

**VILLAGE OF WEST MANCHESTER**  
**PREBLE COUNTY**  
**CINCINNATI REGION**

SINGLE AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004





**Auditor of State  
Betty Montgomery**

Village Council  
Village of West Manchester  
200 East Scott Street  
P. O. Box 187  
West Manchester, Ohio 45382

We have reviewed the *Report of Independent Accountants'* of the Village of West Manchester, Preble County, prepared by Manning & Associates CPAs, LLC, for the audit period January 1, 2004 through December 31, 2005. 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.

The financial statements in the attached report are presented in accordance with a regulatory basis of accounting prescribed or permitted by the Auditor of State. Due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA), modifications were required to the *Report of Independent Accountants'* on your financial statements. While the Auditor of State does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. The attached report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the statements are misstated under the non-GAAP regulatory basis. The *Report of Independent Accountants'* also includes an opinion on the financial statements using the regulatory format the Auditor of State permits.

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 Manchester is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Betty Montgomery".

BETTY MONTGOMERY  
Auditor of State

December 1, 2006

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**VILLAGE OF WEST MANCHESTER  
PREBLE COUNTY**

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**MANNING & ASSOCIATES CPAs, LLC**  
**6105 NORTH DIXIE DRIVE**  
**DAYTON, OHIO 45414**

**REPORT OF INDEPENDENT ACCOUNTANTS'**

Village Council  
Village of West Manchester  
Preble County  
P. O. Box 168  
West Manchester, Ohio 45382

We have audited the accompanying financial statements of the Village of West Manchester, Preble County, Ohio (the Village), as of and for the years ended December 31, 2005 and 2004. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on the 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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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 more fully in Note 1, the Village has prepared financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, we presume they are material.

Revisions to GAAP would require the Village to reformat its financial statement presentation and make other changes effective for the years ended December 31, 2005 and 2004. Instead of the combined funds the accompanying financial statements present for 2005 and 2004, the revisions require presenting entity wide statements and also to present its large (i.e. major) funds separately for 2005 and 2004. While the Village does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to the new GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. The Village has elected not to reformat its statement. Since the Village does not use GAAP to measure financial statement amounts, the following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2005 and 2004 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Village as of December 31, 2005 and 2004 or its changes in financial position for the year then ended.

Also, 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 Manchester, Preble County, as of December 31, 2005 and 2004 and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The aforementioned revision to generally accepted accounting principles also requires the Village to include Management's Discussion and Analysis for the year ended December 31, 2005 and 2004. The Village has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued a report dated September 6, 2006, on our consideration of the Village's internal control structure over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Our audit was performed to form an opinion on the Village's financial statements. The accompanying federal awards expenditures schedule provides additional information as required by OMB Circular A-133 and is not a required part of the financial statements. We subjected this information to the auditing procedures applied in the audit of the financial statements. In our opinion, this information is fairly stated in all material respects in relation to the financial statements taken as a whole.

Manning & Associates CPAs, LLC  
Dayton, Ohio

September 6, 2006



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**VILLAGE OF WEST MANCHESTER  
PREBLE COUNTY**

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2005

	GOVERNMENTAL FUND TYPES				Total (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
<b>Cash Receipts:</b>					
Property Tax and Other Local Taxes	\$ 10,880	\$ 8,385	\$ 0	\$ 0	\$ 19,265
Intergovernmental Receipts	37,557	24,090	0	12,566	74,213
Charges for Services	22,446	41,038	0	22,210	85,694
Fines, Licenses and Permits	1,510	992	0	0	2,502
Earnings on Investments	4,166	0	0	0	4,166
Miscellaneous	328	50	0	0	378
<b>Total Cash Receipts</b>	<u>76,887</u>	<u>74,555</u>	<u>0</u>	<u>34,776</u>	<u>186,218</u>
<b>Cash Disbursements:</b>					
Security of Persons and Property	5,196	50,669	0	0	55,865
Leisure Time Activities	650	0	0	0	650
Community Environment	14	0	0	0	14
Basic Utility Services	18,822	0	0	0	18,822
Transportation	3,430	30,755	0	0	34,185
General Government	40,072	0	0	0	40,072
Capital Outlay	0	2,094	0	0	2,094
<b>Total Cash Disbursements</b>	<u>68,184</u>	<u>83,518</u>	<u>0</u>	<u>0</u>	<u>151,702</u>
<b>Total Receipts Over/(Under) Disbursements</b>	8,703	(8,963)	0	34,776	34,516
<b>Other Financing Receipts/(Disbursements):</b>					
Transfers In	0	1,700	2,100	36,793	40,593
Transfers Out	(40,593)	0	0	0	(40,593)
Advances-In	2,000	0	0	0	2,000
Advances-Out	0	0	0	0	0
<b>Total Other Financing Receipts/(Disbursements)</b>	<u>(38,593)</u>	<u>1,700</u>	<u>2,100</u>	<u>36,793</u>	<u>2,000</u>
<b>Excess of Cash Receipts and Other Financing Receipts over/(under) Cash Disbursements and Other Financing Disbursements</b>	(29,890)	(7,263)	2,100	71,569	36,516
<b>Fund Cash Balances, January 1,</b>	<u>115,977</u>	<u>67,627</u>	<u>(2,092)</u>	<u>10,415</u>	<u>191,927</u>
<b>Fund Cash Balances, December 31,</b>	<u>\$ 86,087</u>	<u>\$ 60,364</u>	<u>\$ 8</u>	<u>\$ 81,984</u>	<u>\$ 228,443</u>
<b>Reserve for Encumbrances, December 31,</b>	<u>\$ 300</u>	<u>\$ 5,107</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 5,407</u>

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

**VILLAGE OF WEST MANCHESTER  
PREBLE COUNTY**

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES - PROPRIETARY FUND  
FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>PROPRIETARY</u> <u>FUND TYPE</u> <u>Enterprise</u>
<b>Operating Cash Receipts:</b>	
Charges for Services	\$ 107,709
Miscellaneous	554
Total Operating Revenues	<u>108,263</u>
<b>Operating Cash Disbursements:</b>	
Personal Services	41,916
Travel Transportation	20,445
Contractual Services	49,590
Supplies and Materials	8,375
Capital Outlay	1,474,460
Total Operating Cash Disbursements	<u>1,594,786</u>
Operating Income	<u>(1,486,523)</u>
<b>Non Operating Cash Receipts:</b>	
Intergovernmental	896,982
Sale of Bonds	1,367,000
Sale of Notes	581,645
Sale of Fixed Assets	855
Total Non-Operating Cash Receipts	<u>2,846,482</u>
<b>Non Operating Cash Disbursements:</b>	
Debt Service:	
Principal Payments	20,763
Interest Payments	12,566
Other Financing Uses	1,713
Total Non-Operating Cash Disbursements	<u>35,042</u>
Excess Receipts over Disbursements Before Operating Transfers and Advances	<u>1,324,917</u>
Advances - Out	<u>(2,000)</u>
Excess of Cash Receipts Over (Under) Cash Disbursements	1,322,917
<b>Fund Cash Balances, January 1,</b>	<u>128,376</u>
<b>Fund Cash Balances, December 31,</b>	<u>\$ 1,451,293</u>
<b>Reserve for Encumbrances, December 31,</b>	<u>\$ 1,375,205</u>

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

**VILLAGE OF WEST MANCHESTER  
PREBLE COUNTY**

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2004

	GOVERNMENTAL FUND TYPES				Total (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
<b>Cash Receipts:</b>					
Property Tax and Other Local Taxes	\$ 11,255	\$ 9,603	\$ 0	\$ 0	\$ 20,858
Intergovernmental Receipts	37,550	21,117	0	0	58,667
Charges for Services	19,708	28,000	0	22,950	70,658
Fines, Licenses and Permits	1,543	115	0	0	1,658
Earnings on Investments	4,650	0	0	0	4,650
Miscellaneous	1,048	1,539	0	0	2,587
	<u>75,754</u>	<u>60,374</u>	<u>0</u>	<u>22,950</u>	<u>159,078</u>
<b>Total Cash Receipts</b>					
	<u>75,754</u>	<u>60,374</u>	<u>0</u>	<u>22,950</u>	<u>159,078</u>
<b>Cash Disbursements:</b>					
Security of Persons and Property	5,201	42,180	0	0	47,381
Community Environment	718	0	0	0	718
Basic Utility Services	18,504	0	0	0	18,504
Transportation	6,765	19,991	0	0	26,756
General Government	41,289	0	0	0	41,289
Debt Service:					
Principal Payments	0	0	120,000	6,921	126,921
Interest Payments	0	0	3,243	0	3,243
	<u>72,477</u>	<u>62,171</u>	<u>123,243</u>	<u>6,921</u>	<u>264,812</u>
<b>Total Cash Disbursements</b>					
	<u>72,477</u>	<u>62,171</u>	<u>123,243</u>	<u>6,921</u>	<u>264,812</u>
<b>Total Receipts Over/(Under) Disbursements</b>	3,277	(1,797)	(123,243)	16,029	(105,734)
<b>Other Financing Receipts/(Disbursements):</b>					
Sale of Notes	0	0	60,000	0	60,000
Transfers In	0	0	63,100	26,300	89,400
Transfers Out	(31,100)	0	0	0	(31,100)
Advances In	26,300	0	0	0	26,300
<b>Total Other Financing Receipts/(Disbursements)</b>	<u>(4,800)</u>	<u>0</u>	<u>123,100</u>	<u>26,300</u>	<u>144,600</u>
<b>Excess of Cash Receipts and Other Financing Receipts over/(under) Cash Disbursements and Other Financing Disbursements</b>	(1,523)	(1,797)	(143)	42,329	38,866
<b>Fund Cash Balances, January 1,</b>	<u>117,500</u>	<u>69,424</u>	<u>(1,949)</u>	<u>(31,914)</u>	<u>153,061</u>
<b>Fund Cash Balances, December 31,</b>	<u>\$ 115,977</u>	<u>\$ 67,627</u>	<u>\$ (2,092)</u>	<u>\$ 10,415</u>	<u>\$ 191,927</u>
<b>Reserve for Encumbrances, December 31,</b>	<u>\$ 2,877</u>	<u>\$ 3,887</u>	<u>\$</u>	<u>\$</u>	<u>\$ 6,764</u>

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

**VILLAGE OF WEST MANCHESTER  
PREBLE COUNTY**

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES - PROPRIETARY FUND  
FOR THE YEAR ENDED DECEMBER 31, 2004

	PROPRIETARY FUND TYPE
	Enterprise
<b>Operating Cash Receipts:</b>	
Charges for Services	\$ 70,663
Miscellaneous	1,557
Total Operating Revenues	72,220
<b>Operating Cash Disbursements:</b>	
Personal Services	31,574
Travel Transportation	16,004
Contractual Services	659
Supplies and Materials	8,036
Capital Outlay	596,073
Total Operating Cash Disbursements	652,346
Operating Income	(580,126)
<b>Non Operating Cash Receipts:</b>	
Sale of Notes	785,355
<b>Non Operating Cash Disbursements:</b>	
Debt Service:	
Principal Payments	129,030
Interest Payments	21,876
Other Financing Uses	285
Total Non-Operating Cash Disbursements	151,191
Excess Receipts over Disbursements Before Operating Transfers and Advances	54,038
Transfers In	2,000
Transfers Out	(60,300)
Advance Out	(26,300)
Excess of Cash Receipts Over (Under) Cash Disbursements	(30,562)
<b>Fund Cash Balances, January 1,</b>	158,938
<b>Fund Cash Balances, December 31,</b>	\$ 128,376
<b>Reserve for Encumbrances, December 31,</b>	\$ 154,085

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

**VILLAGE OF WEST MANCHESTER  
PREBLE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2005 AND 2004**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Village of West Manchester, 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 water, sewer, trash utilities and park operations. The Village contracts with the Preble County Sheriff's department to provide security of persons and property.

The Village's management believes these financial statements present all activities for which the Village's 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 are valued at cost.

**D. Fund Accounting**

The Village used fund accounting to segregate cash and deposits 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 by law or contract to be restricted.

**VILLAGE OF WEST MANCHESTER  
PREBLE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2005 AND 2004**

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

**E. Fund Accounting (Continued)**

**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.

*Fire Fund* – This fund receives money from contracts with local villages and township fire districts to provide for the protection of area citizens.

**3. Debt Service Fund:**

This fund is used to accumulate resources for the payment of land acquisition indebtedness.

**4. Capital Projects Fund:**

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:

*Ohio Public Works Commission Fund* – This fund receives grant proceeds. The proceeds are being used to construct a waste water treatment plant.

*Fire Truck Reserve Fund* – This fund receives fire contract monies set aside for the purchase of a fire truck.

**5. Enterprise Funds:**

These funds account for operations that are similar to private business enterprises where management intends that the significant cost of providing certain goods or services will be recovered through user charges. The Village had the following enterprise funds:

**VILLAGE OF WEST MANCHESTER  
PREBLE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2005 AND 2004**

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

**E. Fund Accounting (Continued):**

**5. Enterprise Funds (Continued):**

*Water Fund* – This fund receives charges for services from residents to cover the cost of providing this utility.

*Utility Improvement Fund (OWDA)*– This fund receives loan proceeds from the Ohio Water Development Authority to finance a utility plant expansion. This loan will be repaid from a utility surcharge, also accounted for in this fund.

*Sewer Fund* – This fund receives charges for services from residents to cover the cost of providing this utility.

**F. Budgetary Process**

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

**1. Appropriations**

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

**2. Estimated Resources**

Estimated resources include estimates of cash to be received (budgeted receipts) plus the cash balance 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 reappropriated. The Village did not encumber all commitments required by Ohio law. The budgetary presentations have been adjusted to include material items that should have been encumbered.

A summary of 2005 and 2004 budgetary activity appears in Note 3.



**VILLAGE OF WEST MANCHESTER  
PREBLE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2005 AND 2004**

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

**F. Property, Plant and Equipment**

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

**G. Unpaid Vacation and Sick Leave**

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

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

The Village maintains a cash and deposits pool used by all funds. The Ohio Revised Code prescribes allowable deposits and investments.

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

	<b>2005</b>	<b>2004</b>
Demand deposits	\$1,459,236	\$ 99,803
Certificate of Deposit	<u>220,500</u>	<u>220,500</u>
Total	<u>\$1,679,736</u>	<u>\$320,303</u>

**Deposits:**

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

Village deposits were not adequately covered by collateral or FDIC during 2005 and 2004.. Uncollateralized deposits in 2004 ranged from a low of \$329,839.57 in September and a high of \$689,418.00 in October. Uncollateralized deposits in 2005 ranged from a low of \$372,036.60 in September and a high of \$1,690,963.35 in December. During the audit period, depository agreements were not available from the Village.

**VILLAGE OF WEST MANCHESTER  
PREBLE COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004**

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**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2005 and 2004 as follows:

**2005 Budgeted vs. Actual Receipts**

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 110,000	\$ 76,887	\$ (33,113)
Special Revenue	117,000	76,255	(40,745)
Debt Service	90,000	2,100	(87,900)
Capital Projects	155,000	71,569	(83,431)
Enterprise Funds	3,155,000	2,954,745	(200,255)
Total	<u>\$ 3,627,000</u>	<u>\$ 3,181,556</u>	<u>\$ (445,444)</u>

**2005 Budgeted vs. Actual Budgetary Basis Expenditures**

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 191,727	\$ 109,077	\$ 82,650
Special Revenue	141,687	88,625	53,062
Debt Service	80,000	0	80,000
Capital Projects	135,100	0	135,100
Enterprise Funds	1,802,036	3,005,033	(1,202,997)
Total	<u>\$ 2,350,550</u>	<u>\$ 3,202,735</u>	<u>\$ (852,185)</u>

**2004 Budgeted vs. Actual Receipts**

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 90,000	\$ 75,754	\$ (14,246)
Special Revenue	107,200	60,374	(46,826)
Debt Service	120,000	123,100	3,100
Capital Projects	98,000	49,250	(48,750)
Enterprise Funds	133,000	859,575	726,575
Total	<u>\$ 548,200</u>	<u>\$ 1,168,053</u>	<u>\$ 619,853</u>

**2004 Budgeted vs. Actual Budgetary Basis Expenditures**

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 187,487	\$ 106,454	\$ 81,033
Special Revenue	125,430	66,058	59,372
Debt Service	80,000	123,243	(43,243)
Capital Projects	75,050	6,921	68,129
Enterprise Funds	157,157	1,017,922	(860,765)
Total	<u>\$ 625,124</u>	<u>\$ 1,320,598</u>	<u>\$ (695,474)</u>

**VILLAGE OF WEST MANCHESTER  
PREBLE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2005 AND 2004**

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**3. BUDGETARY ACTIVITY (Continued)**

Contrary to Ohio Law:

- The Village had expenditures that exceeded appropriations in the Debt Service, FEMA, Sewer, and OWDA Funds during 2004, and the Water, Utility Deposit, Sewer and OWDA funds during 2005.
- The Village had estimated resources that were in excess of actual receipts in the General, Fire, and OPWC Funds for 2005 and 2004.
- The Village had appropriations that exceeded estimated resources for the OPWC during 2005 and 2004.

**4. PROPERTY TAX**

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

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, 2005 was as follows:

	<b>Principal</b>	<b>Interest Rate</b>
Ohio Public Works Commission Loan	\$ 228,384	0.00%
Sewer System Mortgage Revenue Bonds	230,000	4.25%
Issuers Sewer System	1,137,000	4.25%
Sewer System Project Notes	<u>1,367,000</u>	0.00%
	<u>\$2,962,384</u>	

**VILLAGE OF WEST MANCHESTER  
PREBLE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2005 AND 2004**

**5. DEBT (continued)**

The Ohio Public Works Commission loan relates to the water treatment plant improvements. The interest-free loan is to be repaid in semiannual installments of \$6,921, which started in 2003 for a period of 20 year ending in 2022.

The Sewer System Mortgage Revenue Bonds relates to the sewer system improvements. The loan is to be repaid in annual installments, including interest at 4.25%, starting in 2006 for a period of 40 years ending in 2045.

The Issuers Sewer System relates to the sewer system improvements. The loan is to be repaid in annual installments, including interest at 4.25%, starting in 2006 for a period of 40 years ending in 2045.

The Sewer System Project Notes relates to short term financing of the sewer system improvements project. Permanent financing was obtained in December 2005. The loan was repaid in January 2006.

Amortization of the above debt is scheduled as follows:

	Mortgage Revenue Bonds	Issuers Sewer System Bonds	OPWC Loan
2006	\$11,760	\$58,146	\$6,920
2007	12,058	59,593	13,842
2008	12,057	59,604	13,842
2009	12,052	59,603	13,842
2010	12,062	59,600	13,842
2011-2020	120,563	595,993	138,415
2021-2030	120,561	595,996	27,681
2031-thereafter	180,841	893,997	0
<b>TOTAL</b>	<b>\$481,954</b>	<b>\$2,382,532</b>	<b>\$228,384</b>

**6. RETIREMENT SYSTEMS**

The Village's full-time employees belong to the Ohio Public Employees Retirement System (OPERS) of Ohio. OPERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including postretirement health care, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

**VILLAGE OF WEST MANCHESTER  
PREBLE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2005 AND 2004**

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**6. RETIREMENT SYSTEMS (continued)**

Contribution rates are also prescribed by the Ohio Revised Code. For 2005 and 2004, OPERS members contributed 8.5% of their gross salaries. The Village contributed an amount equal to 13.55% of participants' gross salaries. The Village has paid all contributions required through December 31, 2005.

**7. RISK MANAGEMENT**

The Village has obtained commercial insurance for the following risks:

- i. Comprehensive property and general liability
- ii. Vehicles
- iii. Errors and omissions

**8. SUBSEQUENT EVENT**

On June 24, 2004, the Village entered into a 1.9% three year loan agreement with the Ohio Water Development Authority for \$1,367,000 for the wastewater system construction. Permanent financing was obtained December 2005 and the balloon pay-off of this loan was made in January 2006 in the amount of \$1,367,000. This amount is encumbered at December 31, 2005.

**9. TRANSFERS AND OUTSTANDING ADVANCES**

The Village has \$51,587 in outstanding advances from the General Fund to OWDA Fund at December 31, 2005. At December 31, 2005, it is the Village's intention for the OWDA Fund to repay the General Fund. The Village also made transfers from the Enterprise funds to the Debt Service Fund for loan repayments.

**10. COMPLIANCE**

The Village had negative fund balances in the Debt Service Fund and OPWC in 2004 and the OPWC in 2005.

**VILLAGE OF WEST MANCHESTER  
PREBLE COUNTY**

SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2005

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<b>FEDERAL GRANTOR</b> <i>Pass Through Grantor</i> Program Title	Federal CFDA Number	Disbursements
<b>U.S. DEPARTMENT OF AGRICULTURE</b> <i>Direct Program</i>		
Water and Waste Disposal Systems for Rural Communities	10.760	<u>\$896,982</u>
<b>Total</b>		<u><u>\$896,982</u></u>

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

**VILLAGE OF WEST MANCHESTER  
PREBLE COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2005**

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**NOTE A – SIGNIFICANT ACCOUNTING POLICIES**

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

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**MANNING & ASSOCIATES, CPAS, LLC  
6105 NORTH DIXIE DRIVE  
DAYTON, OHIO 45414**

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

Village Council  
Village of West Manchester  
Preble County  
P. O. Box 168  
West Manchester, Ohio 45382

We have audited the financial statements of the Village of West Manchester, Preble County (the Village), as of and for the years ended December 31, 2005, and 2004, and have issued our report thereon dated September 6, 2006, wherein we noted the Village followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. 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 the Comptroller General of the United States' *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Village's internal control over financial reporting to determine our auditing procedures in order to express our opinion on the financial statements and not to opine on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Village's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. The reportable conditions are described in the accompanying schedule of findings as items 2005-001 through 2005-010. A material weakness is a reportable 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 caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions that are also considered to be material weaknesses. However, we believe the reportable conditions described above are not material weaknesses. In a separate letter to the Village's management dated September 6, 2006, we reported an other matter involving internal control over financial reporting we did not deem a reportable condition.

### **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, 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 instances of noncompliance or other matters we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as items 2005-001 through 2005-010. In a separate letter to the Village's management dated September 6, 2006, we reported other matters related to noncompliance we deemed immaterial.

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

Manning & Associates CPAs, LLC  
Dayton, Ohio

September 6, 2006

**MANNING & ASSOCIATES, CPAS, LLC  
6105 NORTH DIXIE DRIVE  
DAYTON, OHIO 45414**

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

Village Council  
Village of West Manchester  
Preble County  
P. O. Box 168  
West Manchester, Ohio 45382

**Compliance**

We have audited the compliance of the Village of West Manchester (the Village) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that apply to its major federal program for the year ended December 31, 2005. The summary of auditor's results section of the accompanying schedule of findings identifies the Village's major federal program. The Village's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the Village's compliance based on our audit.

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

In our opinion, the Village of West Manchester complied, in all material respects, with the requirements referred to above that apply to its major federal program for the year ended December 31, 2005.

### **Internal Control Over Compliance**

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

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

We intend this report solely for the information and use of the audit committee, management, Village Council, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.

Manning & Associates CPAs, LLC  
Dayton, Ohio

September 6, 2006

**VILLAGE OF WEST MANCHESTER  
PREBLE COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
OMB CIRCULAR A-133 ` .505  
DECEMBER 31, 2005**

1. SUMMARY OF AUDITOR'S RESULTS
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(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	Yes
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under § .510?	No
(d)(1)(vii)	Major Programs (list):	Water and Waste Disposal Systems for Rural Communities CFDA # 10.760
(d)(1)(vi)	Dollar Threshold: Type A/B Programs	Type A: > \$300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	No

**VILLAGE OF WEST MANCHESTER  
PREBLE COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2005 and 2004**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 2005-001**

**Noncompliance Citation/Reportable Condition**

Ohio Rev. Code, Section 135.18, requires that the Treasurer of a political subdivision must require a depository to provide a security in an amount equal to the funds on deposit at all times. Such security may consist of federal deposit insurance, surety company bonds, or pledged securities.

We were unable to determine whether the Village's deposits at the First State Bank of West Manchester were adequately covered by collateral during 2004 and 2005, since we could not obtain collateral statements from either the Village or Bank. Uncollateralized deposits in 2004 ranged from a low of \$329,839.57 in September and a high of \$689,418.00 in October. Uncollateralized deposits in 2005 ranged from a low of \$372,036.60 in September and a high of \$1,690,963.35 in December.

Failure to adequately collateralize deposits can result in loss of funds. The Village should implement procedures to verify that depository balances are adequately secured by eligible collateral at all times.

Response: The Village will maintain depository a depository agreement to cover funds in the accounts.

**FINDING NUMBER 2005-002**

**Noncompliance Citation/Reportable Condition**

Ohio Rev. Code, Section 5705.36, requires all subdivisions to request reduced amended certificates upon determination by the Fiscal Officer that revenue to be collected will be less than the amount in the official certificate of estimated resources, and that expenditures or the incurrence of obligations will be greater than actual resources. The intent of this requirement is to require the Fiscal Officer to obtain a reduced amended certificate when it appears that budgetary resources will fall short of earlier estimates, reducing the possibility that deficit spending will occur.

The actual receipts were below estimated receipts, and the actual disbursements plus encumbrances exceeded actual resources, for the Village, in the following funds:

Date	Fund	Resources Available	Expenditure plus Outstanding Encumbrances	Variance
2004	OWDA	809,328	924,572	(115,244)
2004	OPWC	(53,532)	6,921	(60,453)
2005	Sewer	664	3,094	(2,430)

**VILLAGE OF WEST MANCHESTER  
PREBLE COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2005 and 2004**

---

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
--

**FINDING NUMBER 2005-002 (continued)**

**Noncompliance Citation/Reportable Condition (continued)**

We recommend that the Village monitor its actual receipts throughout the year, enter estimated receipts into the general ledger, and prepare amended official certificates of estimated resources as necessary.

Response: The Village Council and Fiscal Officer recognize the importance of budgetary law and plans to monitor budgetary appropriations and receipts in the future.

**FINDING NUMBER 2005-003**

**Noncompliance Citation/Reportable Condition**

Ohio Rev. Code, Section 5705.36, requires that on or about the first day of the fiscal year, the Fiscal Officer of each subdivision and other taxing unit shall certify to the county auditor the total amount from all sources available for expenditures from each fund set up in the tax budget, or if adoption of a tax budget was waived, from each fund created by or on behalf of the taxing authority. The amount certified shall include any unencumbered balances that existed at the end of the preceding year.

The Village's combined year end cash fund balances for several funds in the certificate for 2004 and 2005 did not properly reflect the cash balances of the Village. Outstanding encumbrances were omitted for all funds for 2004 and 2005.

Failure to complete budgetary documents properly, to submit them to the county auditor, and to properly record its budgetary activity may result in inaccurate budgetary documents and lack of budgetary oversight. We recommend the Village complete all budgetary documents properly, submit budgetary documents to the county auditor for review, and properly post all activity.

Response: The cash balances have been properly reported in 2006.

**VILLAGE OF WEST MANCHESTER  
PREBLE COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2005 and 2004**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
--

**FINDING NUMBER 2005-004**

**Noncompliance Citation/Reportable Condition**

Ohio Rev. Code, Section 5705.38, requires that on or about the first day of each year, the taxing authority of each subdivision or other taxing unit shall pass on appropriation measure, and thereafter during the year it may pass any supplemental appropriation measures as it finds necessary, based on the revised tax budget or the official certificate of estimated resources or amendments of the certificate. The appropriations measures should also be submitted to the county auditor.

The Village did not appropriate funds for FEMA and Sewer funds in 2004. The Village did not properly record their appropriation amendments to the appropriation ledgers. Amendments were added to the beginning January 1 balance instead of a separate entry on the date it was approved by Council.

Failure to complete budgetary documents properly, to submit them to the county auditor, and to properly record its budgetary activity may result in inaccurate budgetary documents and lack of budgetary oversight. We recommend the Village complete all budgetary documents properly, submit budgetary documents to the county auditor for review, and properly post all activity.

Response: The Village appropriations now include all funds.

**FINDING NUMBER 2005-005**

**Noncompliance Citation/Reportable Condition**

Ohio Rev. Code, Section 5705.39, states the total appropriation from each fund should not exceed the total estimated revenue available for expenditure there from, as certified by the budget commission. The appropriation exceeded estimated resources in the following funds:

Date	Fund	Appropriations	Estimated Resources	Variance
2004	OPWC	60,050	(9,832)	69,882
2005	OPWC	120,050	64,546	55,504

Failure to properly monitor estimated resources could result in overspending of monies and cause the Village to have negative fund balances. We recommend the Village prepare amendments to the Certificate of Estimated Resources as necessary. The Certificate of Estimated Resources should be evaluated each time an appropriation amendment is made to determine there are adequate financial resources to cover anticipated expenditures.

Response: The Village Council and Fiscal Officer recognize the importance of budgetary law and will monitor budgetary appropriations and receipts in the future.



**VILLAGE OF WEST MANCHESTER  
PREBLE COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2005 and 2004**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
--

**FINDING NUMBER 2005-006**

**Noncompliance Citation/Reportable Condition**

Ohio Rev. Code, Section 5705.41 (B), states no taxing authority shall make any expenditures of money unless it has been appropriated. Expenditures exceeded appropriations in the following funds for 2004 and 2005:

Fund	Appropriations	Expenditures	Variance
2004 Debt Service	80,000	123,243	43,243
2004 OWDA	62,057	924,572	862,515
2004 FEMA	0	878	878
2004 Sewer Enterprise	0	1470	1470
2005 Utility Deposit	1,500	1,713	213
2005 Sewer Fund	2,874	8,254	5,380
2005 OWDA	1,650,564	2,854,069	1,203,505

Failure to properly monitor appropriations and amend appropriations could result in the illegal expenditure of monies. We recommend that the Village take steps to ensure appropriations are being properly monitored and recorded in the ledgers. No expenditures should be made unless there are sufficient appropriations to cover the expenditures.

Response: The Village Council and Fiscal Officer recognize the importance of budgetary law and will monitor budgetary appropriations and receipts in the future.

**FINDING NUMBER 2005-007**

**Noncompliance Citation/Reportable Condition**

Ohio Rev. Code, Section 5705.10, states that money that is paid into a fund must be used only for the purposes for which such fund has been established. A negative fund balance indicates that money from one fund was used to cover the expenses of another fund. The Village had negative fund balances in the Debt Service and OPWC funds during 2004 of \$2,096 and \$60,453 and in the OPWC fund during 2005 for \$11,094. Failure to properly monitor fund balances and expenditures can result in the illegal expenditure of money. We recommend that the Village properly monitor expenditures and available fund balances to prevent negative fund balances.

Response: The Village will monitor fund balances more closely in the future.

**VILLAGE OF WEST MANCHESTER  
PREBLE COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2005 and 2004**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
--

**FINDING NUMBER 2005-008**

**Noncompliance Citation/Reportable Condition**

Ohio Rev. Code, Section 733.28, requires the Fiscal Officer to maintain the books of the Village and exhibit accurate statements of all monies received and expended. The Village did not properly classify receipt and disbursement transactions. An accurate record was not maintained for all monies received by the Village. The following errors were noted:

- A. Revenue and disbursements paid directly by the Ohio Public Works Commission (in the form of loans and grants) were not properly posted to the ledgers and annual financial report.
- B. Sale of Notes and Bonds were posted as Intergovernmental revenues.
- C. Tax revenues were posted to ledgers as fines and forfeitures instead of tax receipts.
- D. The cash journals did not agree with the receipt journals and appropriation ledgers for 2004 or 2005 and the annual financial reports did not agree to the cash fund journals.
- E. Expenditure items were not properly classified on the annual financial reports.

All of these conditions exhibit a lack of control over the recording and reporting of Village financial activity and did result in inaccurate accounting records.

We recommend the Village post all entries in the cash journal in chronological order, reflecting month-to-date and year-to-date totals. We also recommend the Village reconcile the cash journal to the bank, the receipt ledger, and the appropriation ledger on a monthly basis. Implementation of these procedures will add a substantial measure of control to the receipt and expenditure process, as well as provide assurance that the activity is properly handled and fairly presented on the Village's ledgers and financial reports. The Village has made these adjustments to their books and the adjustments are reflected in the financial statements.

Response: The Village will review its current accounting methods and implement changes where needed.

**VILLAGE OF WEST MANCHESTER  
PREBLE COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2005 and 2004**

---

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
--

**FINDING NUMBER 2005-009**

**Reportable Condition**

The Village did not reconcile between the bank balance and the Village's fund balances at month end. Failure to reconcile on a regular basis could result in undetected errors between the book and the bank. Reconciliations are an effective tool to help management determine the completeness of recorded transactions, as well as, ensure that all recorded transactions have been deposited with the financial institution.

We recommend the Village reconcile the account on a monthly basis at month end. The reconciled checking account balance at month end (bank balance less outstanding checks plus deposits in transit) plus each certificate of deposit balance should equal the total fund balance. Any variances should be immediately investigated and justified. We also recommend that a council member review and sign off on the reconciliation thereby indicated their approval and ensuring timeliness of reconciliations. Monthly outstanding checklists should be maintained. Checks should be written in numerical order.

Response: The Village will prepare monthly reports and bank reconciliation for Council review.

**FINDING NUMBER 2005-010**

**Reportable Condition**

Volunteer firefighters are paid on a per run basis. The Fire Chief provides a listing at year-end to the Fiscal Officer of the runs made and hours spent at each run. However, there is no supporting documentation for this listing and the hours spent at each run. During fiscal year 2005, the yearly fire payroll was \$6,063 which was ten percent of total payroll during 2005. Fiscal year 2004 fire payroll totaled \$5,478 which was ten percent of total payroll for 2004. Without supporting documentation, the Village is not able to verify the amounts being paid to the fireman; consequently, the Village could be paying the fireman more money than they are entitled to receive. We recommend that supporting documentation and the hours spent on each run for each employee be kept for all fire runs.

Response: The Village will require the Fire Chief to forward supporting documentation that reflects the hours and runs for payment.

**VILLAGE OF WEST MANCHESTER  
PREBLE COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2005 AND 2004**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Correction Action Taken; or Finding No Longer Valid; <b>Explain</b>
2003-001	ORC 5705.41 (D) - Certification of funds	Yes	
2003-002	ORC 135.18 - Failure to have Depository Agreement	No	Not corrected; reissued as Finding Number 2003-001
2003-003	ORC 5705.36 - Estimated receipts exceeding actual receipts	No	Not corrected; reissued as Finding Number 2003-002
2003-004	ORC 5705.36 - Failure to certify tax budget	No	Not corrected; reissued as Finding Number 2003-003
2003-005	ORC 5705.38 - Failure to pass Appropriations	No	Not corrected; reissued as Finding Number 2003-004
2003-006	ORC 5705.39 - Failure to properly monitor estimated resources	No	Not corrected; reissued as Finding Number 2003-005
2003-007	ORC 5705.41 (B) - Failure to properly monitor appropriations	No	Not corrected; reissued as Finding Number 2003-006
2003-008	ORC 5705.10 - Failure to properly monitor negative fund balances	No	Not corrected; reissued as Finding Number 2003-007
2003-009	ORC 733.28 - Failure to properly maintain books and records	No	Not corrected; reissued as Finding Number 2003-008
2003-010	Failure to reconcile monthly bank statements	No	Not corrected; reissued as Finding Number 2003-009
2003-011	Failure to properly maintain payroll records for fire department	No	Not corrected; reissued as Finding Number 2003-010



**Auditor of State  
Betty Montgomery**

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**VILLAGE OF WEST MANCHESTER**

**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  
DECEMBER 19, 2006**