



Balestra, Harr & Scherer, CPAs, Inc.

Members American Institute of Certified Public Accountants

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### Management Letter

City of Milford  
Clermont County  
745 Center Street  
Milford, Ohio 45150

In accordance with *Government Auditing Standards* applicable to financial audits, we have audited the basic financial statements of the City of Milford, Clermont County, (the City), as of and for the year ended December 31, 2009, and have issued our report thereon dated June 30, 2010.

*Government Auditing Standards* also require that we describe the scope of our testing of compliance with laws and regulations and internal control over financial reporting and report any irregularities, illegal acts, other material noncompliance and significant deficiencies in internal controls. We have issued the required report dated June 30, 2010 for the year ended December 31, 2009.

We are also submitting for your consideration the following comments on the City's compliance with applicable laws and regulations on its internal controls. These comments reflect matters that, while in our opinion do not represent material instances of noncompliance or significant internal control deficiencies, we believe represent matters for which improvements in compliance or internal controls or operational efficiencies might be achieved. Due to the limited nature of our audit, we have not fully assessed the cost-benefit relationship of implementing the recommendations suggested below. However, these comments reflect our continuing desire to assist your government. If you have any questions or concerns regarding these comments, please do not hesitate to contact us.

\*We also noted this matter in our audit of the 2008 financial statements.

#### Ohio Revised Code Noncompliance

1. \*Ohio Revised Code Section 5705.41(B) states in part that no subdivision or taxing unit is to expend money unless it has been appropriated. At December 31, 2009, expenditures exceeded appropriations at the legal level of control in the General Fund.

The City should either deny payment requests exceeding appropriations or request that City Council approve supplemental appropriations.

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

A handwritten signature in cursive script that reads "Balestra, Harr &amp; Scherer".

Balestra, Harr & Scherer, CPAs, Inc.  
June 30, 2010