



**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, 2021 AND 2020

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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, 2020 through December 31, 2021. 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

**July 15, 2022**

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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 Audit of the Financial Statements***

***Unmodified and Adverse Opinions***

We have audited the financial statements of the Village of West Milton, Miami County, Ohio (the Village), which comprises the cash balances, receipts and disbursements for each governmental and proprietary fund type as of and for the years ended December 31, 2021 and 2020, and the related notes to the financial statements.

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental and proprietary fund type as of and for the years ended December 31, 2021 and 2020, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

***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* section of our report, the accompanying financial statements 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, 2021 and 2020, or the changes in financial position or, where applicable, cash flows thereof for the years then ended.

***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Village, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

As described in Note 2 of the financial statements, the financial statements are prepared by the Village on the basis of the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

***Emphasis of Matter***

As discussed in Note 14 to the 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.

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.



In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2022, 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. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's 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 27, 2022

**Village of West Milton, Ohio**  
*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, 2021*

	General	Special Revenue	Debt Service	Capital Projects	Totals (Memorandum Only)
<b>Cash Receipts</b>					
Property and Other Local Taxes	\$ 216,651	\$ 180,699	\$ -	\$ -	\$ 397,350
Municipal Income Tax	1,480,592	-	-	-	1,480,592
Intergovernmental	185,692	565,171	-	-	750,863
Special Assessments	-	996	-	-	996
Charges for Services	1,999	-	-	-	1,999
Fines, Licenses and Permits	160,367	375	-	-	160,742
Earnings on Investments	42,635	7,337	-	1,199	51,171
Miscellaneous	76,142	9,976	-	-	86,118
<i>Total Cash Receipts</i>	<u>2,164,078</u>	<u>764,554</u>	<u>-</u>	<u>1,199</u>	<u>2,929,831</u>
<b>Cash Disbursements</b>					
Current:					
Security of Persons and Property	1,055,804	-	-	-	1,055,804
Leisure Time Activities	37,711	-	-	-	37,711
Community Environment	599	-	-	-	599
Transportation	34,764	399,139	-	-	433,903
General Government	569,763	-	-	-	569,763
Capital Outlay	96,556	31,855	-	21,000	149,411
Debt Service:					
Principal Retirement	3,288	-	6,521	20,000	29,809
Interest and Fiscal Charges	338	-	-	6,670	7,008
<i>Total Cash Disbursements</i>	<u>1,798,823</u>	<u>430,994</u>	<u>6,521</u>	<u>47,670</u>	<u>2,284,008</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>365,255</u>	<u>333,560</u>	<u>(6,521)</u>	<u>(46,471)</u>	<u>645,823</u>
<b>Other Financing Receipts (Disbursements)</b>					
Transfers In	-	-	6,521	50,000	56,521
Transfers Out	(50,000)	-	-	-	(50,000)
Advances In	500,000	-	-	-	500,000
Advances Out	(500,000)	-	-	-	(500,000)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(50,000)</u>	<u>-</u>	<u>6,521</u>	<u>50,000</u>	<u>6,521</u>
<i>Net Change in Fund Cash Balances</i>	315,255	333,560	-	3,529	652,344
<i>Fund Cash Balances, January 1</i>	<u>2,754,996</u>	<u>719,158</u>	<u>-</u>	<u>105,939</u>	<u>3,580,093</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 3,070,251</u>	<u>\$ 1,052,718</u>	<u>\$ -</u>	<u>\$ 109,468</u>	<u>\$ 4,232,437</u>

*See accompanying notes to the basic financial statements*

**Village of West Milton, Ohio**  
*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, 2021*

	Proprietary Fund Types
	Enterprise
<b>Operating Cash Receipts</b>	
Charges for Services	\$ 2,392,096
Miscellaneous	56,406
	2,448,502
<i>Total Operating Cash Receipts</i>	<i>2,448,502</i>
<b>Operating Cash Disbursements</b>	
Personal Services	843,182
Contractual Services	985,013
Supplies and Materials	48,659
Other	8,260
	1,885,114
<i>Total Operating Cash Disbursements</i>	<i>1,885,114</i>
<i>Operating Income (Loss)</i>	<i>563,388</i>
<b>Non-Operating Receipts (Disbursements)</b>	
Intergovernmental Receipts	2,550,781
Special Assessments	15,370
Earnings on Investments (proprietary funds only)	2,314
Capital Outlay	(3,018,883)
Loan Proceeds	234,344
Principal Retirement	(130,663)
Interest and Other Fiscal Charges	(11,300)
	(358,037)
<i>Total Non-Operating Receipts (Disbursements)</i>	<i>(358,037)</i>
<i>Income (Loss) before Capital Contributions, Special Item, Extraordinary Item, Transfers and Advances</i>	<i>205,351</i>
Transfers In	134,710
Transfers Out	(141,231)
Advances In	500,000
Advances Out	(500,000)
	198,830
<i>Net Change in Fund Cash Balances</i>	<i>198,830</i>
<i>Fund Cash Balances, January 1</i>	<i>2,788,027</i>
<i>Fund Cash Balances, December 31</i>	<i>\$ 2,986,857</i>

*See accompanying notes to the basic financial statements*

**Village of West Milton, Ohio**  
*Miami County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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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.

**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 fund types which are organized on a fund type basis. The Village has no fiduciary fund types.

***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.

***American Rescue Plan Grant Fund*** This fund accounts for and reports intergovernmental revenues restricted for disbursements related to the Covid-19 outbreak.

***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.

***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:

***Fire Capital Improvement Fund*** This fund receives transferred revenue from the General Fund for the purpose of capital projects and future needs of the Fire Department.

**Village of West Milton, Ohio**  
*Miami County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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***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 (C). 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 (C) 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.

***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 2021 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.

**Village of West Milton, Ohio**  
*Miami County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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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, Huntington Bank, and Minster Bank (Cetera).

***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. For regulatory purposes, nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Village and the nonexpendable portion of the corpus in permanent funds.

***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*. For regulatory purposes, assigned fund balance in the General Fund is limited to encumbrances outstanding at year end.

***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.

For regulatory purposes, limited disclosure related to fund balance is included in Note 13.

**Village of West Milton, Ohio**  
*Miami County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

**Note 3 - Budgetary Activity**

Budgetary activity for the year ending 2021 was as follows:

<b>2021 Budgeted vs. Actual Receipts</b>			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$2,068,600	\$2,164,078	\$95,478
Special Revenue	474,450	764,554	290,104
Debt Service	6,521	6,521	-
Capital Projects	51,500	51,199	(301)
Enterprise	5,363,579	5,386,021	22,442
<b>Total</b>	<b>\$7,964,650</b>	<b>\$8,372,373</b>	<b>\$407,723</b>

<b>2021 Budgeted vs. Actual Budgetary Basis Expenditures</b>			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$2,246,078	\$1,874,706	\$371,372
Special Revenue	570,125	430,994	139,131
Debt Service	6,521	6,521	0
Capital Projects	49,000	47,670	1,330
Enterprise	5,723,821	5,187,191	536,630
<b>Total</b>	<b>\$8,595,545</b>	<b>\$7,547,082</b>	<b>\$1,048,463</b>

**Note 4 – Deposits and Investments**

To improve cash management, cash received by the Village is pooled. Monies for all funds are maintained in this pool. The Ohio Revised Code prescribes allowable deposits and investments. A summary of the Village's deposit and investment accounts are as follows:

	<b>2021</b>
Demand deposits	\$3,837,294
Certificates of deposit	3,382,000
<b>Total deposits and investments</b>	<b>\$7,219,294</b>

**Deposits**

Deposits are insured by the Federal Depository Insurance Corporation; collateralized by securities specifically pledged by the financial institution to the Village; or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool for eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public moneys deposited in the financial institution.

**Village of West Milton, Ohio**  
*Miami County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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***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.

**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 non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction 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. The Village contracts with CCA for the collection of income taxes.

**Note 6 – Interfund Balances**

***Advances***

The Village had one advance due to the Ludlow Falls Sewer Extension Project. Funds of \$500,000 were advanced from the General Fund to the Sewer Capital Improvement Fund in May 2021. The advance was fully repaid to the General Fund in June 2021 and there was no outstanding balance to be repaid at year-end.

**Note 7 - Risk Management**

***Risk Pool Membership***

The Village 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; as of the most recent audited financial statement of March 31, 2021, retention levels are \$100,000 for property and casualty coverages.



**Village of West Milton, Ohio**  
*Miami County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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

The Pool's financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and accumulated surplus as of the most recent audited financial statement of March 30, 2021.

Assets	\$ 824,661
Liabilities	<u>(554,038)</u>
Accumulated Surplus	\$ 270,623

***Workers' Compensation***

Workers' Compensation coverage is provided by the State of Ohio. The Village pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs (if material).

**Note 8 - Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

Employees who are not police or fire 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, 2021.

***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, 2021.

***Social Security***

Individuals who were ineligible for OPERS or OP&F contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants. The employees 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, 2021.

**Village of West Milton, Ohio**  
*Miami County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

**Note 9 - 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% during calendar year 2021. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4% during calendar year 2021. OP&F contributed .5% to fund these benefits.

Beginning January 1, 2019, OP&F changed its retiree health care model to a stipend-based health care model. A stipend funded by OP&F was placed in individual Health Reimbursement Accounts that retirees use to be reimbursed for health care expenses.

**Note 10 – Debt**

Debt outstanding at December 31, 2021 was as follows:

	Principal	Interest Rate	Maturity Date
Effluent (OPWC)	52,165	0.00%	1/30/30
Meter Replacement (Minster Bank)	\$153,035	3.00%	1/15/24
28 Lowry (Minter Bank)	25,988	3.00%	1/15/24
Fire Truck (Minster Bank)	140,000	4.25%	7/15/28
N. Tower Refurb (OWDA)	213,489	0.64%	7/1/28
S. Tower Refurb (OWDA)	209,610	0.70%	7/1/28
Reline 571 Bridge Waterline (OWDA)	150,795	1.87%	1/1/41
Water Booster (OPWC) <i>(Project completed in 2021. Amortization unavailable)</i>	499,709	0.00%	Est. 12/31/42
<b>Total</b>	<b>\$1,444,791</b>		

*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.

*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.

*28 Lowry Dr. Debt (Minster Bank):* This debt was created in 2018 for the purpose of obtaining the property for future operations of the Village. The borrowed amount was \$50,000 at an interest rate of 3%. Payments of \$5,438.91 are made on a semi-annual basis in January and July. The maturity date of the debt is 1/15/24.

*Fire Truck (Minster Bank):* This debt was 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%. In 2021, there was a total payment of \$26,670.13. Payments are made on a semi-annual basis in January and July. The payments are variable and will not exceed a total of \$29,000 per year. The maturity date of the debt is 7/15/28.

*N. Tower Refurb (OWDA):* This debt was created in 2018 for the purpose of refurbishing the north water tower. The borrowed amount was \$302,101.74 at an interest rate of .64%. Payments of \$15,617.75 occur on a semi-annual basis in January and July. The maturity date of the debt is 7/1/28.

**Village of West Milton, Ohio**  
*Miami County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

*S. Tower Refurb (OWDA):* This debt was created in 2018 for the purpose of refurbishing the south water tower. The borrowed amount was \$296,351.30 at an interest rate of .70%. Payments of \$15,368.13 occur on a semi-annual basis in January and July. The maturity date of the debt is 7/1/28.

*Reline 571 Bridge Waterline (OWDA):* This debt was created in 2020 for the purpose of relining the waterline under the State Route 571 bridge. The borrowed amount was \$153,987.63 at an interest rate of 1.87%. Payments of \$4,632.11 began in July 2021 and will occur on a semi-annual basis in January and July. The maturity date of the debt is 1/1/41.

*Water Booster (OPWC):* This debt was created in 2020 for the purpose of constructing a water booster for the Stillwater Crossings development. The project began in 2020 and was completed in 2021. The amount borrowed in 2020 was \$265,365 and the amount borrowed in 2021 was \$234,344.05, bringing the total borrowed amount to \$499,409.05 at an interest rate of 0%. The maturity date of the debt is estimated to be 12/31/42. Payments are expected to begin in 2022 and no amortization schedule is available at this time.

**Leases**

*2020 Bobcat T595 (Wells Fargo):* This lease was created in 2020 for the purpose of acquiring a Bobcat for operational purposes for the service departments. The leased amount was \$46,874.20 with a term of 36 months. The lease has a purchase option at the end of the term of \$20,625. The Village disbursed \$10,028.28 in lease payments for the year ended December 31, 2021.

*2021 Refuse Truck/600 Toters (TCF/Huntington):* This lease was created in 2021 for the purpose of acquiring a 2021 Freightliner M2 Peterson Grapple refuse truck and 600 toters (48 gallons). The leased amount was \$193,164.06 with a term of 96 months. The lease has a purchase option at the end of the term of \$1.00. The Village disbursed \$0.00 in lease costs for the year ended December 31, 2021. Yearly payments will begin in 2022.

*2021 Refuse Truck/1,750 Toters (TCF/Huntington):* This lease was created in 2021 for the purpose of acquiring a 2021 Freightliner M2 Labrie Side Loader refuse truck and 1,750 toters (96 gallons). The leased amount was \$364,035.10 with a term of 96 months. The lease has a purchase option at the end of the term of \$1.00. The Village disbursed \$0.00 in lease costs for the year ended December 31, 2021. Yearly payments will begin in 2022.

**Amortization**

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

Year ending December 31:	Leases	Meter Debt (Minster Bank)	Effluent (OPWC)	28 Lowry (Minster Bank)	Fire Truck (Minster Bank)	N. Tower (OWDA)	S. Tower (OWDA)	Reline 571 Waterline (OWDA)	Booster (OPWC)
2022	91,121	68,107	6,521	10,878	25,819	31,236	30,736	9,264	12,493
2023	85,271	68,107	6,521	10,878	24,957	31,236	30,736	9,264	24,985
2024	81,093	34,054	6,521	5,439	24,106	31,236	30,736	9,264	24,985
2025	81,093		6,521		23,234	31,236	30,736	9,264	24,985
2026	81,093		6,521		22,372	31,236	30,736	9,264	24,985
2027-2031	243,279		19,562		42,159	62,471	61,473	46,321	124,927
2032-2036								46,321	124,927
2037-2041								41,689	124,927
2042									12,495
<b>Total</b>	<b>\$662,950</b>	<b>\$170,268</b>	<b>\$52,167</b>	<b>\$27,195</b>	<b>\$162,647</b>	<b>\$218,651</b>	<b>\$215,153</b>	<b>\$180,651</b>	<b>\$499,709</b>

**Village of West Milton, Ohio**  
*Miami County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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**Note 11 – Construction and Contractual Commitments**

The Village entered into a contract with VTF Excavation, of Celina, for the construction of the Ludlow Falls Sanitary Sewer Project in August of 2020. Per resolution CM-20-24, the total contracted amount was \$2,693,037.79. There has been a total of \$211,963.46 in change orders submitted for this project. The project is expected to be finished in the spring of 2022.

**Note 12 – Contingent Liabilities**

Amounts grantor agencies pay to the Village are subject to audit and adjustment by the grantor, principally the federal government. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

**Note 13 – Fund Balances**

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end, the balances of these amounts were as follows:

Fund Balances	General	Total
Outstanding Encumbrances	25,883	25,883
<i>Total</i>	<u>\$25,883</u>	<u>\$25,883</u>

The fund balance of special revenue funds is either restricted or committed. The fund balance of debt service funds and capital projects fund are restricted, committed, or assigned. These restricted, committed, and assigned amounts in the special revenue, debt service and capital projects funds would include the outstanding encumbrances. In the General Fund, outstanding encumbrances are considered assigned.

**Note 14 – COVID-19**

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June, 2021, while the national state of emergency continues. During 2021, the Village received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent period of the Village. The impact on the Village's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated. The Village's investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined. In addition, the impact on the Village's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

During 2021, the Village received \$252,869.06 of American Rescue Plan funding. This amount is recorded in the American Rescue Plan Grant Fund. The Village expended \$0 of these funds in 2021.

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**Village of West Milton, Ohio**  
*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, 2020*

	<b>Governmental Fund Types</b>				<b>Totals (Memorandum Only)</b>
	<b>General</b>	<b>Special Revenue</b>	<b>Debt Service</b>	<b>Capital Projects</b>	
<b>Cash Receipts:</b>					
Property Taxes	\$ 213,451	\$ 178,985	\$ -	\$ -	\$ 392,436
Municipal Income Tax	1,405,862	-	-	-	1,405,862
Intergovernmental	158,920	714,592	-	-	873,512
Special Assessments	-	1,470	-	-	1,470
Charges for Services	2,060	-	-	-	2,060
Fines, Licenses, and Permits	91,877	300	-	-	92,177
Earnings on Investments	56,929	8,724	-	1,655	67,308
Miscellaneous	28,981	12,341	-	-	41,322
<b>Total Cash Receipts</b>	<b>1,958,080</b>	<b>916,412</b>	<b>-</b>	<b>1,655</b>	<b>2,876,147</b>
<b>Cash Disbursements:</b>					
Current:					
Security of Persons and Property	572,522	417,649	-	-	990,171
Leisure Time Activities	30,963	-	-	-	30,963
Community Environment	360	-	-	-	360
Transportation	47,467	191,335	-	-	238,802
General Government	448,825	-	-	-	448,825
Capital Outlay	110,076	64,912	-	21,000	195,988
Debt Service:					
Redemption of Principal	3,134	-	6,521	20,000	29,655
Interest and Fiscal Charges	491	-	-	7,556	8,047
<b>Total Cash Disbursements</b>	<b>1,213,838</b>	<b>673,896</b>	<b>6,521</b>	<b>48,556</b>	<b>1,942,811</b>
Excess of Receipts Over/(Under) Disbursements	744,242	242,516	(6,521)	(46,901)	933,336
<b>Other Financing Receipts (Disbursements):</b>					
Transfers-In	-	-	6,521	50,000	56,521
Transfers-Out	(187,000)	-	-	-	(187,000)
<b>Total Other Financing Receipts (Disbursements)</b>	<b>(187,000)</b>	<b>-</b>	<b>6,521</b>	<b>50,000</b>	<b>(130,479)</b>
Net Change in Fund Cash Balances	557,242	242,516	-	3,099	802,857
Fund Cash Balances, January 1	2,197,754	476,642	-	102,840	2,777,236
Fund Cash Balances, December 31	<u>\$ 2,754,996</u>	<u>\$ 719,158</u>	<u>\$ -</u>	<u>\$ 105,939</u>	<u>\$ 3,580,093</u>

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

**Village of West Milton, Ohio**  
*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, 2020*

	<b>Proprietary Fund Types</b>
	<b>Enterprise</b>
<b>Operating Cash Receipts:</b>	
Charges for Services	\$ 2,281,258
Miscellaneous	48,691
	2,329,949
<b>Operating Cash Disbursements:</b>	
Personal Services	789,666
Contractual Services	1,169,218
Supplies and Materials	31,613
Other	7,168
	1,997,665
Operating Income (Loss)	332,284
<b>Non-Operating Receipts (Disbursements)</b>	
Special Assessments	9,418
Intergovernmental	91,541
Loan Proceeds	418,346
Earnings on Investment	3,630
Capital Outlay	(736,592)
Principal Retirement	(160,732)
Interest and Fiscal Charges	(13,711)
	(388,100)
Income (Loss) before Transfers	(55,816)
Transfers In	267,078
Transfers Out	(136,599)
	74,663
Net Change in Fund Cash Balances	74,663
Fund Cash Balances, January 1	2,713,364
Fund Cash Balances, December 31	\$ 2,788,027

*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, 2020*

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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 fund types which are organized on a fund type basis. The Village has no fiduciary fund types.

***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.

***Coronavirus Relief Fund*** This fund accounts for and reports intergovernmental revenues restricted for disbursements related to the Covid-19 outbreak.

***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.

***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.



**Village of West Milton, Ohio**  
*Miami County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

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**Fire Capital Improvement Fund** This fund receives transferred revenue from the General Fund for the purpose of capital projects and future needs of the Fire Department.

**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.

**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 2020 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.

**Village of West Milton, Ohio**  
*Miami County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

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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, Huntington Bank, and Minster 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. For regulatory purposes, nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Village and the nonexpendable portion of the corpus in permanent funds.

***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*. For regulatory purposes, assigned fund balance in the General Fund is limited to encumbrances outstanding at year end.

***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.

For regulatory purposes, limited disclosure related to fund balance is included in Note 12.

**Village of West Milton, Ohio**  
*Miami County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

**Note 3 - Budgetary Activity**

Budgetary activity for the year ending 2020 was as follows:

<b>2020 Budgeted vs. Actual Receipts</b>			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,882,600	\$1,958,080	\$75,480
Special Revenue	399,850	916,412	516,562
Debt Service	6,521	6,521	0
Capital Projects	52,500	51,655	(845)
Enterprise	6,265,347	3,119,962	(3,145,385)
<b>Total</b>	<b>\$8,606,818</b>	<b>\$6,052,630</b>	<b>(\$2,554,188)</b>

<b>2020 Budgeted vs. Actual Budgetary Basis Expenditures</b>			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$2,329,135	\$1,422,524	\$906,611
Special Revenue	842,800	675,986	166,814
Debt Service	6,521	6,521	0
Capital Projects	50,000	48,556	1,444
Enterprise	3,408,722	3,045,299	363,423
<b>Total</b>	<b>\$6,637,178</b>	<b>\$5,198,886</b>	<b>\$1,438,292</b>

**Note 4 – Deposits and Investments**

To improve cash management, cash received by the Village is pooled. Monies for all funds are maintained in this pool. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits and investments on December 31 was as follows:

	<b>2020</b>
Demand deposits	\$3,368,120
Certificates of deposit	3,000,000
<b>Total deposits and investments</b>	<b>\$6,368,120</b>

**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, 2020*

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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, 2020, 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.

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, 2020.

Assets	\$ 940,409
Liabilities	<u>(359,749)</u>
Accumulated Surplus	\$ 580,660

***Workers' Compensation***

Workers' Compensation coverage is provided by the State of Ohio. The Village pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs (if material).

**Village of West Milton, Ohio**  
*Miami County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

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**Note 7 - Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

Employees who are not police or fire 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, 2020.

***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, 2020.

***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, 2020.

**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% during calendar year 2020. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4% during calendar year 2020. OP&F contributed .5% to fund these benefits.

**Village of West Milton, Ohio**  
*Miami County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

**Note 9 – Debt**

Debt outstanding at December 31, 2020 was as follows:

	Principal	Interest Rate	Maturity Date
Effluent (OPWC)	58,685	0.00%	1/30/30
Meter Replacement (Minster Bank)	\$215,087	3.00%	1/15/24
28 Lowry (Minter Bank)	35,853	3.00%	1/15/24
Fire Truck (Minster Bank)	160,000	4.25%	7/15/28
N. Tower Refurb (OWDA)	243,216	0.64%	7/1/28
S. Tower Refurb (OWDA)	238,726	0.70%	7/1/28
Reline 571 Bridge Waterline (OWDA)	153,988	1.87%	1/1/41
Water Booster (OPWC) <i>(Project will be completed in 2021. Est. total debt will be \$583,515)</i>	265,365	0.00%	Est. 12/31/42
<b>Total</b>	<b>\$1,370,920</b>		

*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.

*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.

*28 Lowry Dr. Debt (Minster Bank):* This debt was created in 2018 for the purpose of obtaining the property for future operations of the Village. The borrowed amount was \$50,000 at an interest rate of 3%. Payments of \$5,438.91 are made on a semi-annual basis in January and July. The maturity date of the debt is 1/15/24.

*Fire Truck (Minster Bank):* This debt was 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%. In 2020, there was a total payment of \$27,555.85. Payments are made on a semi-annual basis in January and July. The payments are variable and will not exceed a total of \$29,000 per year. The maturity date of the debt is 7/15/28.

*N. Tower Refurb (OWDA):* This debt was created in 2018 for the purpose of refurbishing the north water tower. The borrowed amount was \$302,101.74 at an interest rate of .64%. Payments of \$15,617.75 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 of refurbishing the south water tower. The borrowed amount was \$296,351.30 at an interest rate of .70%. Payments of \$15,368.13 occur on a semi-annual basis in January and July. The maturity date of the debt is 7/1/28.

*Reline 571 Bridge Waterline (OWDA):* This debt was created in 2020 for the purpose of relining the waterline under the State Route 571 bridge. The borrowed amount was \$153,987.63 at an interest rate of 1.87%. Estimated payments of \$4,632.11 are to begin in July 2021 and will occur on a semi-annual basis in January and July. The maturity date of the debt is 1/1/41.

**Village of West Milton, Ohio**  
*Miami County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

*Water Booster (OPWC):* This debt was created in 2020 for the purpose of constructing a water booster for the Stillwater Crossings development. The project began in 2020 and will be completed in 2021, and at that time, an amortization schedule is expected to be received. In 2020, debt proceeds totaled \$265,365. The estimated remaining debt proceeds in 2021 is \$318,150, bringing the total estimated debt to \$583,515 at an interest rate of 0%. The maturity date of the debt is estimated to be 12/31/42.

**Leases**

*2020 Bobcat T595 (Wells Fargo):* This lease was created in 2020 with a term of 36 months. The lease has a purchase option at the end of the term of \$20,625. The Village disbursed \$5,849.83 in lease costs for the year ended December 31, 2020.

**Amortization**

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

Year ending December 31:	Leases	Meter Debt (Minster Bank)	Effluent (OPWC)	28 Lowry (Minster Bank)	Fire Truck (Minster Bank)	N. Tower (OWDA)	S. Tower (OWDA)	Reline 571
								Waterline (OWDA)
2021	10,028	68,107	6,521	10,878	26,681	31,236	30,736	4,632
2022	10,028	68,107	6,521	10,878	25,819	31,236	30,736	9,264
2023	4,178	68,107	6,521	10,878	24,957	31,236	30,736	9,264
2024		34,054	6,521	5,439	24,106	31,236	30,736	9,264
2025			6,521		23,234	31,236	30,736	9,264
2026-2030			26,081		64,530	93,706	92,209	143,595
<b>Total</b>	<b>\$24,234</b>	<b>\$238,375</b>	<b>\$58,686</b>	<b>\$38,073</b>	<b>\$189,327</b>	<b>\$249,886</b>	<b>\$245,889</b>	<b>\$185,283</b>

\* Estimate

**Note 10 – Construction and Contractual Commitments**

The Village entered into a contract with VTF Excavation, of Celina, for the construction of the Ludlow Falls Sanitary Sewer Project in August of 2020. Per resolution CM-20-24, the total contracted amount was \$2,693,037.79. The project is expected to be finished in the fall of 2021.

**Note 11 – Contingent Liabilities**

Amounts grantor agencies pay to the Village are subject to audit and adjustment by the grantor, principally the federal government. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

**Village of West Milton, Ohio**  
*Miami County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

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**Note 12 – Fund Balances**

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the balances of these amounts were as follows:

Fund Balances	General	Special Revenue	Total
Outstanding Encumbrances	21,686	2,090	23,776
<i>Total</i>	<u>\$21,686</u>	<u>\$2,090</u>	<u>\$23,776</u>

The fund balance of special revenue funds is either restricted or committed. The fund balance of debt service funds and capital projects fund are restricted, committed, or assigned. These restricted, committed, and assigned amounts in the special revenue, debt service and capital projects funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

**Note 13 – Change in Accounting Principles**

For 2020, the Village has made a change to their cash basis reporting model. This change removed the fund balance classifications from the Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) – All Governmental Fund Types.

**Note 14 – COVID-19**

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Village. The Village’s investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined. In addition, the impact on the Village’s future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

During 2020, the Village received \$417,650.30 of CARES Act funding. This amount is recorded in the Coronavirus Relief Special Revenue Fund. The Village used these funds, as legally permitted, to cover part of the public safety costs.





**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 of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the cash balances, receipts, and disbursements for each governmental and proprietary fund type as of and for the years ended December 31, 2021 and 2020 and the related notes to the financial statements of the Village of West Milton, Miami County, (the Village) and have issued our report thereon dated June 27, 2022, wherein we noted the Village followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit. We also noted the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Village.

***Report on Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Village's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purposes of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Village's financial statements will not be prevented, or detected and corrected, on a timely basis. *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 deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Village's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

***Purpose of This Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

BHM CPA Group, Inc.  
Piketon, Ohio  
June 27, 2022

VILLAGE OF WEST MILTON  
 MIAMI COUNTY  
 DECEMBER 31, 2021 AND 2020

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:
2019-001	Material Weakness – Financial Reporting	Yes	
2019-002	Material Weakness – Fund Balance Classifications	Yes	

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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 7/28/2022**

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  
[www.ohioauditor.gov](http://www.ohioauditor.gov)