWC (Effluent)	26 Lowry (Minster)	Fire Truck (Minster)	OWDA Loans
2020	\$68,107	\$38,855	\$6,521	\$10,878	\$27,563	\$61,972
2021	68,107		6,521	10,878	26,681	61,972
2022	68,107	-	6,521	10,878	25,819	61,972
2023	68,107	-	6,521	10,878	24,957	61,972
2024	34,054	-	6,521	5,439	24,106	61,972
2025-2030	-	-	32,601	-	87,764	247,887
Total	<u>\$306,482</u>	<u>\$38,855</u>	<u>\$65,206</u>	<u>\$48,951</u>	<u>\$216,890</u>	<u>\$557,747</u>

**Note 10 – Subsequent Events**

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Village. In addition, the impact on the Village’s future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

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**VILLAGE OF WEST MILTON  
MIAMI COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>Governmental Fund Types</u>				<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	
<b>Cash Receipts:</b>					
Property Taxes	\$ 182,185	\$ 174,138	\$ -	\$ -	\$ 356,323
Municipal Income Tax	1,431,873	-	-	-	1,431,873
Intergovernmental	209,568	220,013	-	-	429,581
Special Assessments	-	6,252	-	-	6,252
Charges for Services	1,830	-	-	-	1,830
Fines, Licenses, and Permits	89,340	340	-	-	89,680
Earnings on Investments	36,947	4,464	-	9,383	50,794
Miscellaneous	25,351	7,674	-	-	33,025
<b>Total Cash Receipts</b>	<u>1,977,094</u>	<u>412,881</u>	<u>-</u>	<u>9,383</u>	<u>2,399,358</u>
<b>Cash Disbursements:</b>					
Current:					
Security of Persons and Property	1,000,332	-	-	-	1,000,332
Leisure Time Activities	29,082	-	-	-	29,082
Community Environment	964	-	-	-	964
Transportation	60,259	334,918	-	-	395,177
General Government	524,458	-	-	-	524,458
Capital Outlay	172,982	14,652	-	20,000	207,634
Debt Service:					
Redemption of Principal	-	-	6,521	-	6,521
Interest and Fiscal Charges	-	-	-	1,582	1,582
<b>Total Cash Disbursements</b>	<u>1,788,077</u>	<u>349,570</u>	<u>6,521</u>	<u>21,582</u>	<u>2,165,750</u>
Excess of Receipts Over/(Under) Disbursements	189,017	63,311	(6,521)	(12,199)	233,608
<b>Other Financing Receipts (Disbursements):</b>					
Loans Proceeds	50,000	-	-	200,000	250,000
Sale of Fixed Assets	6,000	-	-	-	6,000
Transfers-In	-	-	6,521	50,000	56,521
Transfers-Out	(50,000)	-	-	-	(50,000)
<b>Total Other Financing Receipts (Disbursements)</b>	<u>6,000</u>	<u>-</u>	<u>6,521</u>	<u>250,000</u>	<u>262,521</u>
Net Change in Fund Cash Balances	195,017	63,311	-	237,801	496,129
Fund Cash Balances, January 1	<u>1,523,420</u>	<u>414,289</u>	<u>-</u>	<u>300,002</u>	<u>2,237,711</u>
<b>Fund Cash Balances, December 31</b>					
Restricted	-	477,600	-	203,858	681,458
Committed	-	-	-	333,945	333,945
Unassigned (Deficit)	<u>1,718,437</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,718,437</u>
<b>Fund Cash Balances, December 31</b>	<u>\$ 1,718,437</u>	<u>\$ 477,600</u>	<u>\$ -</u>	<u>\$ 537,803</u>	<u>\$ 2,733,840</u>

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

**VILLAGE OF WEST MILTON  
MIAMI COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)  
ALL PROPRIETARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>Proprietary Fund Types</u>
	<u>Enterprise</u>
<b>Operating Cash Receipts:</b>	
Charges for Services	\$ 2,233,675
Miscellaneous	33,419
	<hr/>
Total Operating Cash Receipts	2,267,094
	<hr/>
<b>Operating Cash Disbursements:</b>	
Personal Services	634,432
Contractual Services	1,083,672
Supplies and Materials	33,577
Other	4,185
	<hr/>
Total Operating Cash Disbursements	1,755,866
	<hr/>
Operating Income (Loss)	511,228
<b>Non-Operating Receipts (Disbursements)</b>	
Special Assessments	13,499
Intergovernmental	112,503
Loan Proceeds	297,294
Earnings on Investment	3,257
Capital Outlay	(654,042)
Principal Retirement	(92,691)
Interest and Fiscal Charges	(14,272)
	<hr/>
Total Non-Operating Cash Receipts (Disbursements)	(334,452)
	<hr/>
Income (Loss) before Transfers	176,776
Transfers In	68,107
Transfers Out	(74,628)
	<hr/>
Net Change in Fund Cash Balances	170,255
Fund Cash Balances, January 1	2,594,722
	<hr/>
Fund Cash Balances, December 31	<u>\$ 2,764,977</u>

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

**Village of West Milton, Ohio**  
*Miami County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2018*

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**Note 1 - Reporting Entity**

The Village of West Milton (the Village), Miami County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly-elected seven-member Council directs the Village. The Village provides general governmental services, including water and sewer utilities, refuse services, park operations (leisure time activities), and police and fire services. The Village contracts with Miami County Sanitary for water supply. The Village contracts with Waste Management for refuse collection.

**Note 2 - Summary of Significant Accounting Policies**

***Basis of Presentation***

The Village's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types, and a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all proprietary and fiduciary fund types which are organized on a fund type basis.

***Fund Accounting***

The Village uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Village are presented below:

***General Fund*** The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Village for any purpose provided it is expended or transferred according to the general laws of Ohio.

***Special Revenue Funds*** These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Village had the following significant Special Revenue Funds:

***Street Construction Maintenance and Repair*** This fund accounts for and reports that portion of the State gasoline tax and motor vehicle license registration fees restricted for construction, maintenance, and repair of streets within the Village.

***Street Levy Fund*** This fund accounts for and reports intergovernmental revenues restricted for the general construction, reconstruction, resurfacing, repair and operation of streets and storm sewers.

***Debt Service Funds*** These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The Village had the following significant Debt Service Fund:

***OPWC Debt Fund*** This fund received proceeds from Ohio Public Works Commission for effluent sewer replacement.

**Village of West Milton, Ohio**  
*Miami County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2018*

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**Note 2 - Summary of Significant Accounting Policies (Continued)**

***Fund Accounting (Continued)***

***Capital Project Funds*** These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets (except those financed through enterprise or trust funds). The Village had the following significant capital project funds:

***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 account for operations that are similar to private business enterprises, where management intends to recover the significant costs of providing certain goods or services through user charges. The Village had the following significant Enterprise Funds:

***Refuse Fund*** The refuse fund accounts for the provision of refuse collection services to the residents and commercial users. It receives charges for services to cover refuse service costs.

***Water Fund*** The water fund accounts for the provision of water treatment and distribution to the residents and commercial users. It receives charges for services to cover water service costs.

***Sewer Fund*** The sewer fund accounts for the provision of sanitary sewer services to the residents and commercial users. It receives charges for services to cover sewer service costs.

***Basis of Accounting***

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements 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 the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D) permit.

***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, personal services, and transfers level of control, and appropriations may not exceed estimated resources. The Village Council must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.



**Village of West Milton, Ohio**  
*Miami County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2018*

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**Note 2 - Summary of Significant Accounting Policies (Continued)**

***Budgetary Process (Continued)***

***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 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 re-appropriated.

A summary of 2018 budgetary activity appears in Note 3.

***Deposits and Investments***

The Village's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

The Village values U.S. Treasury Notes and common stock at cost and Money Market Mutual Funds are recorded at share values the mutual funds report. Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value. The Village maintains Certificates of Deposit (CD's) with Fifth Third Bank and Huntington Bank.

***Capital Assets***

The Village records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

***Accumulated Leave***

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

***Fund Balance***

Fund balance is divided into five classifications based primarily on the extent to which the Village must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

***Nonspendable*** The Village classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

**Village of West Milton, Ohio**  
*Miami County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2018*

**Note 2 - Summary of Significant Accounting Policies (Continued)**

***Fund Balance (Continued)***

***Restricted*** Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

***Committed*** Council can *commit* amounts via formal action (resolution). The Village must adhere to these commitments unless the Council amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

***Assigned*** Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Village Council or a Village official delegated that authority by resolution, or by State Statute.

***Unassigned*** Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Village applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**Note 3 - Budgetary Activity**

Budgetary activity for the year ending 2018 follows:

2018 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$2,094,000	\$2,033,094	(\$60,906)
Special Revenue	400,000	412,881	12,881
Debt Service	6,521	6,521	0
Capital Projects	51,500	259,383	207,883
Enterprise	3,685,672	2,761,754	(923,918)
Total	\$6,237,693	\$5,473,633	(\$764,060)

**Village of West Milton, Ohio**  
*Miami County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2018*

**Note 3 - Budgetary Activity (Continued)**

2018 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$2,122,103	\$1,838,077	\$284,026
Special Revenue	414,129	349,570	64,559
Debt Service	6,521	6,521	0
Capital Projects	482,500	21,582	460,918
Enterprise	2,990,687	2,591,499	399,188
Total	\$6,015,940	\$4,807,249	\$1,208,691

**Note 4 – Deposits and Investments**

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

	2018
Demand deposits	\$2,498,817
Certificates of deposit	3,000,000
Total deposits and investments	\$5,498,817

***Deposits***

Deposits are insured by the Federal Depository Insurance Corporation; collateralized by securities specifically pledged by the financial institution to the Village; or collateralized by the financial institution's public entity deposit pool.

***Investments***

The Village does not have investment holdings with the Federal Reserve for U.S. Treasury Notes, repurchase agreements, equity securities, or Star Ohio investments.

**Village of West Milton, Ohio**  
*Miami County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2018*

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**Note 5 – Taxes**

***Property Taxes***

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

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

***Income Taxes***

The Village levies a municipal income tax of 1.5% percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village.

Employers within the Village withhold income tax on employee compensation and remit the tax to the Village either monthly or quarterly, as required. Corporations and other individual taxpayers pay estimated taxes quarterly and file a declaration annually.

**Note 6 - Risk Management**

**Risk Pool Membership**

The Government belongs to the Ohio Municipal Joint Self-Insurance Pool, (the "Pool"), an unincorporated non-profit association available to municipal corporations and their instrumentalities. The Pool is a separate legal entity per Section 2744 of the Ohio Revised Code. The Pool provides property and casualty insurance for its members. The Pool pays judgments, settlements and other expenses resulting for covered claims that exceed the members' deductibles.

The Pool cedes portions of its gross contribution written to a reinsurer under excess reinsurance agreements in order to limit its losses. Treaty basis excess-of-loss contracts in force protect the Pool against losses over the retention level; at March 31, 2018, retention levels are \$50,000 and \$100,000 for property and casualty coverages, respectively.

The Pool remains liable to the extent the reinsuring companies are unable to meet their contractual obligations under reinsurance agreements.

**Village of West Milton, Ohio**  
*Miami County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2018*

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**Note 6 - Risk Management (Continued)**

The Pool's financial statements (audited by other auditors) conform with generally accepted accounting principles, and reported the following assets, liabilities and accumulated surplus at March 31, 2018.

Assets	\$1,341,128
Liabilities	<u>(884,941)</u>
Accumulated Surplus	\$ <u>456,187</u>

**Note 7 - Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

Most employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10%, of their gross salaries and the Village contributed an amount equaling 14%, of participants' gross salaries. The Village has paid all contributions required through December 31, 2018.

***Ohio Police and Fire Retirement System***

All of the Village's full-time Police Officers belong to the Police and Fire Pension Fund (OP&F). OP&F is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25% of their wages. The Village contributed to OP&F an amount equal to 19.5% of full-time police members' wages. The Village has paid all contributions required through December 31, 2018.

***Social Security***

The Village's Law Director contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

The employee contributed 6.2% of his/her gross salaries. The Village contributed an amount equal to 6.2% of participant's gross salaries. The Village has paid all contributions required through December 31, 2018.

**Village of West Milton, Ohio**  
*Miami County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2018*

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**Note 8 – Postemployment Benefits**

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2018. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 2.0 percent during calendar year 2018. OP&F contributes 0.5 percent to fund these benefits.

**Note 9 – Debt**

Debt outstanding at December 31, 2018 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Minster Bank - Meter Replacement	\$333,926	3.00%
Minster Bank - Larrel Lane	\$73,674	2.49%
Ohio Public Works Commission (OPWC)	71,726	0.00%
Ohio Water Development Authority (OWDA) - North Tower	300,943	0.64%
Ohio Water Development Authority (OWDA) - South Tower	296,351	0.70%
Minster Bank - Fire Truck	200,000	4.25%
Minster Bank - 26 Lowry Drive	50,000	4.00%
Total	<u>\$1,326,620</u>	

*Meter Replacement Debt (Minster Bank):* This debt was created in 2014 for the purpose of replacing all water meters and upgrading to a new utility reading system. The borrowed amount was \$580,000 at an interest rate of 3%. Payments of \$34,053.50 are made on a semi-annual basis in January and July. The maturity date of the debt is 1/15/24.

*Larrel Lane Debt (Minster Bank):* This debt was created in 2015 for the purpose of replacing sanitary sewer lines, laterals, and manholes on Larrel Lane. The borrowed amount was \$180,742.80 at an interest rate of 2.49%. Payments of \$19,427.72 are made on a semi-annual basis in January and July. The maturity date of the debt is 7/15/20.

*OPWC Debt:* This debt was created in 2015 for the purpose of improvement to the wastewater effluent channel. The borrowed amount was \$97,808.66 at an interest rate of 0%. Payments of \$3,260.29 are made on a semi-annual basis in June and December. The maturity date of the debt is 1/30/30.

*26 Lowry Drive (Minster Bank):* This debt was created in 2018 for the purpose of obtaining the property for future operation of the Village. The borrowed amount was \$50,000 at an interest rate of 4%. Payments will begin in July of 2019 and occur on a semi-annual basis in January and July thereafter. The maturity date of the debt is 1/15/24.

*Fire Truck (Minster Bank) -* This debt as created in 2018 for the purpose of obtaining a fire truck for the West Milton Fire Department. Proceeds of for this loan were not disbursed until 2019. The borrowed amount was \$200,000 at an interest rate of 4.25%. An interest only payment of \$1,582 occurred in July. Standard payments will begin in 2019 and occur on semi-annual basis in January and July. The maturity date of the debt is 7/15/28.

**Village of West Milton, Ohio**  
*Miami County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2018*

**Note 9 – Debt (Continued)**

*N. Tower Refurb (OWDA)* – This debt was created in 2018 for the purpose refurbishing the north water tower. The borrowed amount was \$302,101.74 at an interest rate of .64%. Payments will begin in 2019 and occur on a semi-annual basis in January and July. The maturity date of the debt is 7/1/28.

*S. Tower Refurb (OWDA)* – This debt was created in 2018 for the purpose refurbishing the south water tower. The borrowed amount was \$296,351.30 at an interest rate of .70%. Payments will begin in 2019 and occur on a semi-annual basis in January and July. The maturity date of the debt is 7/1/28.

***Amortization***

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

Year ending December 31:	Meter Debt (Minster Bank)	Larrel Lane Debt (Minster Bank)	OPWC (Effluent)	26 Lowry (Minster)	Fire Truck (Minster)	OWDA Loans
2019	\$68,107	\$38,855	\$6,521	\$5,439	\$28,404	\$51,972
2020	68,107	38,855	6,521	10,878	27,563	51,972
2021	68,107	-	6,521	10,878	26,681	51,972
2022	68,107	-	6,521	10,878	25,819	51,972
2023	68,107	-	6,521	10,878	24,957	51,972
2024-2028	34,054	-	32,605	5,439	111,870	309,859
2029-2030	-	-	6,516	-	-	-
Total	<u>\$374,589</u>	<u>\$77,710</u>	<u>\$71,726</u>	<u>\$54,390</u>	<u>\$245,294</u>	<u>\$569,719</u>



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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

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

To the Village Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts, and disbursements by fund type of the Village of West Milton, Miami County, (the Village) as of and for the years ended December 31, 2019 and 2018, and the related notes to the financial statements and have issued our report thereon dated June 23, 2020 wherein we noted the Village followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. We also noted the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Village.

***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the Village's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Village's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Village's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings that we consider to be material weaknesses. We consider findings 2019-001 and 2019-002 to be material weaknesses.



***Compliance and Other Matters***

As part of reasonably assuring whether the Village's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

***Village's Response to Findings***

The Village's response to the finding identified in our audit is described in the accompanying schedule of findings. We did not subject the Village's response to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

***Purpose of this Report***

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

Handwritten signature in black ink that reads "BHM CPA Group". The letters are cursive and somewhat stylized.

BHM CPA Group, Inc.  
Piketon, Ohio  
June 23, 2020

**VILLAGE OF WEST MILTON  
MIAMI COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2019 and 2018**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 2019-001**

**Material Weakness - *Financial Reporting***

Sound financial reporting is the responsibility of the fiscal officer and council and is essential to ensure information provided to the readers of the financial statements is complete and accurate.

Misstatements were identified during the course of the audit which have not been prevented or detected by the Village's internal controls over financial reporting. Misstatements were identified in the following areas:

- Other Financing Sources;
- Loans Proceeds

To ensure the Village's financial statements and notes to the financial statements are complete and accurate, we recommend the Fiscal Officer review the Ohio Village Officers Handbook for guidance on the correct line item to post various receipts and expenditures of the Village.

**Officials Response:** According to the Village Officer's Handbook, loan proceeds can be recorded under other financing sources. However, as noted through this audit, any future loan proceeds will be reported in the suggested row.

**FINDING NUMBER 2019-002**

**Material Weakness – *Fund Balance Classifications***

The Village's 2018 annual financial statements were adjusted for the following errors related to fund balance reporting:

- GASB Statement 54, paragraph 8 (GASB Codification 1800.168) states, in part, that fund balance should be reported as restricted when constraints placed on the use of resources are either a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or b) imposed by law through constitutional provisions or enabling legislation. The Village's 2018 capital project fund balance met this classification with loan proceeds of \$200,000 that were obtained in 2018 but were not spent until 2019.

Failure to properly classify fund balances could lead to misstated financial statements and misleading financial statement information.

The Village should perform a review of all Village funds and determine proper reporting of fund balances in accordance with GASB Statement 54 and Auditor of State Bulletin 2011-004 requirements.

**Officials' Response:** We did not receive a response from officials regarding this finding.

VILLAGE OF WEST MILTON  
MIAMI COUNTY  
DECEMBER 31, 2019 AND 2018

SCHEDULE OF PRIOR AUDIT FINDINGS

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Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2017-001	Material Weakness – Fund Balance Classifications	No	Reissued as Finding 2019-002

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# OHIO AUDITOR OF STATE KEITH FABER



**VILLAGE OF WEST MILTON**

**MIAMI COUNTY**

**AUDITOR OF STATE OF OHIO CERTIFICATION**

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



**Certified for Release 8/25/2020**

88 East Broad Street, Columbus, Ohio 43215  
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at  
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