

CITY OF WEST CARROLLTON

DAYTON REGION, MONTGOMERY COUNTY

**GENERAL PURPOSE FINANCIAL
STATEMENTS**

DECEMBER 31, 2000



STATE OF OHIO
OFFICE OF THE AUDITOR
JIM PETRO, AUDITOR OF STATE

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Honorable City Council
City of West Carrollton
300 East Central Ave.
West Carrollton, OH 45449

We have reviewed the independent auditor's report of the City of West Carrollton, Montgomery County, prepared by Plattenburg & Associates, Inc., for the audit period January 1, 2000 through December 31, 2000. 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 City of West Carrollton is responsible for compliance with these laws and regulations.

JIM PETRO
Auditor of State

July 18, 2000

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CITY OF WEST CARROLLTON
MONTGOMERY COUNTY

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CITY OF WEST CARROLLTON
MONTGOMERY COUNTY

300 East Central Avenue
P.O. Box
West Carrollton, Ohio 45449

ELECTED OFFICIALS AND ADMINISTRATIVE PERSONNEL
AS OF DECEMBER 31, 2000

Council Member

<u>NAME</u>	<u>TITLE</u>	<u>TERM OF OFFICE</u>
Maxine Gilman	Mayor	1/1/96 – 12/31/03
William Gordon	Deputy Mayor	1/1/98 – 12/31/01
William Ennis	Council Member	1/1/96 – 12/31/99
John G. Jensen	Council Member	1/1/98 – 12/31/01
Linda M. Lotspaih	Council Member	1/1/98 – 12/31/01
Donald A. Mounce	Council Member	6/23/98 – 12/31/03*
Jeffery W. Sanner	Council Member	1/1/98 – 12/31/01

* Former council member Daryl Garrison resigned effective 4/30/98. Donald Mounce was appointed as his replacement effective 6/23/98.

ADMINISTRATIVE PERSONNEL

<u>NAME</u>	<u>TITLE</u>
G. Tracy Williams	City Manager
Thomas E. Reilly	Finance Director/Clerk of Council
Patrick G. Carney 534 East Dixie Dr West Carrollton, Oh 45449	Law Director

CITY OF WEST CARROLLTON
MONTGOMERY COUNTY
INDEX OF FUNDS

GOVERNMENTAL FUND TYPES

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General Fund

Special Revenue Fund Class

Street Construction, Maintenance and Repair Fund

Law Enforcement and Education Fund

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Special Assessments Fund

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Capital Project Fund Class

One Half Percent Tax Fund

Street Improvement Fund

Civic Center Fund

Parks and Playgrounds Improvement Fund

Alex-Bell Project Fund

Vehicle Replacement Fund

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Bonds Returnable Fund

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Agency Funds

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Mayor's Court Fund

Income Tax Fund

Deferred Compensation Fund

Unclaimed Money Fund

PLATTENBURG & ASSOCIATES, INC./CERTIFIED PUBLIC ACCOUNTANTS

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2211 SOUTH DIXIE AVENUE/ DAYTON, OH 45409 • (937) 294-1505 • FAX (937) 294-1507

June 20, 2001

Honorable City Council
City of West Carrollton, Ohio

REPORT OF INDEPENDENT ACCOUNTANTS

We have audited the accompanying general purpose financial statements of the City of West Carrollton, Ohio, (the City) as of and for the year ended December 31, 2000. These general purpose financial statements are the responsibility of the management of the City. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City, as of December 31, 2000, and the results of its operations and cash flows of its proprietary fund type for the year then ended, in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 20, 2001 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Plattenburg & Associates, Inc.
Certified Public Accountants

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**CITY OF WEST CARROLLTON
MONTGOMERY COUNTY**

**COMBINED BALANCE SHEET - ALL FUND TYPES
AND ACCOUNT GROUPS
DECEMBER 31, 2000**

	GOVERNMENTAL FUND TYPES				PROPRIETARY	FIDUCIARY	ACCOUNT GROUPS		TOTAL (MEMORANDUM ONLY)
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	FUND TYPE	FUND TYPE	GENERAL	GENERAL	
					ENTERPRISE	TRUST AND AGENCY	FIXED ASSETS	LONG-TERM OBLIGATIONS	
ASSETS & OTHER DEBITS:									
Pooled Cash & Investments	\$3,819,246	\$86,110	\$54,493	\$1,359,369	\$2,845,330	\$20,615	\$0	\$0	\$8,185,163
Receivables (Net)									
Taxes	396,380	23,522	0	0	0	603,134	0	0	1,023,036
Accounts	1,052	0	0	0	354,122	0	0	0	355,174
Special Assessments	0	83,403	626,112	0	0	0	0	0	709,515
Accrued Interest	21,333	140	0	0	16,419	0	0	0	37,892
Inventory at Cost	0	0	0	0	45,296	0	0	0	45,296
Due from Other Funds	9,805	0	0	9,407	0	0	0	0	19,212
Prepaid Expenses	2,705	0	0	0	0	0	0	0	2,705
Advance to Other Funds	12,052	0	0	52,139	0	0	0	0	64,191
Property, Plant & Equipment	0	0	0	0	17,476,417	0	10,879,740	0	28,356,157
Less: Accumulated Depreciation	0	0	0	0	(13,024,793)	0	0	0	(13,024,793)
Amount Available in Debt									
Service Funds	0	0	0	0	0	0	0	54,493	54,493
Amount to be Provided from									
Special Assessments	0	0	0	0	0	0	0	439,000	439,000
Amount to be Provided for									
Retirement of General Long- Term Obligations	0	0	0	0	0	0	0	775,500	775,500
Total Assets & Other Debits	\$4,262,573	\$193,175	\$680,605	\$1,420,915	\$7,712,791	\$623,749	\$10,879,740	\$1,268,993	\$27,042,541

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

**CITY OF WEST CARROLLTON
MONTGOMERY COUNTY**

**COMBINED BALANCE SHEET - ALL FUND TYPES
AND ACCOUNT GROUPS
DECEMBER 31, 2000**

	GOVERNMENTAL FUND TYPES				PROPRIETARY	FIDUCIARY	ACCOUNT GROUPS		TOTAL (MEMORANDUM ONLY)
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	ENTERPRISE	TRUST AND AGENCY	GENERAL	GENERAL	
							FIXED ASSETS	LONG-TERM OBLIGATIONS	
LIABILITIES:									
Accrued Wages and Benefits	\$197,516	\$19,018	\$0	\$0	\$30,695	\$0	\$0	\$0	\$247,229
Accounts Payable	13,032	19,081	0	417,871	7,529	6,840	0	0	464,353
Accrued Pensions	0	0	0	0	16,941	0	0	169,216	186,157
Deferred Revenue	418,237	23,522	626,112	61,546	0	51,697	0	0	1,181,114
Due to Other Funds	0	19,212	0	0	0	0	0	0	19,212
Advance from Other Funds	0	64,191	0	0	0	0	0	0	64,191
Special Assessment Debt with Governmental Commitment	0	0	0	0	0	0	0	439,000	439,000
Vacation and Sick Leave Liabilities	0	0	0	0	50,188	0	0	660,777	710,965
Undistributed Monies	0	0	0	0	0	561,491	0	0	561,491
Total Liabilities	628,785	145,024	626,112	479,417	105,353	620,028	0	1,268,993	3,873,712
FUND EQUITY:									
Investment in General Fixed Assets	0	0	0	0	0	0	10,879,740	0	10,879,740
Contributed Capital	0	0	0	0	6,067,343	0	0	0	6,067,343
Retained Earnings:									
Unreserved	0	0	0	0	1,540,095	0	0	0	1,540,095
Fund Balance:									
Reserved for Encumbrances	64,551	21,941	0	840,183	0	108	0	0	926,783
Reserved for Prepays	2,705	0	0	0	0	0	0	0	2,705
Reserved for Advances	12,052	0	0	52,139	0	0	0	0	64,191
Reserved for Debt Service	0	0	54,493	0	0	0	0	0	54,493
Unreserved/Undesignated	3,554,480	26,210	0	49,176	0	3,613	0	0	3,633,479
Total Fund Equity	3,633,788	48,151	54,493	941,498	7,607,438	3,721	10,879,740	0	23,168,829
Total Liabilities and Equity	\$4,262,573	\$193,175	\$680,605	\$1,420,915	\$7,712,791	\$623,749	\$10,879,740	\$1,268,993	\$27,042,541

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

**CITY OF WEST CARROLLTON
MONTGOMERY COUNTY**

**COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2000**

	GOVERNMENTAL FUND TYPES			FIDUCIARY	TOTALS (MEMORANDUM ONLY)	
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS		FUND TYPE EXPENDABLE TRUST
REVENUES:						
Local Taxes	\$4,937,084	\$93,387	\$0	\$1,738,597	\$75,644	\$6,844,712
Special Assessments	0	21,797	62,478	0	0	84,275
Intergovernmental	764,803	431,438	0	622,791	0	1,819,032
Charges for Services	197,860	87,352	0	0	2,100	287,312
Investment Earnings	216,202	2,182	0	53,908	0	272,292
Fines & Forfeitures	117,732	6,741	0	0	0	124,473
License & Permits	42,444					42,444
Other Revenue	123,204	23,588	0	0	366	147,158
Total Revenues	6,399,329	666,485	62,478	2,415,296	78,110	9,621,698
EXPENDITURES:						
General Government	1,253,503	0	0	0	0	1,253,503
Security of Persons	3,140,461	10,926	0	0	264,396	3,415,783
Leisure Time Activities	514,642	78,051	0	9,350	0	602,043
Community Environment	324,757	69,028	0	306,427	12,442	712,654
Basic Utility Services	396,239	0	0	0	0	396,239
Capital Outlay	0	0	0	2,797,497	0	2,797,497
Transportation	0	656,907	0	0	0	656,907
Debt Service:						
Principal	0	0	30,000	0	0	30,000
Interest & Fiscal Charges	0	0	32,496	0	0	32,496
Other	0	0	0	0	0	0
Total Expenditures	5,629,602	814,912	62,496	3,113,274	276,838	9,897,122
Excess (Deficiency) of Revenue Over Expenditures	769,727	(148,427)	(18)	(697,978)	(198,728)	(275,424)
Other Financing Sources (Uses):						
Transfers-In	24,043	127,054	0	2,877,658	191,998	3,220,753
Transfers-Out	(275,052)	(72,177)	0	(2,873,524)	0	(3,220,753)
Total Other Financing Sources (Uses)	(251,009)	54,877	0	4,134	191,998	0
Excess of Revenues & Other Financing Sources Over Expenditures & Other Financing Uses	518,718	(93,550)	(18)	(693,844)	(6,730)	(275,424)
Fund Balance - Beginning of Year	3,115,070	141,701	54,511	1,635,342	10,451	4,957,075
Fund Balance - End of Year	<u>\$3,633,788</u>	<u>\$48,151</u>	<u>\$54,493</u>	<u>\$941,498</u>	<u>\$3,721</u>	<u>\$4,681,651</u>

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

**CITY OF WEST CARROLLTON
MONTGOMERY COUNTY**

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET TO ACTUAL (NON-GAAP BUDGETARY BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2000

	GENERAL FUND			SPECIAL REVENUE		
	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES						
Local Taxes	4,870,650	4,937,084	66,434	104,000	93,387	(10,613)
Special Assessments	0	0	0	19,000	21,797	2,797
Charges for Services	209,000	203,484	(5,516)	79,500	87,352	7,852
Intergovernmental	608,200	764,803	156,603	430,529	431,438	909
Investment Earnings	200,000	230,357	30,357	1,510	2,158	648
Fines & Forfeitures	145,500	117,732	(27,768)	3,600	6,741	3,141
License and Permits	50,000	42,444	(7,556)			
Other Revenue	117,350	123,204	5,854	5,500	23,588	18,088
Total Revenues	6,200,700	6,419,108	218,408	643,639	666,461	22,822
EXPENDITURES						
General Government	1,656,882	1,372,676	284,206	0	0	0
Security of Persons	3,442,636	3,183,113	259,523	12,000	10,926	1,074
Leisure Time Activities	559,975	520,552	39,423	79,500	78,074	1,426
Community Environment	395,300	324,840	70,460	69,500	69,028	472
Basic Utility	412,650	401,358	11,292	0	0	0
Capital Outlay	0	0	0	0	0	0
Transportation	0	0	0	666,500	640,321	26,179
Debt Service:						
Principal	0	0	0	0	0	0
Interest & fiscal charges	0	0	0	0	0	0
Total Expenditures	6,467,443	5,802,539	664,904	827,500	798,349	29,151
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(266,743)	616,569	883,312	(183,861)	(131,888)	51,973
Other Financing Sources (Uses)						
Transfers In	83,100	24,043	(59,057)	183,100	127,054	(56,046)
Transfers Out	(348,100)	(275,052)	73,048	(83,000)	(72,177)	10,823
Bond Proceeds	0	0	0	0	0	0
Total Other Financing Sources (Uses)	(265,000)	(251,009)	13,991	100,100	54,877	(45,223)
Excess/(Deficiency) of Revenues & Other Sources over/(under) Expenditures and Other Uses	(531,743)	365,560	897,303	(83,761)	(77,011)	6,750
Fund Balance - 1/1/00	3,115,070	3,115,070	0	141,701	141,701	0
Fund Balance - 12/31/00	2,583,327	3,480,630	897,303	57,940	64,690	6,750

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

DEBT SERVICE			CAPITAL PROJECTS		
Budget	Actual	Variance	Budget	Actual	Variance
0	0	0	1,720,000	1,738,597	18,597
62,478	62,478	0	0	0	0
0	0	0	0	0	0
0	0	0	1,074,677	622,791	(451,886)
0	0	0	35,000	59,761	24,761
0	0	0	0	0	0
0	0	0	0	0	0
<u>62,478</u>	<u>62,478</u>	<u>0</u>	<u>2,829,677</u>	<u>2,421,149</u>	<u>(408,528)</u>
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	11,000	9,350	1,650
0	0	0	372,250	306,512	65,738
0	0	0	0	0	0
0	0	0	5,304,594	2,380,785	2,923,809
0	0	0	0	0	0
30,000	30,000	0	0	0	0
<u>62,670</u>	<u>32,496</u>	<u>30,174</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>92,670</u>	<u>62,496</u>	<u>30,174</u>	<u>5,687,844</u>	<u>2,696,647</u>	<u>2,991,197</u>
(30,192)	(18)	30,174	(2,858,167)	(275,498)	2,582,669
0	0	0	4,232,594	2,876,657	(1,355,937)
0	0	0	(4,287,694)	(2,872,523)	1,415,171
<u>0</u>	<u>0</u>	<u>0</u>	<u>1,500,000</u>	<u>0</u>	<u>(1,500,000)</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>1,444,900</u>	<u>4,134</u>	<u>(1,440,766)</u>
(30,192)	(18)	30,174	(1,413,267)	(271,364)	1,141,903
<u>54,511</u>	<u>54,511</u>	<u>0</u>	<u>1,635,342</u>	<u>1,635,342</u>	<u>0</u>
<u>24,319</u>	<u>54,493</u>	<u>30,174</u>	<u>222,075</u>	<u>1,363,978</u>	<u>1,141,903</u>

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

**CITY OF WEST CARROLLTON
MONTGOMERY COUNTY**

**COMBINED STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS
PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2000**

	PROPRIETARY FUND TYPE ENTERPRISE
REVENUES:	
Charges for Services	\$1,625,557
Other Operating Revenues	<u>7,624</u>
Total Revenues	1,633,181
EXPENSES:	
Personal Services	912,639
Contractual Services	139,480
Materials and Supplies	118,834
Utilities	174,282
Depreciation	410,270
Other Expenses	<u>3,607</u>
Total Expenses	<u>1,759,112</u>
Operating Loss	(125,931)
Nonoperating Revenues:	
Investment Earnings	<u>180,264</u>
Net Income	54,333
Retained Earnings - Beginning of Year	<u>1,485,762</u>
Retained Earnings - End of Year	<u><u>\$1,540,095</u></u>

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

**CITY OF WEST CARROLLTON
MONTGOMERY COUNTY**

**COMBINED STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2000**

	PROPRIETARY FUND TYPE ENTERPRISE
Increase in Cash and Cash Equivalents	
Cash Flows from Operating Activities:	
Cash received from charges for services	\$1,640,127
Cash received from other operating services	7,624
Cash payments for personal services	(847,912)
Cash payments for contractual services	(137,543)
Cash payments for material and supplies	(208,952)
Cash payments for utilities	(174,282)
Cash payments for other expenses	(3,607)
Net cash provided by operating activities	275,455
Cash flows from capital and related financing activities:	
Acquisition of capital assets	(225,672)
Net cash used for capital and related financing activities	(225,672)
Cash flows from investing activities:	
Interest earnings	173,291
Net cash provided by investing activities	173,291
Net increase in cash and cash equivalents	223,074
Cash and cash equivalents at beginning of year	2,622,256
Cash and cash equivalents at end of year	\$2,845,330
Reconciliation of operating income to net cash provided by operating activities:	
Operating loss	(\$125,931)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	410,270
Decrease in accounts receivable	14,519
Increase in accounts payable	3,039
Decrease in accrued wages and benefits	(26,442)
Total adjustments	401,386
Net cash provided by operating activities	\$275,455

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

**CITY OF WEST CARROLLTON
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. DESCRIPTION OF THE ENTITY

The City of West Carrollton is a political body incorporated and established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio.

The City was organized in 1830 and is a home rule municipal corporation under the laws of the State of Ohio. The City operates under a council-manager form of government and provides the following services as authorized by its charter: public safety, public services, recreation, and community development. Educational services are provided by West Carrollton City School District. The District is a separate governmental entity and its financial statements are not included in this audit report.

The Miami Valley Risk Management Association (MVRMA) is a jointly governed organization established as a joint self-insurance pool for the purpose of enabling the subscribing political subdivisions to obtain liability insurance and providing a formalized, jointly administered self-insurance fund for its members. Also, the Miami Valley Fire/EMS Alliance is a jointly governed organization among thirty townships, cities, and other public entities that was formed on April 1, 1995. See Note 11.

The City does not have component units as defined in Governmental Accounting Standards Board (GASB) Statement No. 14, that are required to be included in these financial statements.

B. BASIS OF PRESENTATION

The financial reporting practices of the City conform to generally accepted accounting principles for local governments as prescribed by the Governmental Accounting Standards Board (GASB). The following is a summary of its significant accounting policies:

The accounts of the City are organized on the basis of funds or account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures (expenses). Account groups are a reporting method that accounts for certain assets, liabilities, and funds not already reported directly in the various primary funds. The primary funds are summarized by type in the combined financial statements.

The City uses the following fund types and account groups.

**CITY OF WEST CARROLLTON
MONTGOMERY COUNTY**

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

GOVERNMENTAL FUNDS

General Fund

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

Special Revenue Funds

The Special Revenue Funds are used to account for revenues derived from specific taxes, grants, or other restricted revenue sources. The uses and limitations of each special revenue fund are specified by City ordinances or federal and state statutes or grant provisions.

Debt Service Funds

These funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest not being financed by the proprietary funds.

Capital Projects Funds

The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities except for those financed by proprietary and trust funds.

PROPRIETARY FUNDS

Enterprise Funds

These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises (a) where the intent of the governing body is that the costs of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purpose.

**CITY OF WEST CARROLLTON
MONTGOMERY COUNTY**

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

FIDUCIARY FUNDS

Trust and Agency Funds

These funds are used to account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. These include Expendable Trust and Agency Funds.

ACCOUNT GROUPS

Account groups are used to establish accounting control and accountability for the City's general fixed assets and general long-term obligations. Because these assets and obligations are long-term, they are neither spendable resources nor require current appropriation.

General Fixed Assets Account Group

This account group includes all fixed assets required for general City purposes, excluding fixed assets of the Proprietary and Fiduciary Fund Types.

General Long-Term Debt Account Group

This account group is used to account for all long-term obligations of the City, except those accounted for in the proprietary and fiduciary funds. This includes the long-term obligations of the City for certain employee benefits and contingent liabilities.

C. **BASIS OF ACCOUNTING**

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The measurement focus of governmental funds is based upon the determination of changes in fund balance. Governmental funds are accounted for using the modified accrual basis of accounting. Revenues are recognized in the accounting period in which they become available and measurable.

**CITY OF WEST CARROLLTON
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**NOTES TO THE FINANCIAL STATEMENTS
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Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period which, for City purposes, is considered to be 60 days after year-end. Revenues considered susceptible to accrual are income tax withholdings, interest on investments, and current/delinquent property and income taxes. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which is recognized when due. Prepaid expenditures and inventory are recorded in the governmental fund types and charged as expenditures when used. Fund balance is reserved in governmental funds for the amount of prepaid expenditures and inventory, since they do not represent expendable financial resources.

The Proprietary Fund measurement focus is based upon determination of net income, financial position, and changes in financial position. The Proprietary Fund Type is accounted for using the accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned and become measurable; expenses are recognized in the period incurred, if measurable.

With respect to proprietary activities, the City has adopted GASB 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Units That Use Proprietary Fund Accounting*. The City has elected to apply all applicable GASB pronouncements as well as Financial Accounting Standard Board pronouncements and Accounting Principles Board Opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

Expendable Trust funds are accounted for in the same manner as Governmental fund types. The Agency funds are merely "assets equal liabilities," and thus, do not involve the measurement of results of operations. The Agency funds use the modified accrual basis of accounting.

D. BUDGETARY PROCESS

1. Budget

A budget of estimated cash receipts and disbursements is submitted to the County Auditor, as Secretary of the County Budget Commission, by July 20 of each year, for the period January 1 to December 31 of the following year.

2. Estimated Resources

The County Budget Commission certifies its actions to the City by September 1. As part of this certification, the City receives the official certificate of estimated resources, which states the projected receipts of each fund. On or about January 1 this certificate is amended to include any unencumbered balances from the preceding fiscal year.

Prior to December 31, the City must revise its budget so that the total contemplated expenditures from a fund during the ensuing fiscal year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriation measure.

**CITY OF WEST CARROLLTON
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**NOTES TO THE FINANCIAL STATEMENTS
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3. Appropriations

A temporary appropriation measure to control cash disbursements may be passed on or about January 1 of each year for the period January 1 to March 31. An annual appropriation measure must be passed by April 1 of each year for the period January 1 to December 31. The appropriation measure may be amended or supplemented during the year, as new information becomes available. Appropriations may not exceed estimated resources. Unencumbered appropriations lapse at the end of the fiscal year.

4. Encumbrances

The City is required to use the encumbrance method of accounting by virtue of Ohio law. Under this system, purchase orders, contracts and other commitments for the expenditure of funds are recorded in order to reserve the portion of the applicable appropriation. Unencumbered appropriations lapse at the end of the year.

E. INVENTORY

Inventory is stated at cost using the first-in, first-out method of identification.

F. FIXED ASSETS

Fixed assets used in the governmental fund-type operations are recorded in the General Fixed Assets Account Group. Those fixed assets used in Proprietary Fund Type operations are recorded in the applicable Enterprise Funds. Public domain assets ("infrastructure") such as roads, bridges, land improvements, curbs and gutters, streets and sidewalks are not capitalized in the General Fixed Asset Account Group. Interest incurred during construction is not capitalized on general fixed assets.

The cost of normal repairs and maintenance that do not add value to the asset or materially extend its life are not included in either the general fixed assets account group or capitalized in the proprietary funds.

General fixed assets and proprietary fund fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value at the date donated. Only fixed assets with a cost in excess of \$1,000 are capitalized.

Major outlays for capital assets and improvements are capitalized in proprietary funds as projects are constructed. Interest incurred during the construction phase of proprietary fund fixed assets is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period.

**CITY OF WEST CARROLLTON
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**NOTES TO THE FINANCIAL STATEMENTS
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Depreciation of fixed assets is computed and recorded by the straight-line method over the estimated useful lives of the fixed assets in proprietary funds. Depreciation expense on general fixed assets is not recorded.

The estimated useful lives of the various classes of fixed assets range as follows:

<u>Class</u>	<u>Estimated Useful Life</u>
Utility plant in service	20 years
Buildings and improvements	20 years
Equipment	3 to 15 years

G. INTER-FUND TRANSACTIONS

During the course of normal operations, the City has numerous transactions among funds, most of which are in the form of transfers of resources to provide services, construct assets and service debt. The accompanying financial statements generally reflect such transactions as operating transfers. The classification of amounts recorded as subsidies, advances, or equity contributions is determined by City management.

Quasi-external transactions, transactions that would be accounted for as revenues, expenditures or expenses if they involved a party external to the government, are accounted for as revenues in the receiving fund and expenditures or expenses by the paying fund. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it, that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund, and as reductions of expenditures/expenses in the fund that is reimbursed. All other inter-fund transactions are reported as transfers. Non-recurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other inter-fund transfers are reported as operating transfers.

H. FUND BALANCE RESERVES

Reserves indicate portions of fund equity legally segregated for a specific future use and cannot be appropriated for expenditures. The proprietary fund's contributed capital represents equity acquired through capital grants and capital grants and capital contribution from developers, customers, or other funds.

I. POOLED CASH AND INVESTMENTS

Cash and investment balances of the City's funds, except cash held by a trustee or fiscal agent, are pooled and invested in short-term investments in order to provide improved cash management. Investments are stated at fair value. The fair value of investments was determined through the use of published market values. For purposes of the combined statement of cash flows and for presentation on the combined balance sheet, investments with original maturities of three months or less are considered to be cash and cash equivalents.

**CITY OF WEST CARROLLTON
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**NOTES TO THE FINANCIAL STATEMENTS
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J. TOTAL COLUMNS ON FINANCIAL STATEMENTS

Total columns on the financial statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles, nor is such data comparable to a consolidation. Interfund-type eliminations have not been made in the aggregation of this data.

2. PROPERTY TAX

Real property taxes are levied on assessed values which equal 35% of appraised value. The county auditor reappraises all real property every six years with a triennial update. The last reappraisal was completed for the tax year 1994.

Real property taxes become a lien on all non-exempt real property located in the county on January 1. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31 with the remainder payable by June 20 of the following year. Under certain circumstances, state statutes permit later payment dates to be established.

The tax rate applied to all real property for the fiscal year ended December 31, 2000 was \$2.74 per \$1,000 of assessed valuation. Real property owners' tax bills are reduced by homestead and rollback deductions, when applicable. The amount of these homestead and rollback deductions is reimbursed to the City by the State of Ohio.

Owners of tangible personal property are required to file a list of such property including costs, by April 30 of each year. The property is assessed for tax purposes at varying statutory percentages of cost. The tax rate applied to tangible personal property for the fiscal year ended December 31, 2000 was \$2.74 per \$1,000 of assessed valuation. The assessed values per category are as follows:

Real Estate	\$171,171,129
Public Utilities	17,000
Public Utilities Personal Property	8,084,820
Tangible Personal Property	<u>67,176,517</u>

Total Valuation	<u>\$246,449,466</u>
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The Montgomery County Treasurer collects property tax on behalf of all taxing districts within the county. The Montgomery County Auditor periodically remits to the taxing districts their portions of the taxes collected.

**CITY OF WEST CARROLLTON
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**NOTES TO THE FINANCIAL STATEMENTS
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3. LOCAL INCOME TAX

This locally levied tax of 1.75 percent applied to gross salaries, wages and other personal service compensation earned by residents both in and out of the City and to earnings of nonresidents (except certain transients) earned in the City. It also applied to net income of business organizations conducted within the City. In 2000, tax receipts net of refunds amounted to \$6,088,599 of which \$4,349,001 was recorded in the General Fund and \$1,739,598 was recorded in the One Half Percent Tax Fund for use in various capital improvements.

4. INSURANCE

The City is exposed to various risks of loss related to torts, thefts of, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. In 1989, the City joined the Miami Valley Risk Management Association, Inc. (MVRMA, Inc.), a joint insurance pool. The pool consists of sixteen municipalities who pool risk for property, liability (third party, general, police professional and automobile), boiler and machinery, and public official liability.

The City pays an annual premium to MVRMA, Inc. for this coverage. The agreement provides that the MVRMA, Inc. will be self-sustaining through member premiums and will purchase excess and stop-loss insurance. The deductible per occurrence for all types of claims is \$2,500.

General liability (including law enforcement)	\$ 10,500,000 per occurrence
Automobile liability	\$ 10,500,000 per occurrence
Public officials liability	\$ 500,000 per occurrence and \$10 m excess \$1 m
Boiler and Machinery	\$ 432,383,000 per occurrence
Property (excluding flood and earthquake)	\$ 432,383,397 per occurrence
Flood and earthquake – property	\$ 100,000,000 annual aggregate

The City 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. The City also pays for ninety percent of the health insurance premium and a term life insurance premium for its full-time employees.

5. EMPLOYEES RETIREMENT SYSTEM

A. Public Employees' Retirement System (PERS)

The employees of the City are covered by either the Public Employees Retirement System of Ohio or the Police and Fireman's Disability Pension Fund which are both cost-sharing, multi-employer defined benefit pension plans. PERS provides basic retirement, disability, and survivor benefits based on eligible service credit to members and beneficiaries. Benefits are established by Chapter 145 of the Ohio Revised Code. The amounts of these funds are not reflected in the accompanying financial

**CITY OF WEST CARROLLTON
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**NOTES TO THE FINANCIAL STATEMENTS
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statements.

PERS issues a financial report available to the public that includes financial statements and required supplementary information. That report may be obtained by writing to the Public Employees' Retirement System, 277 East Town Street, Columbus, Ohio 43215 or by calling (614) 466-2085.

Plan members, other than those engaged in law enforcement, are required to contribute 8.5 percent of their annual-covered salary to fund pension obligations and the City is required to contribute 13.55 percent. Contributions are authorized by state statute. The contribution rates are determined actuarially. The City's required contributions to PERS for the years ended December 31, 2000, 1999 and 1998, were \$281,414, \$331,379, and \$312,040, respectively. The full amount has been contributed for 1999 and 1998. 80 percent has been contributed for 2000 with the remainder being reported as an accrued liability.

B. Police and Firemen's Disability and Pension Fund

The City also contributes to the Police and Firemen's Disability and Pension Fund of Ohio, a cost sharing, multiple-employer, defined benefit public employee retirement system. This Fund provides retirement and disability benefits to qualified participants. Additionally qualified spouses, children, and dependent parents can receive survivor and death benefits. Benefits are based on eligible service credit and are established by Ohio Revised Code, Chapter 742. A financial report for this report may be obtained by writing to the Police and Firemen's Disability and Pension Fund of Ohio, 140 East Town Street, Columbus, Ohio 43215-5164.

Police and firefighters are required to contribute 10 percent of their annual-covered salary to fund pension obligations and the City is required to contribute 19.5 percent for the police and 24 percent for the firefighters. Contributions are authorized by state statute. An actuary, however, is used to determine the actuarial implications of the statutory requirements. The City's required contributions to the Fund for police and firefighters for the year ended December 31, 2000, 1999, and 1998 were \$385,289, \$369,804, and \$338,947, respectively. The full amount has been contributed for 1999 and 1998. Seventy-four percent has been contributed for 2000 with the remainder being reported as an accrued liability.

When the Police and Firemen's Pension and Disability System was established in 1967, each participating entity was assessed for prior pension costs. The City of West Carrollton previously extinguished the balance of this obligation.

**CITY OF WEST CARROLLTON
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**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000
(Continued)**

6. POST-EMPLOYMENT BENEFITS

A. Public Employees' Retirement System (PERS)

The Public Employees' Retirement System of Ohio provides post-retirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit. Health care coverage for disability and primary survivor recipients is available. A portion of each employer's contribution to PERS is set aside for the funding of post-retirement health care based on authority granted by State Statute. Of the 10.84 percent employer contribution, 4.3 percent is used to fund health care. It should be noted that the normal employer contribution rate is 13.55 percent. The Retirement Board instituted a temporary 20 percent employer contribution rate rollback for calendar year 2000.

The Ohio Revised Code provides the statutory authority requiring public employers to fund post-retirement health care through their contributions to PERS.

The Ohio public employee benefits are financed through employer contributions and investment earnings thereon. The contributions allocated to retiree health care, along with investment income on allocated assets and periodic adjustments in health care provisions are expected to be sufficient to sustain the program indefinitely.

The significant assumptions and calculations described below were based on the PERS of Ohio's latest unaudited information as of December 31, 1999. There were 401,339 active contributing participants. Estimated net assets available for future benefits payments were \$10,805.5 million. Estimated accrued liability and the unfunded estimated accrued liability, based on the actuarial cost method used, were \$12,473.6 million and \$1,668.1 million, respectively. Benefits are financed through employer contributions and investment earnings there on. The contributions, investment income and periodic adjustment in health care provisions are expected to be sufficient to sustain the program indefinitely.

For 2000, the Retirement board enacted a temporary employer contribution rate rollback. The decision to rollback rates was based on the December 31, 1998 actuarial study, which indicated that actuarial assets exceeded actuarial liabilities. The temporary rate rollback was 20% for both the state and local government divisions and 6% for law enforcement divisions. The Board reallocated employer contributions from 4.20% to 4.30% at the beginning of the year to improve health care financing. The proportion of contributions dedicated to funding OPEB increased during the year for those reasons.

B. Police and Firemen's Disability and Pension Fund

The Ohio Revised Code provides the authority allowing the Police and Firemen's Disability and Pension Fund's board of trustees to provide health care coverage stating that health care cost paid from the Police and Firemen's Disability and Pension Fund shall be included in the employer's contribution rate. Health care funding and accounting is on a pay-as-you-go basis. The total employer contribution rates are 19.5 percent and 24 percent for police and fire respectively, of which 6.5 percent of covered payroll is applied to the post-employment health care program. In addition, since July 1, 1992, most retirees have been required to contribute a portion of the cost of their health

**CITY OF WEST CARROLLTON
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**NOTES TO THE FINANCIAL STATEMENTS
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care coverage through a deduction from their monthly benefit payment.

The portion of the current year City contribution that was used to fund post-retirement health care benefits was \$123,268. Funding and accounting are on a pay-as-you-go basis.

As of December 31, 1999, the number of participants eligible to receive health care benefits was 12,467 for police and 9,807 for fire. The PFDPF System of Ohio does not provide separate data on the funded status and funding progress of post-retirement health care benefits. The Fund's total health care expenses for the year ended December 31, 1999 (latest available information) were \$95,004,633, which was net of member contributions of \$5,518,098.

7. NON-GAAP BUDGETARY BASIS

The City is reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles. The budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis) - All Governmental Fund Types and Expendable Trust Funds are presented to provide a meaningful comparison of actual results with the budget.

**Excess (Deficiency) of Revenue and Other Financing Sources
Over Expenditures and Other Uses (GAAP Basis)**

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
GAAP Basis	\$518,718	(\$93,550)	(\$18)	(\$693,844)
Revenue Accruals	19,779	(24)	0	4,852
Expenditure Accruals	(172,937)	16,563	0	417,628
Other Financing	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Budgetary Basis	<u>\$365,560</u>	<u>(\$77,011)</u>	<u>(\$18)</u>	<u>(\$271,364)</u>

**CITY OF WEST CARROLLTON
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**NOTES TO THE FINANCIAL STATEMENTS
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(Continued)**

8. GENERAL LONG-TERM DEBT OBLIGATIONS

	<u>Interest Rate</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Balance 1/1/00</u>	<u>Increase/ (Decrease)</u>	<u>Balance 12/31/00</u>
<i>Special Assessments:</i>						
<i>Street Improvements</i>						
Water Tower Lane	8.625%	12-1-85	12-1-05	\$ 55,000	\$ (10,000)	\$ 45,000
Marina Drive	7.375%	5-1-90	12-1-10	89,000	(5,000)	84,000
Gargrave Road	6.875%	6-1-91	12-1-11	185,000	(10,000)	175,000
Infirmary Road	6.050%	9-1-92	12-1-12	140,000	(5,000)	135,000
Accrued Vacation & Sick Leave Benefits				<u>578,424</u>	<u>82,353</u>	<u>660,777</u>
Total				<u>\$1,047,424</u>	<u>\$ 52,353</u>	<u>\$ 1,099,777</u>

The City records accumulated unpaid vacation and vested sick leave benefits as accrued payroll when earned by employees. For Governmental Funds, the portion of the liability which is not currently due and payable is recorded in the General Long-Term Debt Account Group; for Proprietary Funds, as vacation and sick leave liabilities. Employees earn vacation time at varying rates depending upon length of service.

Special assessment bonds consist of street improvement projects which are payable from the proceeds of tax assessments against individual property owners. These special assessments are obligations of the City payable from proceeds of special assessments.

The City recognizes as a liability, one-half of the accumulated sick leave benefits payable upon retirement, earned by vested employees which exceed certain levels as determined by city policy or union contract and all the accumulated sick leave benefits payable upon retirement for those individuals eligible to retire.

The annual requirements of general governmental revenues to pay principal and interest on the long-term debt at December 31, 2000 are as follows:

<u>Year Ending December 31</u>	<u>Special Assessment Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
2001	31,000	30,275
2002	36,000	28,109
2003	42,000	25,511
2004	42,000	22,496
2005	43,000	19,481
2006	33,000	16,393
2007	34,000	14,167
2008-2012	<u>178,000</u>	<u>30,681</u>
Total	<u>\$439,000</u>	<u>\$187,113</u>

**CITY OF WEST CARROLLTON
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**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000
(Continued)**

9. FIXED ASSET BALANCES

A summary of balances in general fixed assets is as follows:

Category	Beginning Balance As of 1/1/00	Additions	Deletions	Ending Balance As of 12/31/00
Land	\$1,272,716	\$113,983	\$0	\$1,386,699
Building and Improvements	4,073,446	1,332,824	0	5,406,270
Machinery and Equipment	3,696,250	735,577	(345,056)	4,086,771
Total	\$9,042,412	\$2,182,384	(\$345,056)	\$10,879,740

A summary of balances of the Enterprise Fund fixed assets, which includes the Pool, Water, and Sewer Funds, is as follows:

Category	Cost Balance As of 1/1/00	Additions	Deletions	Accumulated Depreciation	Net Balance As of 12/31/00
Land	\$53,500	\$0	\$0	\$0	\$53,500
Building and Improvements	8,436,601	0	0	(4,879,808)	3,556,793
Machinery and Equipment	1,002,673	147,904	(63,029)	(830,509)	257,039
Infrastructure	7,757,971	140,797	0	(7,314,476)	584,292
Total	\$17,250,745	\$288,701	(63,029)	(\$13,024,793)	\$4,451,624

**CITY OF WEST CARROLLTON
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**NOTES TO THE FINANCIAL STATEMENTS
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10. POOLED CASH AND INVESTMENTS

The City maintains a cash and investment pool used by all funds. Each fund type's portion of this pool is displayed on the Combined Balance sheet as Pooled Cash and Investments.

Legal Requirements: Pursuant to Division (L) of Section 135.01, Ohio Revised Code, any municipal corporation which has adopted a charter under Article XVIII, Ohio Constitution, may, by ordinance, set forth special provisions respecting the deposit or investment of its public monies. The City of West Carrollton adopted ordinances No. 2973, dated April 11, 1995, approving policies and procedures for selecting depositories and making investments.

The Director of Finance may invest on behalf of and in the name of the City in the following instruments at a price not exceeding their fair value:

A. Government Securities

Negotiable direct obligations of the United States or obligations issued by federal agencies the principal and interest of which are unconditionally guaranteed by the United States, or bonds, notes, debentures, or other obligations or securities issued by any federal government agency, whether or not they are guaranteed by the United State.

B. Non-Negotiable Interest Bearing Time Certificates of Deposits and Savings Accounts

Non-Negotiable Interest Bearing Time Certificates of Deposits and savings accounts in banks organized under the laws of this State, National banks organized under the laws of the United States, doing business and situated in this State, and under Federal supervision, savings and loan associations located in this State and organized under Federal law and under Federal supervision, provided that such deposits and savings account are secured by collateral.

C. Repurchase Agreements and Reverse Purchase Agreements

Repurchase agreements of a bank or savings and loan association organized under the laws of the United States or any State thereof and Reverse Repurchase Agreements for negotiable direct obligations of the U.S., Federal agencies, and Federal instrumentalities of the following types:

1. U.S. Treasury bills and notes.
2. Government National Mortgage Association (GNMA).
3. Federal Farm Credit Bank obligations.
4. Federal Home Loan Bank obligations.

**CITY OF WEST CARROLLTON
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**NOTES TO THE FINANCIAL STATEMENTS
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(Continued)**

D. **Money Market Funds**

Money market funds whose portfolios consist of those instruments of governmental securities.

E. **Now Accounts**

Now Accounts, Super Now Accounts or any other similar account authorized by the Federal Reserve's Depository Institutions' Deregulation Committee.

F. **STAR Ohio**

The investment pool developed and managed by the Treasurer of the State of Ohio for the benefit of the State's subdivisions.

The Governmental Accounting Standards Board (GASB Statement No. 3) has established credit risk categories for deposits and investments as follows:

Category 1

-Investments that are insured or registered, or securities held by the City or its agent in the City's name.

-Deposits that are insured or collateralized with securities held by the City or its agent in the City's name.

Category 2

-Investments that are uninsured and unregistered with securities held by the counterparty's trust department or agent in the City's name.

-Deposits that are collateralized with securities held by the pledging financial institution's trust department or agent in the City's name.

Category 3

-Investments that are uninsured and unregistered with securities held by the counterparty, or by its trust department or agent but not in the City's name.

-Deposits that are un-collateralized or collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the City's name.

Deposits: At year-end, the carrying amount of the City's cash and deposits was \$689,771 and the bank balance was \$385,296. The amount of the bank balance covered by Federal Depository Insurance was \$200,000 (Category 1) with the remaining \$185,296 being collateralized by the financial institutions' public entity deposit pools (Category 3).

**CITY OF WEST CARROLLTON
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**NOTES TO THE FINANCIAL STATEMENTS
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Based on the above criteria, the City's deposits and investments at December 31, 2000 are classified as follows:

	Category 2	Category 3	Unclassified	Carrying/ Fair Value
Investments:				
Money Market Funds	\$0	\$0	\$381,678	\$381,678
STAR Ohio (1)	0	0	22,554	22,554
U S Treasury Notes	353,125	0	0	353,125
Government Obligations	6,738,035	0	0	6,738,035
Total Investments	\$7,091,160	\$381,678	\$22,554	\$7,495,392

(1) The City's deposits in the State Treasury Pool are not categorized because they are not evidenced by securities that exist in physical or book entry form.

11. JOINTLY-GOVERNED ORGANIZATION

The City is a member of the Miami Valley Risk Management Association (MVRMA) which is a jointly governed organization established as a joint insurance pool. As of December 31, 2000, the pool had sixteen members. This organization covers all property, crime, liability, boiler and machinery and public liability insurance. It is intended to provide broad based coverage up to the limits stated in note 4, with increased emphasis on safety and loss prevention and to create an opportunity for other local governments to participate.

MVRMA is a corporation governed by a sixteen-member board of trustees, consisting of a representative appointed by each of the member cities. The board of trustees elects the officers of the corporation, with each trustee having a single vote. The board is responsible for its own financial matters, and the corporation maintains its own book of account. Budgeting and financing of MVRMA is subject to the approval of the board. As of December 31, 2000, the participant cities were: Beavercreek, Blue Ash, Indian Hill, Kettering, Maderia, Mason, Miamisburg, Montgomery, Sidney, Springdale, Tipp City, Troy, Vandalia, West Carrollton, Wilmington, and Wyoming.

Member contributions are calculated annually to produce a sufficient sum of money within the self-insurance pool to fund administrative expenses of the association and to create adequate reserves for claims and unallocated loss adjustment expenses. West Carrollton's contribution for 2000 was \$115,410.

**CITY OF WEST CARROLLTON
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The City has no explicit and measurable equity interest in MVRMA and no ongoing financial responsibility for MVRMA.

The following is a summary of the MVRMA audited financial statements presented in conformity with generally accepted principles as of and for the year ended December 31, 2000:

Assets	<u>\$ 5,269,299</u>
Liabilities	3,606,375
Fund Equity	<u>1,662,924</u>
Total Liabilities and Fund Equity	<u>\$ 5,269,299</u>
Revenues	2,779,344
Expenses	<u>2,893,127</u>
Net Loss	(113,783)
Retained Earnings – Beginning of Year	<u>1,776,707</u>
Retained Earnings – End of Year	<u>\$ 1,662,924</u>

To obtain additional financial information write to Miami Valley Risk Management Association, Inc., at 4625 Presidential Way, Kettering, Ohio, 45429.

The City also is a member of the Miami/Valley Fire/EMS Alliance. It is a jointly governed organization among thirty townships, cities, and other public entities that formed on April 1, 1995. The jointly governed organization was formed for the purpose of fostering cooperation among the political subdivisions through the establishment of an organization that promotes and recommends matters that result in more efficient methods of delivering fire and emergency services in the region.

The legislative and advisory body is the assembly that is comprised of one delegate from each participating public subdivision. The degree of control exercised by any participating public subdivision is limited to its representation on the assembly, which elects the board of directors.

The board of directors exercises total control over the operation of the Alliance including budgeting, appropriating, contracting, and designating management and significant management control over CareNOW, a billing agent organized to manage health care costs. The five member board of directors consists of: one full-time and one volunteer fire department representative; two representatives from combined fire departments; and one representative from the City of Dayton fire department. Revenues are generated from Federal and State funding and an annual fee of \$ 0.24 per capita charged to participating subdivisions. The City paid \$3,409 to the Miami Valley

**CITY OF WEST CARROLLTON
MONTGOMERY COUNTY**

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

Fire/EMS Alliance during 2000. Financial information can be obtained by writing to Glen Alexander, Miami Valley Fire/EMS Alliance, 444 W. Third Street, Suite 13-204, Dayton, Ohio 45402.

12. ENTERPRISE FUND SEGMENT INFORMATION

Significant financial data for the service provided by the City which are intended to be financed by user charges for the year ending December 31, 2000 are as follows:

	<u>Water</u>	<u>Sewer</u>	<u>Pool</u>	<u>Total</u>
Operating Revenue	\$698,544	\$793,681	\$140,956	\$1,633,181
Operating Expenses	593,965	965,323	199,824	1,759,112
Depreciation	106,315	259,946	44,009	410,270
Operating Income (Loss)	178,571	(67,959)	(56,279)	54,333
Intergovernmental Revenue	0	0	0	0
Investment Earnings	73,992	103,683	2,589	180,264
Net Income (Loss)	178,571	(67,959)	(56,279)	54,333
Total Assets	2,699,695	4,327,707	685,389	7,712,791
Net Working Capital	1,333,547	1,849,175	23,280	3,206,002
Total Equity	2,635,609	4,287,588	684,241	7,607,438
Asset Additions	210,763	76,608	1,330	288,701

13. DUE TO/ FROM OTHER FUNDS

As of December 31, 2000, inter-fund receivables and payables resulting from various inter-fund transactions were as follows:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 9,805	
CIP	\$ 9,407	
Special Revenue Fund:		
Special Assessments Fund		\$ 19,212

**CITY OF WEST CARROLLTON
MONTGOMERY COUNTY**

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

	<u>Advance To Other Funds</u>	<u>Advance From Other Funds</u>
General Fund	\$ 12,052	
CIP	\$ 52,139	
Special Revenue Funds:		
Special Assessment Fund		\$ 64,191

14. **LEGAL COMPLIANCE**

Pursuant to Section 117.11 (A), Revised Code, the Auditors, Plattenburg and Associates, Inc., performed tests of compliance with various provisions of local, state and/or federal laws, as appropriate. The Auditor's report is included in a separate part of this presentation.

PLATTENBURG & ASSOCIATES, INC./CERTIFIED PUBLIC ACCOUNTANTS

8280 MONTGOMERY ROAD, SUITE 210/ CINCINNATI, OH 45236 • (513) 891-2722 • FAX (513) 891-2760
2211 SOUTH DIXIE AVENUE/ DAYTON, OH 45409 • (937) 294-1505 • FAX (937) 294-1507

**Report on compliance and on internal control over financial reporting
based on an audit of financial statements performed in accordance with
*Government Auditing Standards***

June 20, 2001

Honorable City Council
City of West Carrollton, Ohio

We have audited the general purpose financial statements of the City of West Carrollton, Ohio (the City), as of and for the year ended December 31, 2000, and have issued our report thereon dated June 20, 2001. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be

material weaknesses. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of management, the Auditor of State, and the Honorable City Council of the City of West Carrollton, Ohio, and is not intended to be and should not be used by anyone other than these specified parties.

Plattenburg & Associates, Inc.
Certified Public Accountants



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140
Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490

CITY OF WEST CARROLLTON

MONTGOMERY 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
JULY 31, 2001**