

**CITY OF OAKWOOD, OHIO**

**General Purpose Financial Statements**

**December 31, 1999**

**with**

**Independent Auditors' Report**

## CITY OF OAKWOOD, OHIO

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OFFICE OF THE AUDITOR

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Members of the City Council  
and City Manager  
City of Oakwood, Ohio

We have reviewed the independent auditor's report of the City of Oakwood, Montgomery County, prepared by Clark, Schaefer, Hackett & Co., Certified Public Accountants, for the audit period January 1, 1999 through December 31, 1999. 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 Oakwood is responsible for compliance with these laws and regulations.



JIM PETRO  
Auditor of State

July 18, 2000

Clark, Schaefer, Hackett & Co.  
CERTIFIED PUBLIC ACCOUNTANTS  
BUSINESS CONSULTANTS

Independent Auditors' Report

Members of the City Council  
and City Manager  
City of Oakwood, Ohio

We have audited the accompanying general-purpose financial statements of the City of Oakwood, Ohio, as of and for the year ended December 31, 1999, as listed in the table of contents. These general-purpose financial statements are the responsibility of the City of Oakwood's management. 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 of Oakwood, Ohio as of December 31, 1999, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2000 on our consideration of the City of Oakwood's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

*Clark, Schaefer, Hackett & Co.*

Springfield, Ohio  
June 23, 2000

**CITY OF OAKWOOD**

Combined Balance Sheet -  
All Fund Types and Account Groups

December 31, 1999

	Governmental Fund Types			
	General	Special Revenue	Capital Projects	Debt Service
Assets and other debits:				
Assets:				
Equity in pooled cash and cash equivalents	\$ 10,749,685	2,552,120	1,933,015	168,655
Cash and cash equivalents with fiscal agents	-	-	-	-
Receivables:				
Taxes	1,901,623	64,833	-	-
Accounts	-	18,640	-	-
Special assessments	-	119,511	26,882	-
Interest	242,771	9,583	-	-
Intergovernmental	410,001	14,689	-	-
Due from other funds	14,720	-	-	-
Prepaid items	15,010	8,005	-	-
Supplies inventory	8,960	49,721	-	-
Land	-	-	-	-
Improvements to land	-	-	-	-
Buildings	-	-	-	-
Equipment	-	-	-	-
Vehicles	-	-	-	-
Water and sewer lines	-	-	-	-
Construction in progress	-	-	-	-
Less: accumulated depreciation	-	-	-	-
Other debits:				
Amount available in general obligation bond retirement fund	-	-	-	-
Amount to be provided for retirement of general long term obligations	-	-	-	-
	\$ 13,342,770	2,837,102	1,959,897	168,655

See accompanying notes to the general purpose financial statements.

Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Totals
Enterprise	Internal Service	Expendable Trust and Agency	General Fixed Assets	General Long-Term Obligations	(Memorandum Only)
2,787,634	158,660	206,108	-	-	18,555,877
-	-	27,613	-	-	27,613
-	-	-	-	-	1,966,456
444,008	-	-	-	-	462,648
-	-	-	-	-	146,393
63,887	-	3,194	-	-	319,435
-	-	-	-	-	424,690
3,313	-	-	-	-	18,033
2,024	-	-	-	-	25,039
25,877	11,994	-	-	-	96,552
283,056	6,440	-	395,226	-	684,722
-	-	-	474,234	-	474,234
3,806,091	79,084	-	1,645,912	-	5,531,087
1,796,416	116,476	-	2,673,544	-	4,586,436
167,479	64,004	-	1,918,099	-	2,149,582
3,376,797	-	-	-	-	3,376,797
59,632	-	-	2,808,004	-	2,867,636
(3,948,696)	(177,206)	-	-	-	(4,125,902)
-	-	-	-	168,655	168,655
-	-	-	-	951,329	951,329
<u>8,867,518</u>	<u>259,452</u>	<u>236,915</u>	<u>9,915,019</u>	<u>1,119,984</u>	<u>38,707,312</u>

CITY OF OAKWOOD

Combined Balance Sheet -  
All Fund Types and Account Groups

December 31, 1999

	Governmental Fund Types			
	General	Special Revenue	Capital Projects	Debt Service
Liabilities, equity and other credits:				
Liabilities:				
Accounts payable	\$ 50,829	29,841	503	-
Contracts payable	889,459	-	-	-
Contracts payable - retainage	342,181	-	17,344	-
Accrued salaries payable	95,845	27,153	-	-
Accrued interest payable	68,542	-	-	-
Intergovernmental payable	59,741	36,329	-	-
Due to other funds	-	-	-	-
Undistributed monies	-	-	-	-
Deferred revenue	1,514,165	205,480	26,882	-
Compensated absences payable	6,987	2,519	-	-
Notes payable	3,000,000	-	-	-
Long-term notes payable	-	-	-	-
Police and fire pension liability	-	-	-	-
Total liabilities	<u>6,027,749</u>	<u>301,322</u>	<u>44,729</u>	<u>-</u>
Equity and other credits:				
Investment in general fixed assets	-	-	-	-
Contributed capital	-	-	-	-
Retained earnings:				
Unreserved	-	-	-	-
Fund balances:				
Reserved:				
For encumbrances	1,962,195	185,449	267,540	-
For supplies inventory	8,960	49,721	-	-
Unreserved:				
Designated	-	207,768	-	-
Undesignated	5,343,866	2,092,842	1,647,628	168,655
Total equity and other credits	<u>7,315,021</u>	<u>2,535,780</u>	<u>1,915,168</u>	<u>168,655</u>
Total liabilities, equity and other credits	<u>\$ 13,342,770</u>	<u>2,837,102</u>	<u>1,959,897</u>	<u>168,655</u>

See accompanying notes to the general purpose financial statements.

Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Totals
Enterprise	Internal Service	Expendable Trust and Agency	General Fixed Assets	General Long-Term Obligations	(Memorandum Only)
23,302	9,075	-	-	-	113,550
37,591	-	-	-	-	927,050
4,177	-	-	-	-	363,702
13,175	4,389	-	-	-	140,562
8,100	-	-	-	-	76,642
127,353	7,863	4,810	-	151,311	387,407
3,313	-	14,720	-	-	18,033
-	-	8,083	-	-	8,083
16,640	-	832	-	-	1,763,999
35,576	16,365	-	-	313,392	374,839
300,000	-	-	-	-	3,300,000
426,670	-	-	-	-	426,670
-	-	-	-	655,281	655,281
<u>995,897</u>	<u>37,692</u>	<u>28,445</u>	<u>-</u>	<u>1,119,984</u>	<u>8,555,818</u>
-	-	-	9,915,019	-	9,915,019
1,314,077	118,956	-	-	-	1,433,033
6,557,544	102,804	-	-	-	6,660,348
-	-	-	-	-	2,415,184
-	-	-	-	-	58,681
-	-	-	-	-	207,768
-	-	208,470	-	-	9,461,461
<u>7,871,621</u>	<u>221,760</u>	<u>208,470</u>	<u>9,915,019</u>	<u>-</u>	<u>30,151,494</u>
<u>8,867,518</u>	<u>259,452</u>	<u>236,915</u>	<u>9,915,019</u>	<u>1,119,984</u>	<u>38,707,312</u>



CITY OF OAKWOOD, OHIO

Combined Statement of Revenues, Expenditures and  
Changes in Fund Balances -  
All Governmental Fund Types and Expendable Trust Funds

For the Year Ended December 31, 1999

	Governmental Fund Types				Fiduciary Fund Type	Totals
	General	Special Revenue	Capital Projects	Debt Service	Expendable Trust	(Memorandum Only)
<b>Revenues:</b>						
Municipal income taxes	\$ 4,270,421	-	-	-	-	4,270,421
Property and other taxes	1,415,779	60,340	-	-	-	1,476,119
Intergovernmental	5,369,726	382,819	35,000	-	-	5,787,545
Special assessments	-	148,816	-	-	-	148,816
Charges for services	39,027	677,787	47,893	-	-	764,707
Fines, licenses and permits	155,908	5,320	-	-	-	161,228
Interest	447,381	8,887	-	-	3,971	460,239
Other	89,661	12,644	906	-	-	103,211
<b>Total revenues</b>	<b>11,787,903</b>	<b>1,296,613</b>	<b>83,799</b>	<b>-</b>	<b>3,971</b>	<b>13,172,286</b>
<b>Expenditures:</b>						
<b>Current:</b>						
Security of persons and property	2,718,979	223,309	-	-	-	2,942,288
Public health services	-	69,172	-	-	-	69,172
Leisure time activities	-	713,848	-	-	-	713,848
Community environment	326,105	986,233	-	-	-	1,312,338
Transportation	-	597,500	-	-	-	597,500
General government	1,643,257	-	1,695	350	-	1,645,302
Capital outlay	3,797,619	-	1,382,836	-	-	5,180,455
<b>Debt service:</b>						
Interest	68,542	-	-	-	-	68,542
<b>Total expenditures</b>	<b>8,554,502</b>	<b>2,590,062</b>	<b>1,384,531</b>	<b>350</b>	<b>-</b>	<b>12,529,445</b>
<b>Excess (deficiency) of revenues over/(under) expenditures</b>	<b>3,233,401</b>	<b>(1,293,449)</b>	<b>(1,300,732)</b>	<b>(350)</b>	<b>3,971</b>	<b>642,841</b>
<b>Other financing sources (uses):</b>						
Proceeds from sale of fixed assets	-	2,957	7,375	-	-	10,332
Operating transfers - in	-	2,360,580	1,486,190	-	-	3,846,770
Operating transfers - out	(3,160,562)	(825,099)	-	-	-	(3,985,661)
<b>Total other financing sources (uses)</b>	<b>(3,160,562)</b>	<b>1,538,438</b>	<b>1,493,565</b>	<b>-</b>	<b>-</b>	<b>(128,559)</b>
<b>Excess (deficiency) of revenues and other financing sources over/(under) expenditures and other financing uses</b>	<b>72,839</b>	<b>244,989</b>	<b>192,833</b>	<b>(350)</b>	<b>3,971</b>	<b>514,282</b>
<b>Fund balances, beginning of year</b>	<b>7,242,182</b>	<b>2,290,791</b>	<b>1,722,335</b>	<b>169,005</b>	<b>204,499</b>	<b>11,628,812</b>
<b>Fund balances, end of year</b>	<b>\$ 7,315,021</b>	<b>2,535,780</b>	<b>1,915,168</b>	<b>168,655</b>	<b>208,470</b>	<b>12,143,094</b>

See accompanying notes to the general purpose financial statements.

CITY OF OAKWOOD, OHIO

(continued)

Combined Statement of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual - Budgetary (Non-GAAP) Basis -  
All Governmental Fund Types and Expendable Trust Fund

For the Year Ended December 31, 1999

	General Fund			Special Revenue		
	Revised Budget	Actual	Variance: Favorable/ (Unfavorable)	Revised Budget	Actual	Variance: Favorable/ (Unfavorable)
<b>Revenues:</b>						
Municipal income taxes	\$ 3,995,455	4,188,754	193,299	-	-	-
Property and other taxes	1,409,466	1,415,779	6,313	60,161	60,340	179
Intergovernmental	5,332,774	5,449,183	116,409	361,508	382,700	21,192
Special assessments	-	-	-	142,000	148,816	6,816
Charges for services	33,952	39,027	5,075	633,850	677,787	43,937
Fines, licenses and permits	156,000	149,452	(6,548)	6,800	5,320	(1,480)
Donations	-	-	-	-	-	-
Interest	646,000	803,305	157,305	24,000	27,121	3,121
Other	77,625	89,661	12,036	10,100	12,644	2,544
<b>Total revenues</b>	<b>11,651,272</b>	<b>12,135,161</b>	<b>483,889</b>	<b>1,238,419</b>	<b>1,314,728</b>	<b>76,309</b>
<b>Expenditures:</b>						
<b>Current:</b>						
Security of persons and property	2,945,023	2,824,648	120,375	280,400	229,068	51,332
Public health services	-	-	-	88,298	77,015	11,283
Leisure time activities	-	-	-	929,283	819,924	109,359
Community environment	398,441	378,405	20,036	1,176,663	1,050,324	126,339
Transportation	-	-	-	737,339	674,958	62,381
General government	1,951,603	1,837,093	114,510	-	-	-
Capital outlay	5,592,638	5,579,912	12,726	-	-	-
<b>Debt service:</b>						
Principal retirement	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
<b>Total expenditures</b>	<b>10,887,705</b>	<b>10,620,058</b>	<b>267,647</b>	<b>3,211,983</b>	<b>2,851,289</b>	<b>360,694</b>
<b>Excess (deficiency) of revenues over/ (under) expenditures</b>	<b>763,567</b>	<b>1,515,103</b>	<b>751,536</b>	<b>(1,973,564)</b>	<b>(1,536,561)</b>	<b>437,003</b>
<b>Other financing sources (uses):</b>						
Proceeds from sale of fixed assets	-	-	-	-	2,957	2,957
Proceeds from sale of notes	3,000,000	3,000,000	-	-	-	-
Operating transfers - in	-	-	-	2,271,710	2,360,580	88,870
Operating transfers - out	(3,227,530)	(3,160,562)	66,968	(885,000)	(825,099)	59,901
<b>Total other financing sources (uses)</b>	<b>(227,530)</b>	<b>(160,562)</b>	<b>66,968</b>	<b>1,386,710</b>	<b>1,538,438</b>	<b>151,728</b>
<b>Excess (deficiency) of revenues and other financing sources over/(under) expenditures and other financing uses</b>	<b>536,037</b>	<b>1,354,541</b>	<b>818,504</b>	<b>(586,854)</b>	<b>1,877</b>	<b>588,731</b>
Fund balances, beginning of year	6,371,481	6,371,481	-	2,214,883	2,214,883	-
Prior year encumbrances appropriated	129,777	129,777	-	134,283	134,283	-
<b>Fund balances, end of year</b>	<b>\$ 7,037,295</b>	<b>7,855,799</b>	<b>818,504</b>	<b>1,762,312</b>	<b>2,351,043</b>	<b>588,731</b>

See accompanying notes to the general purpose financial statements.

CITY OF OAKWOOD, OHIO

(continued)

Combined Statement of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual - Budgetary (Non-GAAP) Basis -  
All Governmental Fund Types and Expendable Trust Fund

For the Year Ended December 31, 1999

	Capital Project Fund			Debt Service Fund		
	Revised Budget	Actual	Variance: Favorable/ (Unfavorable)	Revised Budget	Actual	Variance: Favorable/ (Unfavorable)
<b>Revenues:</b>						
Municipal income taxes	\$ -	-	-	-	-	-
Property and other taxes	-	-	-	-	-	-
Intergovernmental	101,000	35,000	(66,000)	-	-	-
Special assessments	-	-	-	-	-	-
Charges for services	65,000	47,893	(17,107)	-	-	-
Fines, licenses and permits	-	-	-	-	-	-
Donations	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Other	50	906	856	-	-	-
<b>Total revenues</b>	<b>166,050</b>	<b>83,799</b>	<b>(82,251)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Expenditures:</b>						
<b>Current:</b>						
Security of persons and property	102,331	82,231	20,100	-	-	-
Public health services	-	-	-	-	-	-
Leisure time activities	-	-	-	-	-	-
Community environment	-	-	-	-	-	-
Transportation	-	-	-	-	-	-
General government	2,496	1,541	955	350	350	-
Capital outlay	1,732,972	1,586,041	146,931	-	-	-
<b>Debt service:</b>						
Principal retirement	-	-	-	433,950	425,859	8,091
Interest and fiscal charges	-	-	-	16,050	15,712	338
<b>Total expenditures</b>	<b>1,837,799</b>	<b>1,669,813</b>	<b>167,986</b>	<b>450,350</b>	<b>441,921</b>	<b>8,429</b>
<b>Excess (deficiency) of revenues over/ (under) expenditures</b>	<b>(1,671,749)</b>	<b>(1,586,014)</b>	<b>85,735</b>	<b>(450,350)</b>	<b>(441,921)</b>	<b>8,429</b>
<b>Other financing sources (uses):</b>						
Proceeds from sale of fixed assets	5,000	7,375	2,375	-	-	-
Proceeds from sale of notes	-	-	-	-	-	-
Operating transfers - in	1,302,300	1,486,190	183,890	441,592	441,571	(21)
Operating transfers - out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>1,307,300</b>	<b>1,493,565</b>	<b>186,265</b>	<b>441,592</b>	<b>441,571</b>	<b>(21)</b>
<b>Excess (deficiency) of revenues and other financing sources over/(under) expenditures and other financing uses</b>	<b>(364,449)</b>	<b>(92,449)</b>	<b>272,000</b>	<b>(8,758)</b>	<b>(350)</b>	<b>8,408</b>
Fund balances, beginning of year	1,630,704	1,630,704	-	168,654	168,654	-
Prior year encumbrances appropriated	111,299	111,299	-	350	350	-
<b>Fund balances, end of year</b>	<b>\$ 1,377,554</b>	<b>1,649,554</b>	<b>272,000</b>	<b>160,246</b>	<b>168,654</b>	<b>8,408</b>

See accompanying notes to the general purpose financial statements.

CITY OF OAKWOOD, OHIO

Combined Statement of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual - Budgetary (Non-GAAP) Basis -  
All Governmental Fund Types and Expendable Trust Fund

For the Year Ended December 31, 1999

	Expendable Trust Fund			Totals (Memorandum Only)		
	Revised Budget	Actual	Variance: Favorable/ (Unfavorable)	Revised Budget	Actual	Variance: Favorable/ (Unfavorable)
<b>Revenues:</b>						
Municipal income taxes	\$ -	-	-	3,995,455	4,188,754	193,299
Property and other taxes	-	-	-	1,469,627	1,476,119	6,492
Intergovernmental	-	-	-	5,795,282	5,866,883	71,601
Special assessments	-	-	-	142,000	148,816	6,816
Charges for services	-	-	-	732,802	764,707	31,905
Fines, licenses and permits	-	-	-	162,800	154,772	(8,028)
Donations	10,000	10,720	720	10,000	10,720	720
Interest	-	-	-	670,000	830,426	160,426
Other	-	-	-	87,775	103,211	15,436
<b>Total revenues</b>	<b>10,000</b>	<b>10,720</b>	<b>720</b>	<b>13,065,741</b>	<b>13,544,408</b>	<b>478,667</b>
<b>Expenditures:</b>						
<b>Current:</b>						
Security of persons and property	-	-	-	3,327,754	3,135,947	191,807
Public health services	-	-	-	88,298	77,015	11,283
Leisure time activities	-	-	-	929,283	819,924	109,359
Community environment	-	-	-	1,575,104	1,428,729	146,375
Transportation	-	-	-	737,339	674,958	62,381
General government	-	-	-	1,954,449	1,838,984	115,465
Capital outlay	-	-	-	7,325,610	7,165,953	159,657
<b>Debt service:</b>						
Principal retirement	-	-	-	433,950	425,859	8,091
Interest and fiscal charges	-	-	-	16,050	15,712	338
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16,387,837</b>	<b>15,583,081</b>	<b>804,756</b>
<b>Excess (deficiency) of revenues over/ (under) expenditures</b>	<b>10,000</b>	<b>- 10,720</b>	<b>720</b>	<b>(3,322,096)</b>	<b>(2,038,673)</b>	<b>1,283,423</b>
<b>Other financing sources (uses):</b>						
Proceeds from sale of fixed assets	-	-	-	5,000	10,332	5,332
Proceeds from sale of notes	-	-	-	3,000,000	3,000,000	-
Operating transfers - in	-	-	-	4,015,602	4,288,341	272,739
Operating transfers - out	-	-	-	(4,112,530)	(3,985,661)	126,869
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,908,072</b>	<b>3,313,012</b>	<b>404,940</b>
<b>Excess (deficiency) of revenues and other financing sources over/(under) expenditures and other financing uses</b>	<b>10,000</b>	<b>10,720</b>	<b>720</b>	<b>(414,024)</b>	<b>1,274,339</b>	<b>1,688,363</b>
<b>Fund balances, beginning of year</b>	<b>200,474</b>	<b>200,474</b>	<b>-</b>	<b>10,586,196</b>	<b>10,586,196</b>	<b>-</b>
<b>Prior year encumbrances appropriated</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>375,709</b>	<b>375,709</b>	<b>-</b>
<b>Fund balances, end of year</b>	<b>\$ 210,474</b>	<b>211,194</b>	<b>720</b>	<b>10,547,881</b>	<b>12,236,244</b>	<b>1,688,363</b>

See accompanying notes to the general purpose financial statements.

**CITY OF OAKWOOD, OHIO**

Combined Statement of Revenues, Expenses and  
Changes in Retained Earnings -  
All Proprietary Fund Types

For the Year Ended December 31, 1999

	Proprietary Fund Types		Totals
	Enterprise	Internal Service	(Memorandum Only)
<i>Operating revenues:</i>			
Charges for services	\$ 2,192,363	221,380	2,413,743
Other	9,484	1,260	10,744
<b>Total operating revenues</b>	<b>2,201,847</b>	<b>222,640</b>	<b>2,424,487</b>
<i>Operating expenses:</i>			
Personal services	505,694	189,335	695,029
Contractual services	1,106,759	20,929	1,127,688
Supplies and materials	64,086	127,900	191,986
Claims	-	11,409	11,409
Depreciation	192,006	15,345	207,351
<b>Total operating expenses</b>	<b>1,868,545</b>	<b>364,918</b>	<b>2,233,463</b>
<b>Operating income (loss)</b>	<b>333,302</b>	<b>(142,278)</b>	<b>191,024</b>
<i>Non-operating revenues (expenses):</i>			
Interest	37,685	-	37,685
Interest and fiscal charges	(11,962)	-	(11,962)
<b>Total non-operating revenues (expenses)</b>	<b>25,723</b>	<b>-</b>	<b>25,723</b>
<b>Net income (loss) before operating transfers</b>	<b>359,025</b>	<b>(142,278)</b>	<b>216,747</b>
Operating transfer - in	4,598	156,056	160,654
Operating transfer - out	(21,763)	-	(21,763)
<b>Net income</b>	<b>341,860</b>	<b>13,778</b>	<b>355,638</b>
<b>Retained earnings, beginning of year</b>	<b>6,215,684</b>	<b>89,026</b>	<b>6,304,710</b>
<b>Retained earnings, end of year</b>	<b>\$ 6,557,544</b>	<b>102,804</b>	<b>6,660,348</b>

See accompanying notes to the general purpose financial statements.

## CITY OF OAKWOOD, OHIO

(continued)

Combined Statement of Revenues, Expenses and Changes in  
Fund Equity - Budget and Actual - Budgetary (Non-GAAP) Basis -  
All Proprietary Fund Types

For the Year Ended December 31, 1999

	Enterprise Funds			Internal Service Fund		
	Revised Budget	Actual	Variance: Favorable/ (Unfavorable)	Revised Budget	Actual	Variance: Favorable/ (Unfavorable)
Revenues:						
Charges for services	\$ 1,987,250	2,178,533	191,283	234,110	221,380	(12,730)
Other	3,400	9,484	6,084	1,300	1,260	(40)
Interest	40,000	130,396	90,396	-	-	-
Proceeds from sale of notes	300,000	300,000	-	-	-	-
Total revenues	<u>2,330,650</u>	<u>2,618,413</u>	<u>287,763</u>	<u>235,410</u>	<u>222,640</u>	<u>(12,770)</u>
Expenses:						
Personal services	526,099	512,518	13,581	231,563	195,566	35,997
Contractual services	1,257,659	1,173,078	84,581	27,944	21,729	6,215
Materials and supplies	98,309	91,989	6,320	218,737	170,088	48,649
Claims	-	-	-	12,010	11,409	601
Capital outlay	234,943	188,478	46,465	-	-	-
Total expenses	<u>2,117,010</u>	<u>1,966,063</u>	<u>150,947</u>	<u>490,254</u>	<u>398,792</u>	<u>91,462</u>
Excess (deficiency) of revenues over/ (under) expenses before transfers	<u>213,640</u>	<u>652,350</u>	<u>438,710</u>	<u>(254,844)</u>	<u>(176,152)</u>	<u>78,692</u>
Operating transfers - in	-	-	-	208,000	156,056	(51,944)
Operating transfers - out	<u>(485,000)</u>	<u>(458,736)</u>	<u>26,264</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over/ (under) expenses and transfers	<u>(271,360)</u>	<u>193,614</u>	<u>464,974</u>	<u>(46,844)</u>	<u>(20,096)</u>	<u>26,748</u>
Fund equity, beginning of year	2,296,722	2,296,722	-	103,679	103,679	-
Prior year encumbrances appropriated	<u>87,012</u>	<u>87,012</u>	<u>-</u>	<u>27,248</u>	<u>27,248</u>	<u>-</u>
Fund equity, end of year	<u>\$ 2,112,374</u>	<u>2,577,348</u>	<u>464,974</u>	<u>84,083</u>	<u>110,831</u>	<u>26,748</u>

See accompanying notes to the general purpose financial statements.

**CITY OF OAKWOOD, OHIO**

Combined Statement of Revenues, Expenses and Changes in  
Fund Equity - Budget and Actual - Budgetary (Non-GAAP) Basis -  
All Proprietary Fund Types

For the Year Ended December 31, 1999

	<u>Totals (Memorandum Only)</u>		
	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable/ (Unfavorable)</u>
<b>Revenues:</b>			
Charges for services	\$ 2,221,360	\$ 2,399,913	178,553
Other	4,700	10,744	6,044
Interest	40,000	130,396	90,396
Proceeds from sale of notes	300,000	300,000	-
	<u>2,566,060</u>	<u>2,841,053</u>	<u>274,993</u>
<b>Expenses:</b>			
Personal services	757,662	708,084	49,578
Contractual services	1,285,603	1,194,807	90,796
Materials and supplies	317,046	262,077	54,969
Claims	12,010	11,409	601
Capital outlay	234,943	188,478	46,465
	<u>2,607,264</u>	<u>2,364,855</u>	<u>242,409</u>
Excess (deficiency) of revenues over/ (under) expenses before transfers	<u>(41,204)</u>	<u>476,198</u>	<u>517,402</u>
Operating transfers - in	208,000	156,056	(51,944)
Operating transfers - out	<u>(485,000)</u>	<u>(458,736)</u>	<u>26,264</u>
Excess (deficiency) of revenues over/ (under) expenses and transfers	(318,204)	173,518	491,722
Fund equity, beginning of year	2,400,401	2,400,401	-
Prior year encumbrances appropriated	<u>114,260</u>	<u>114,260</u>	<u>-</u>
Fund equity, end of year	<u>\$ 2,196,457</u>	<u>\$ 2,688,179</u>	<u>491,722</u>

See accompanying notes to the general purpose financial statements.

CITY OF OAKWOOD, OHIO

(continued)

Combined Statement of Cash Flows -  
All Proprietary Fund Types

For the Year Ended December 31, 1999

	Proprietary Fund Type		Totals
	Enterprise	Internal Service	(Memorandum Only)
Cash flows from operating activities:			
Cash received from customers	\$ 2,188,017	-	2,188,017
Cash received from quasi-external transactions with other funds	-	222,640	222,640
Cash payments to employees for services and benefits	(512,302)	(195,417)	(707,719)
Cash payments to suppliers for goods and services	(1,081,622)	(144,137)	(1,225,759)
Cash payments for employee medical and life insurance claims	-	(11,409)	(11,409)
Net cash provided (used) by operating activities	<u>594,093</u>	<u>(128,323)</u>	<u>465,770</u>
Cash flows provided from noncapital financing activities:			
Operating transfers - in	-	156,056	156,056
Operating transfers - out	(43,024)	-	(43,024)
Net cash provided (used) by noncapital financing activities	<u>(43,024)</u>	<u>156,056</u>	<u>113,032</u>
Cash flows from capital and related financing activities:			
Acquisition of capital assets	(60,288)	-	(60,288)
Proceeds from sale of notes	300,000	-	300,000
Principal paid on notes payable	(400,000)	-	(400,000)
Interest paid on notes payable	(15,712)	-	(15,712)
Net cash used in capital and related financing activities	<u>(176,000)</u>	<u>-</u>	<u>(176,000)</u>
Cash flows from investing activities:			
Interest and dividends on investments	<u>28,680</u>	<u>-</u>	<u>28,680</u>
Net cash provided by investing activities	<u>28,680</u>	<u>-</u>	<u>28,680</u>
Net increase in cash and cash equivalents	403,749	27,733	431,482
Cash and cash equivalents beginning of year	<u>2,383,885</u>	<u>130,927</u>	<u>2,514,812</u>
Cash and cash equivalents end of year	<u>\$ 2,787,634</u>	<u>158,660</u>	<u>2,946,294</u>

See accompanying notes to the general purpose financial statements.



CITY OF OAKWOOD, OHIO

Combined Statement of Cash Flows -  
All Proprietary Fund Types

For the Year Ended December 31, 1999

	Proprietary Fund Type		Totals
	Enterprise	Internal Service	(Memorandum Only)
Reconciliation of operating income (loss) to net cash provided by operating activities:			
Operating income (loss)	\$ 333,302	(142,278)	191,024
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities			
Depreciation	192,006	15,345	207,351
Changes in assets and liabilities:			
Increase in accounts receivable	(13,830)	-	(13,830)
Increase in prepaid items	(18)	4,692	4,674
Decrease in accounts payable	(9,859)	-	(9,859)
Increase in contracts payable	37,591	-	37,591
Increase in contracts payable retainage	3,177	-	3,177
Increase in accrued salaries	2,122	598	2,720
Increase in intergovernmental payable	45,247	(5,654)	39,593
Increase in compensated absences payable	4,355	(1,026)	3,329
Net cash provided (used) by operating activities	\$ <u>594,093</u>	<u>(128,323)</u>	<u>465,770</u>

Noncash Capital Financing Activities:

Other funds of the City contributed fixed assets in the amount of \$22,575 to the Service Center.

See accompanying notes to the general purpose financial statements.

## CITY OF OAKWOOD

### Notes to the General Purpose Financial Statements

#### 1. Reporting Entity And Basis Of Presentation:

The City of Oakwood (the "City") is a charter municipal corporation operating under the laws of the State of Ohio. The City was incorporated on July 15, 1907. A charter was first adopted on July 1, 1960.

The municipal government provided by the charter is known as a Council-Manager form of government. Legislative power is vested in a five-member council, each elected to four-year terms. The council appoints the Mayor and City Manager. The City Manager is the chief executive officer and the head of the administrative agencies of the City. The City Manager appoints all department heads and employees, except as otherwise provided in the charter.

#### Reporting Entity

The reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements of the City are not misleading.

The primary government consists of all funds and departments which provide various services including police and fire protection, rescue squad, parks and recreation, planning, zoning, street maintenance and repair, community development, public health and welfare, water, sewer and refuse collection. Council and the City Manager are directly responsible for these activities.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing body and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Component units may also include organizations for which the City approves the budget, the issuance of debt or the levying of taxes. No component units were present in 1999.

The following potential component units have been excluded from the City's financial statements because the City is not financially accountable for them and the entities are not fiscally dependent on the City:

The Wright Public Library is a distinct political subdivision of the State of Ohio governed by a board of trustees. The board of trustees possesses its own contracting and budgeting authority, hires and fires personnel and does not depend on the City for operational subsidies. Being a school district library, the Oakwood City School District is the taxing authority for the library.

Oakwood City School District is a distinct political subdivision of the State of Ohio operated under the direction of an elected school board which possesses its own budgeting and taxing authority and which is not fiscally dependent on the City.

The Oakwood Municipal Court has been included in the City's financial statements as an agency fund. The clerk of courts has a fiduciary responsibility for the collection and distribution of court fees and fines.

The Board of Health, a five-member board, was created by city charter and is included in the City's financial statements as a special revenue fund. The members are qualified electors of the City, appointed by the City Manager. The Health Commissioner, appointed by the City Manager, is in charge of all activities concerning the health of the community. The City provides total financial support with a small subsidy received from the Ohio Department of Health.

#### Basis of Presentation - Fund Accounting

The City uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain City functions or activities.

A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. An account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable and available financial resources.

For financial statement presentation purposes, the various funds of the City are grouped into the following generic fund types under the broad fund categories governmental, proprietary and fiduciary.

#### Governmental Fund Types

Governmental funds are those through which most governmental functions typically are financed. The acquisition, use and balances of the City's expendable financial resources and the related current liabilities (except those accounted for in proprietary funds) are accounted for through governmental funds. The following are the City's governmental fund types.

General Fund - This fund is the operating fund of the City and is used to account for all financial resources except those required to be accounted for in another fund. The general fund balance is available to the City for any purpose provided it is expended or transferred according to the general laws of Ohio and the charter of the City.

Special Revenue Funds - These funds are established to account for the proceeds of specific revenue sources (other than amounts relating to expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

Capital Projects Funds - These funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

Debt Service Funds - These funds are used to account for the accumulation of resources for, and the payment of, general long-term and special assessment debt principal and interest.

## Proprietary Fund Types

The proprietary funds are used to account for the City's ongoing activities that are similar to those found in the private sector. The following are the City's proprietary fund types:

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

Internal Service Funds - These funds are used to account for the financing of services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis.

## Fiduciary Funds

Fiduciary funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments and other funds. The City's fiduciary funds include expendable trust funds and agency funds. Expendable trust funds are accounted for in essentially the same manner as governmental funds. Agency funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations.

## Account Groups

To make a clear distinction between fixed assets related to specific funds and those of general government, and between long-term liabilities related to specific funds and those of a general nature, the following account groups are used:

General Fixed Assets Account Group - This account group is used to account for all general fixed assets of the City other than those accounted for in proprietary or trust funds.

General Long-Term Obligations Account Group - This account group is used to account for all unmatured general long-term indebtedness of the City that is not a specific liability of the proprietary or trust funds, including special assessment debt for which the City is obligated in some manner.

## 2. Summary Of Significant Accounting Policies:

The significant accounting policies followed in the preparation of these financial statements are summarized below. These policies conform to generally accepted accounting principles (GAAP) for local governmental units as prescribed in the statements issued by the Governmental Accounting Standards Board and other recognized authoritative sources.

### Measurement Focus and Basis of Accounting

The accounting and reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types and expendable trust funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds

present increases (i.e. revenues and other financing sources) and decreases (i.e. expenditures and other financing uses) in net current assets.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e. net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (e.g. revenues) and decreases (e.g. expenses) in net total assets.

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.

All governmental fund types, expendable trust funds and agency funds are accounted for using the modified accrual basis of accounting. Under this basis, revenues are recognized in the accounting period when they become both measurable and available. Measurable means the amount of the transaction can be determined and available means collectible within the current fiscal year or soon enough thereafter to be used to pay liabilities of the current year. The available period for the City is thirty-one days after year-end.

Under the modified accrual basis, the following revenue sources are deemed susceptible to accrual: investment earnings, state-levied locally shared taxes (including gasoline tax), fines, licenses and permits, and income tax.

The City reports deferred revenues in its combined balance sheet. Deferred revenues arise when potential revenues do not meet both the measurable and available criteria for recognition in the current period. In a subsequent period, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized. Current and delinquent property taxes measurable as of December 31, 1999, whose availability is indeterminate and which are not intended to finance current period obligations, have been recorded as a receivable and deferred revenue. Levied special assessments are measurable, and have been recorded as a receivable. Since all assessments are due outside the available period, the entire amount has been deferred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are recorded when the related fund liability is incurred, if measurable. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year. The costs of accumulated unpaid vacation and sick leave are reported as fund liabilities in the period in which they will be liquidated with available financial resources rather than in the period earned by employees. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

The accrual basis of accounting is utilized for reporting purposes by the proprietary funds. Revenues are recognized when they are earned and become measurable and expenses are recognized when incurred, if measurable. Unbilled service charges receivable is recognized as revenue at year-end.

## Budgets and Budgetary Accounting

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, certificate of estimated resources, and the appropriation ordinance, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriation ordinance are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than agency funds, are legally required to be budgeted and appropriated. The primary level of budgetary control is at the object level (personal services and other) within each department. Budgetary modification may be made only by resolution of the City Council.

### Budget

A tax budget of estimated revenues and expenditures for all funds 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.

### Estimated Resources

The County Budget Commission determines if the budget substantiates a need to levy all or part of previously authorized taxes and revises estimated revenues. The 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 revenue of each fund. Prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the appropriation ordinance. On or about January 1, the certificate of estimated resources is amended to include unencumbered fund balances at December 31 of the preceding year. The certificate may be further amended during the year if the fiscal officer determines that the revenue collected is greater or less than the current estimates. The amounts reported on the budgetary statement reflect the amounts in the final amended official certificate of estimated resources issued during 1999.

### Appropriations

A temporary appropriation measure to control expenditures may be passed on or about January 1 of each year for the period from January 1 to March 31. The annual appropriation ordinance must be passed by April 1 of each year for the period January 1 to December 31. The appropriation ordinance generally controls expenditures at the departmental level by personal services and other expenditures and may be amended or supplemented only by council during the year as required. During the year, one supplemental appropriation measure was legally passed. The budget figures, which appear in the statements of budgetary comparisons, represent the final appropriation amounts, including all amendments and modifications.

### Encumbrances

As part of formal budgetary control, purchase orders, contracts and other commitments for the expenditure of monies are recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. The Ohio Revised Code prohibits expenditures plus encumbrances from exceeding appropriations. On the GAAP basis, encumbrances outstanding

at year-end are reported as reservations of fund balances for subsequent-year expenditure for governmental funds and reported in the notes to the general-purpose financial statements for proprietary funds.

#### Lapsing of Appropriations

At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the succeeding fiscal year and is not reappropriated.

#### Cash and Cash Equivalents

To improve cash management, cash received by the City is pooled. Money for all funds, including proprietary funds, are maintained in this pool. Individual fund integrity is maintained through the City's records. Each fund's interest in the pooled bank account is presented as "Equity in Pooled Cash and Cash Equivalents" on the combined balance sheet.

During 1999, investments were limited to a certificate of deposit, STAROhio and various federal securities. STAROhio is an investment pool managed by the State of Ohio's Treasurer's Office, which allows governments within Ohio to pool their funds for investment purposes. STAROhio is not registered with the Securities and Exchange Commission (SEC) as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price, which is the price the investment could be sold for on December 31, 1999.

The certificate of deposit and federal securities are valued at fair market value, which is based upon quoted market prices.

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 and investments of the cash management pool are considered to be cash equivalents.

Interest income is distributed to the funds according to charter and statutory requirements. Interest revenue earned during 1999 amounted to \$1,006,505. This amount was reduced by \$508,581 to reflect the market value of the City's investments as required under Governmental Accounting Standards Board (GASB) Statement No. 31 "Accounting and Financial Reporting for Certain Investments and for External Investment Pools."

#### Supplies Inventory

Inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. The costs of inventory items are recorded as expenditures in the governmental fund types when purchased and as expenses in the proprietary fund types when used. Reported supplies inventory is equally offset by a fund balance reserve in the governmental funds which indicates that it does not constitute available spendable resources even though it is a component of net current assets.

### Short-Term Interfund Receivables/Payables

Receivables and payables resulting from transactions between funds for services provided or goods received are classified as "due from other funds" and "due to other funds" on the balance sheet.

### Fixed Assets and Depreciation

The fixed asset values were initially determined at December 31, 1990 assigning original acquisition costs when such information was available. In cases where information supporting original costs was not available, estimated historical costs were developed. For certain fixed assets, the estimates were determined by indexing estimated current costs back to the estimated year of acquisition. Donated fixed assets are capitalized at fair value on the date donated. Subsequent to December 31, 1990, both proprietary and general fixed assets are stated at historical cost.

#### General Fixed Assets

General fixed assets (fixed assets used in governmental fund type operations) are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. Assets in the general fixed assets account group are not depreciated.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements, which extend the useful life or increase the capacity or operating efficiency are capitalized at cost in the general fixed assets account group.

Public domain (infrastructure) general fixed assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems are not capitalized or reported as these assets are immovable and of value only to the government.

#### Proprietary Fund Fixed Assets

Fixed assets associated with the enterprise funds are accounted for in those funds. Depreciation is calculated using the straight-line method over the assets' estimated useful life. The assets of the enterprise funds are depreciated on the following basis:

Buildings	50 years
Land improvements other than buildings	10-15 years
Equipment	10-20 years
Vehicles	5-20 years
Infrastructure:	
Sewer and Water Lines	50 years

#### Compensated Absences

Vacation leave accumulated by employees is accrued as a liability as the benefits are earned when both of these conditions are met:

1. The employees' rights to receive compensation are attributable to services already rendered.



2. It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

A liability for sick leave is accrued based on guidelines set forth in GASB Statement No. 16 "Accounting for Compensated Absences". The vesting method was implemented and states that the City will estimate its liability based on sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments as specified by the retirement system as well as other employees who are expected to become eligible in the future to receive such payments. The amount is based on accumulated sick leave and employees' wage rates at year-end, taking into consideration any limits specified in the City's termination policy.

For governmental funds, the City records a liability for accumulated, unpaid vacation and sick leave for eligible employees in the period in which the employee becomes eligible to receive payment. The current portion of unpaid compensated absences is the amount expected to be paid using expendable available resources. This amount is recorded as a fund liability, while the balance of the liability is recorded in the general long-term obligations account group.

In proprietary funds, compensated absences are expensed when earned. The entire amount of unpaid compensated absences is reported as a fund liability.

### Long-Term Obligations

Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the general long-term obligations account group. Long-term liabilities expected to be financed from proprietary fund operations are accounted for in those funds.

Under Ohio Law, a debt retirement fund must be created and used for the payment of all debt principal and interest. Generally accepted accounting principles require the allocation of the debt liability among the capital projects and the enterprise funds, and the general long-term obligations account group, with principal and interest payments on matured general obligation long-term debt being reported in the debt service fund. To comply with GAAP reporting requirements, the City's debt retirement fund has been split among the appropriate funds and account group. Debt service fund resources used to pay both principal and interest have also been allocated accordingly.

Long-term liabilities are being repaid from the following funds:

<u>Obligation</u>	<u>Fund</u>
General Obligation Bonds	General Obligation Bond Retirement Debt Service Fund
Special Assessment Bonds	General Obligation Bond Retirement Debt Service Fund
Police Pension Liability	General Fund
Compensated Absences	Will be paid by the fund from which the employees salary is paid.
Intergovernmental Payable (Pension Liability)	Will be paid by the fund from which the employees salary is paid.

### Contributed Capital

Contributed capital represents resources from other funds, federal and state grants, other governments, and private sources provided to the City's proprietary funds which are not subject to repayment.

Because the City, prior to 1991, had not prepared its financial statements in accordance with generally accepted accounting principles, the exact amount of contributed capital pertaining to years prior to 1991 cannot be determined. Only those amounts that could be specifically identified have been classified as contributed capital in the accompanying general-purpose financial statements.

### Reservations and Designation of Fund Equity

Reservations of fund balances are established to identify the existence of assets that, because of their non-monetary nature or lack of liquidity, represent financial resources not available for current appropriation or expenditure or the portion of fund balance that is legally segregated for a specific future use. Fund balances have been reserved for encumbrances and supplies inventory. The designation of fund balance in the special revenue fund type is for the purpose of restricting, as required by city council, Smith Memorial Garden assets for the future maintenance of the grounds.

### Intergovernmental Revenues

In governmental funds, grants awarded on a non-reimbursement basis, shared revenues, and entitlements are recorded as intergovernmental receivables and revenues when measurable and available. Reimbursable grants are recorded as intergovernmental receivables and revenues when the related expenditures are made.

Grants received for proprietary fund operations are recognized as revenues when measurable and earned. Such resources restricted for the construction of capital assets are recorded as contributed capital.

### Interfund Transactions

Quasi-external transactions are accounted for as revenues, expenditures or expenses. 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 interfund transactions are reported as operating transfers. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers.

### Self-Insurance Fund

The City has created a self-insurance internal service fund for the purpose of paying employee health benefits. Contributions to the fund are made in lieu of insurance premium payments. In 1995, the City discontinued the self-insurance program for health benefits. Premiums are now paid to a private insurance carrier that provides coverage. The self-insurance fund will continue to pay for vision benefits.

## Financial Disclosures

The City's financial statements have been prepared in accordance with Governmental Accounting Standards Board (GASB) Statement 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting*. The City accounts for its proprietary activities in accordance with all applicable GASB pronouncements, as well as pronouncements of the Financial Accounting Standards Board (FASB) and its predecessors issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

## Total Columns on General Purpose Financial Statements

Total columns on the General Purpose Financial Statements overview 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 cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

### 3. Budget To GAAP Reconciliation:

#### Budgetary Basis of Accounting

While reporting financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis, as provided by law requires accounting for certain transactions on the basis of cash receipts, disbursements, appropriations and encumbrances. The Ohio Revised Code prohibits expenditures plus encumbrances from exceeding appropriations.

The Combined Statement of Revenues, Expenditures and Changes in Fund Balances, Budget and Actual, Budgetary (Non-GAAP) Basis, All Governmental Fund Types and Expendable Trust Fund and the Combined Statement of Revenues, Expenses and Changes in Fund Equity, Budget and Actual, Budgetary (Non-GAAP) Basis, All Proprietary Fund Types are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are that:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures/expenses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Outstanding year-end encumbrances are treated as expenditures/expenses (budget basis) rather than as a reservation of fund balance for governmental fund types or note disclosure for proprietary fund types (GAAP basis).
4. Proceeds from and principal payments on short-term note obligations are reported on the operating statement (budget basis) rather than as balance sheet transactions (GAAP basis).

The adjustments necessary to convert the results of operations for the year ended December 31, 1999 on the GAAP basis to the budget basis are as follows:

Excess (Deficiency) of Revenues and  
Other Financing Sources Over/(Under)  
Expenditures and Other Financing Uses

Governmental Fund Types and Expendable Trust Fund

	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Revenue</u> <u>Funds</u>	<u>Capital</u> <u>Projects</u> <u>Funds</u>	<u>Debt</u> <u>Service</u> <u>Fund</u>	<u>Expendable</u> <u>Trust</u> <u>Fund</u>
GAAP basis	\$ 72,839	244,989	192,833	(350)	3,971
Revenue accruals	347,258	18,115	-	-	6,749
Expenditure accruals	1,109,336	(42,362)	(1,821)	-	-
Encumbrances	(3,243,434)	(218,865)	(283,461)	-	-
Debt principal payments	-	-	-	(425,859)	-
Debt interest payments	68,542	-	-	(15,712)	-
Note proceeds	3,000,000	-	-	-	-
Transfers-in	-	-	-	441,571	-
Budget basis	\$ <u>1,354,541</u>	<u>1,877</u>	<u>(92,449)</u>	<u>(350)</u>	<u>10,720</u>

Net Income /Excess of Revenues Over  
Expenses and Operating Transfers

Proprietary Fund Types

	<u>Enterprise</u>	<u>Internal</u> <u>Service</u>
GAAP basis (as reported)	\$ 341,860	13,778
Adjustments:		
Revenue accruals	78,881	-
Expense accruals	222,768	(1,390)
Capital outlay	(188,478)	-
Depreciation	192,006	15,345
Encumbrances	(311,852)	(47,829)
Note proceeds	300,000	-
Transfers-in (out)	<u>(441,571)</u>	<u>-</u>
Budget basis	\$ <u>193,614</u>	<u>(20,096)</u>

4. Deposits and Investments:

Policies and Procedures

Monies of substantially all funds of the City are maintained or invested in a common group of bank accounts, STAROhio, a certificate of deposit and various federal securities. This is done in order to maximize the rate of interest that can be earned on invested funds. Interest income is distributed to the funds according to the charter and statutory requirements.

The provisions of the Charter and Codified Ordinances of the City and the Ohio Revised Code govern the investment and deposit of City monies. In accordance with these provisions, only financial institutions located in Ohio and primary securities dealers are eligible to hold public deposits. The provisions also permit the City to invest its monies in certificates of deposit, savings accounts, money market accounts, the State Treasurer's investment pool (STAROhio) and obligations of the United States government or certain agencies thereof. The City may also enter into repurchase agreements with any eligible depository for a period not exceeding five years.

Public depositories must give security for all public funds on deposit. According to the City's Deposit and Investment Policy, these institutions may either specifically collateralize individual accounts in lieu of amounts insured by the Federal Deposit Insurance Corporation (FDIC), or may pledge a pool of government securities, the face value of which is at least 110 percent of the total value of public monies on deposit at the institution.

Deposits

At year-end, the carrying amount of the City's deposits was \$27,613 and the bank balance was \$126,037. Of the bank balance, \$126,037 was covered by federal deposit insurance and the remaining amounts were uninsured and uncollateralized as defined by GASB Statement No. 3 because the securities held as collateral by the financial institutions or their trust departments or agencies were in the financial institutions' names. As authorized by state statute, the pledging bank has established an investment and securities pool to collateralize all public deposits.

Investments

GASB Statement No. 3 "*Deposits with Financial Institutions, Investments and Reverse Repurchase Agreements*" requires that the City's investments be classified in categories of risk. Category 1 includes investments that are insured or registered or for which the City holds the securities. Category 2 includes uninsured and unregistered investments for which the counterparty's trust department or agent in the City's name holds the securities. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty or by its trust department or agent but not in the City's name.

STAROhio, an investment fund operated by the Ohio State Treasurer is unclassified since they are not evidenced by securities that exist in physical or book entry form.

	Category <u>2</u>	Category <u>3</u>	Carrying <u>Value</u>	Market <u>Value</u>
Repurchase agreements	\$ 1,363,418	-	1,363,418	1,363,418
Government securities	-	16,129,781	16,129,781	16,129,781
Unclassifieds:				
STAROhio	<u>-</u>	<u>-</u>	<u>1,062,678</u>	<u>1,062,678</u>
Total	<u>\$ 1,363,418</u>	<u>16,129,781</u>	<u>18,555,877</u>	<u>18,555,877</u>

The classification of cash and cash equivalents, and investments on the financial statements is based on criteria set forth in GASB Statement No. 9. Cash equivalents are defined to include investments with original maturities of three months or less.

A reconciliation between classifications of cash and investments on the financial statements and the

classifications per GASB Statement No. 3 is as follows:

	Cash and Cash Equivalents/Deposits	Investments
GASB Statement 9	\$ 18,583,490	-
Investments:		
Repurchase agreements	(1,363,418)	1,363,418
Government securities	(16,129,781)	16,129,781
STAROhio	<u>(1,062,678)</u>	<u>1,062,678</u>
GASB Statement 3	\$ <u>27,613</u>	<u>18,555,877</u>

5. Property Taxes:

Property taxes include amounts levied against all real, public utility and tangible personal property located in the City. Taxes collected from real property taxes (other than public utility) in one calendar year are levied in the preceding calendar year on the assessed value as of January 1 of that preceding year, the lien date. The County Auditor, at 35 percent of appraised market value, establishes assessed values. All property is required to be reevaluated every six years. The last revaluation was completed in 1996. Real property taxes are payable annually or semi-annually. The first payment is due March 3, with the remainder payable by July 21.

Taxes collected on tangible personal property (other than public utility) in one calendar year are levied in the prior calendar year on assessed values listed on December 31 of the prior year, and at tax rates determined in the preceding year. Tangible personal property used in business (except for public utilities) is currently assessed for ad valorem taxation purposes at 25 percent of its true value. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30 with the remainder payable by September 20.

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Certain public utility tangible personal property currently is assessed at 88 percent of its true value; public utility real property is assessed at 35 percent of true value. Public utility property taxes are payable on the same dates as real property taxes described previously.

The County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City of Oakwood. The County Auditor periodically remits to the City its portion of the taxes collected. The full tax rate for all City operations for the year ended December 31, 1999 was \$11.80 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 1999 property tax receipts were based are as follows:

Real Property Tax Assessed Valuation	\$ 220,310,110
Public Utility Tangible Personal Property Assessed Valuation	5,227,520
Tangible Personal Property Assessed Valuation	<u>1,909,209</u>
Total	<u>\$ 227,446,839</u>

Property taxes receivable represent real and tangible personal property taxes, public utility taxes and outstanding delinquencies, which are measurable as of December 31, 1999. Although total property tax collections for the next year are measurable, amounts to be received during the available period are not subject to reasonable estimation at December 31, nor are they intended to finance 1999 operations. The receivable is therefore offset by a credit to deferred revenue.

6. Income Tax:

The City levies a municipal income tax of two and one-half percent on substantially all income earned within the City. In addition, the residents of the City are required to pay income tax on income earned outside of the City; however, the City allows a credit for income taxes paid to another municipality up to 100% of the City's current tax rate.

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

Income tax proceeds are to be used to pay the cost of administering the tax, general fund operations and then transferred to subsidize other funds. Income tax revenue for 1999 was \$4,270,421.

7. Receivables:

Receivables at December 31, 1999 consisted of taxes, intergovernmental receivables arising from grants, entitlements and shared revenues, special assessments, interest on investments and utility accounts. All receivables are considered fully collectible. Utility Accounts Receivable at December 31, 1999 was \$444,008.

A summary of intergovernmental receivables follows:

<u>General Fund:</u>	
Inheritance tax	\$ 391,186
Local government assistance	<u>18,815</u>
Total general fund	<u>410,001</u>
<u>Special Revenue Funds:</u>	
<u>State Highway Fund</u>	
Gas tax	775
Motor vehicle license tax	232
Permissive tax	94
<u>Street Maintenance and Repair Fund</u>	
Gas tax	9,561
Motor vehicle license tax	2,867
Permissive tax	<u>1,160</u>
Total special revenue funds	<u>14,689</u>
Total All Funds	\$ <u>424,690</u>

By statute, local property taxes are reduced 10%, with additional reductions for the elderly and the disabled. The State of Ohio will pay the amount of these reductions, estimated to be approximately \$205,004, to the City in 2000.

8. Fixed Assets:

Changes in general fixed assets during the year ended December 31, 1999 were as follows:

<u>Class</u>	Balance December 31, <u>1998</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>1999</u>
Land	\$ 395,226	-	-	395,226
Improvements to Land	474,234	-	-	474,234
Buildings	1,645,912	-	-	1,645,912
Equipment	2,578,691	109,729	14,876	2,673,544
Vehicles	1,739,421	212,508	33,830	1,918,099
Construction in Process	<u>12,450</u>	<u>2,795,554</u>	<u>-</u>	<u>2,808,004</u>
Totals	\$ <u>6,845,934</u>	<u>3,117,791</u>	<u>48,706</u>	<u>9,915,019</u>

9. Defined Benefit Pension Plans:

Both the Police and Firemen's Disability Pension Fund and the Public Employees Retirement System are reported using GASB Statement No. 27 "Accounting for Pensions by State and Local Governmental Employers". Substantially all City employees are covered by one of two cost-sharing multiple-employer defined benefit pension plans, namely, the Police and Firemen's Disability Pension Fund or the Public Employees Retirement System of Ohio (PERS). Both funds provide retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries.

Public Employees Retirement System

Authority to establish and amend benefits is provided by state statute per Chapter 145 of the Ohio Revised Code. The Public Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the fund. Interested parties may obtain a copy by making a written request to 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 466-2085 or 1-800-222-PERS (7377).

The Ohio Revised Code provides statutory authority for employee and employer contributions. Plan members are required to contribute 8.5% of their annual covered salary and the City is required to contribute 13.55%. The City's contributions to the plan for the years ending December 31, 1997, 1998, and 1999 were \$338,907, \$358,543 and \$375,481, respectively. The unpaid contribution for 1999 is \$83,545 with \$66,863 recorded in the general long-term debt account group and \$16,682 recorded in the enterprise funds.

Police and Firemen's Disability Pension Fund

The City of Oakwood contributes to the Police and Firemen's Disability and Pension Fund (PFDPF); a cost-sharing multiple-employer defined benefit pension plan. PFDPF provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. The Police and Firemen's Disability Pension Fund issues a publicly available financial report that includes financial statements and



required supplementary information for the plan. Interested parties may obtain a copy by making a written request to 140 East Town Street, Columbus, Ohio 43215-5164, or by calling (614) 228-2975.

The Ohio Revised Code provides statutory authority for employee and employer contributions. Plan members are required to contribute 10% of their annual covered salary and the City contributed 19.5% for Police employees. The City contributions to the plan for the years ended December 31, 1997, 1998, and 1999, were \$309,672, \$310,837 and \$321,958. The unpaid contribution for 1999 is \$84,448 and is recorded in the general long-term debt account group.

10. Postemployment Benefits:

Public Employees Retirement System

The Public Employees Retirement System of Ohio provides postemployment health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is available. A portion of each employer's contribution to the system is set aside for the funding of postretirement health care based on authority granted by State statute. The employer contribution rate was 13.55 percent; 4.2 percent was the portion that was used to fund health care for the year 1999.

Other postemployment benefits are financed through employer contributions and investment earnings there on. 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.

During 1997, the Retirement Board adopted a new calculation method for determining employer contributions applied to other postemployment benefits. Under the new method, effective January 1, 1998, employer contributions, equal to 4.2% of member covered payroll, are used to fund health care expenses. Under the prior method, accrued liabilities and normal cost rates were determined for retiree health care. The City's actual contributions for 1999 that were used to fund postemployment benefits were \$116,385.

The actual contribution and the actuarially required contribution amounts are the same. Expenditures for other postemployment benefits during 1999 were \$523,599,349. As of December 31, 1999, the unaudited estimated net assets available for future other postemployment benefits payments were \$9,870,285,641. The number of benefit recipients eligible for other postemployment benefits at December 31, 1999 was 118,062.

Police and Firemen's Disability and Pension Fund

The Police and Firemen's Disability and Pension Fund provides postretirement health care coverage to any person who receives or is eligible to receive a monthly benefit check or is a spouse or eligible dependent child of such persons. An eligible dependent child is any child under the age of eighteen whether or not he is attending school or under twenty-two if attending full-time or on a 2/3 basis. 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 and states that health care cost paid from the Police and Firemen's Disability and Pension Fund shall be included in the employer's contribution rate. The total police employer contributions are 19.5 percent of covered payroll of which 7.0 percent was applied to the postemployment health care program. Health care funding and accounting is on a pay-as-you-go basis.

The number of participants eligible to receive health care benefits was 11,424 for police. The City's actual contributions for 1999 that were used to fund postemployment benefits were \$115,583. The fund's total health care expenses for the year ending December 31, 1998 (the latest information available) were \$5,331,515.

11. Other Employee Benefits:

Compensated Absences

Accumulated Unpaid Vacation

City employees earn vacation leave at varying rates based upon length of service. In the case of death or retirement, an employee (or his estate) is paid for his unused vacation leave. The total obligation for vacation leave for the City as a whole amounted to \$276,642 at December 31, 1999.

Accumulated Unpaid Sick Leave

City employees earn sick leave at the rate of ten hours per month. A maximum of 135 days of sick leave can be carried forward from year to year. Upon qualifying to retire under one of the two pension systems, an employee who has unused accumulated sick leave of 60 days or more is eligible to be paid for a portion of these hours. For the first 119 days the employee will receive one day's pay for every three days accrued. Any hours accumulated over 119 days will be paid at a rate of one day's pay for every two days accrued. The total obligation for sick leave accrual for the City as a whole as of December 31, 1999 was \$98,197.

12. Risk Management:

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. The City has a contract with the Ohio Government Risk Management Plan. This Plan does not operate as a risk pool, but provides conventional insurance protection and reinsures these coverages 100 percent. The type of coverage and deductible for each is as follows:

<u>Type of Coverage</u>	<u>Per Occurrence</u>	<u>Deductible</u>
Property Insurance	\$20,660,568	1,000
General Liability	5,000,000	-
Police Liability	5,000,000	2,500
Wrongful Acts	5,000,000	2,500
Crime	25,000	-
Inland Marine	584,811	500
Fire Vehicle	392,500	1,000
Automobile	5,000,000	1,000*
EDP	168,058	500
Bond	100,000	-

\* on selected vehicles. Others have no deductible

The City also purchases an umbrella policy, which covers an additional liability of \$5,000,000. Settled claims have not exceeded this commercial coverage in any of the past five years. There have been no significant changes in coverage from last year.

The City joined a workers' compensation group rating plan, which allows local governments to group the experience of employers for workers' compensation rating purposes. The City pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries.

Employees have a choice in two types of private health insurance carriers; Community Choice and HMP. Payments are made to the carrier by the City on behalf of the employees. The monthly family rate is \$455 for the HMP and \$527 for Preferred Provider. Single coverage is \$155 for the HMP and \$180 for Preferred Provider. Dental benefits are also provided Anthem Blue Cross with partial payments from employees. Life Insurance is provided by the City through Community National. Vision benefits will continue to be provided through self-insurance.

13. Long-Term Obligations:

Long term obligations at December 31, 1999 were as follows:

General Long-Term Obligations

	Balance December 31, <u>1998</u>	Increase	Decrease	Balance December 31, <u>1999</u>
Compensated Absences	\$ 360,781	55,644	103,033	313,392
Police Pension	663,122	-	7,841	655,281
Intergovernmental	<u>141,544</u>	<u>9,767</u>	<u>-</u>	<u>151,311</u>
<b>Total</b>	<b>\$ <u>1,165,447</u></b>	<b><u>65,411</u></b>	<b><u>110,874</u></b>	<b><u>1,119,984</u></b>

Enterprise Funds

Ohio Public Works Sewer Loan	\$ <u>452,529</u>	<u>-</u>	<u>25,859</u>	<u>426,670</u>
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The intergovernmental payable represents the employer's portion of pension for 1999 that was not paid until the following year.

The City received an interest free loan through the State of Ohio's Public Works Commission Issue II program. The money was spent on sewer improvements to the existing sewer system and will be repaid over twenty years.

As of December 31, 1999, the City's overall legal debt margin (the ability to issue additional amounts of general obligation bonded debt) was \$23,881,918. Principal and interest requirements to retire the City's long-term obligations outstanding at December 31, 1999 were:

<u>Year</u>	<u>Police and Fire Pension Liability</u>	<u>Sewer Loan</u>	<u>Total</u>
2000	\$ 35,941	25,859	61,800
2001	35,941	25,859	61,800
2002	35,941	25,859	61,800
2003	35,941	25,859	61,800
2004	35,941	25,859	61,800
2005-35	<u>1,094,581</u>	<u>297,375</u>	<u>1,391,956</u>
<b>Total</b>	<b>\$ <u>1,274,286</u></b>	<b><u>426,670</u></b>	<b><u>1,700,956</u></b>

14. Short-Term Obligations:

A summary of the short-term note transactions for the year ended December 31, 1999 follows:

<u>Fund Type</u>	<u>Balance December 31, 1998</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance December 31, 1999</u>
General Fund	\$ <u>-</u>	<u>3,000,000</u>	<u>-</u>	<u>3,000,000</u>
Enterprise Fund: Water System Improvement	\$ <u>400,000</u>	<u>300,000</u>	<u>400,000</u>	<u>300,000</u>

The General Fund notes were issued for the construction of the City's new Service Center. Both the General Fund note and the water system improvement note will be refinanced until long-term bonds are issued. They are backed by the full faith and credit of the City and mature within one to two years.

15. Interfund Assets/Liabilities:

Individual fund interfund asset and liability balances at December 31, 1999, were as follows:

Due From/To Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Municipal Court	\$ 14,720
Enterprise Fund Waterworks	Sewer	<u>3,313</u>
<b>Total</b>		<b>\$ <u>18,033</u></b>

16. Segment Information:

The City's enterprise funds account for the provision of sewer and water services. Key financial information for the year ended December 31, 1999, for each enterprise fund is as follows:

	Sanitary Fund	Waterworks Fund	Sewer Total
Operating Revenues	\$ 1,104,274	1,097,573	2,201,847
Operating Expenses			
Before Depreciation	815,711	860,828	1,676,539
Depreciation Expense	<u>151,918</u>	<u>40,088</u>	<u>192,006</u>
Operating Income	<u>136,645</u>	<u>196,657</u>	<u>333,302</u>
Net Non-Operating Revenues (Expenses)	<u>(6,514)</u>	<u>32,237</u>	<u>25,723</u>
Operating Transfer - In	4,598	-	4,598
Operating Transfer - Out	<u>(14,044)</u>	<u>(7,719)</u>	<u>(21,763)</u>
Net Income	\$ <u>120,685</u>	<u>221,175</u>	<u>341,860</u>
Current Contributed Capital	\$ <u>-</u>	<u>-</u>	<u>-</u>
Additions to Property, Plant and Equipment	\$ <u>46,979</u>	<u>13,309</u>	<u>60,288</u>
Net Working Capital	\$ <u>1,274,547</u>	<u>1,695,571</u>	<u>2,970,118</u>
Total Assets	\$ <u>5,705,168</u>	<u>3,162,350</u>	<u>8,867,518</u>
Other Long-Term Liabilities Payable from Revenue	\$ <u>22,451</u>	<u>439,795</u>	<u>462,246</u>
Total Equity	\$ <u>5,258,825</u>	<u>2,612,796</u>	<u>7,871,621</u>
Encumbrances Outstanding at December 31, 1999	\$ <u>128,762</u>	<u>183,089</u>	<u>311,851</u>

17. Contributed Capital:

Proprietary fund type contributed is recorded at the fair market value of the related assets at the date received. Depreciation on contributed fixed assets (acquired by grants, entitlements and shared revenues externally restricted for capital acquisition and construction that reduces contributed capital) is allocated to retained earnings using the straight-line method over the same lives as described for the related fixed asset as described in Note 2 for "Proprietary Fund Fixed Assets." A reconciliation of contributed capital for the City is as follows:

	Enterprise Funds	Internal Service Funds
Contributed capital, December 31, 1998	\$1,314,077	96,381
Contributing sources:		
General fixed assets	<u>-</u>	<u>22,575</u>
Contributed capital, December 31, 1999	\$ <u>1,314,077</u>	<u>118,956</u>

18. Contingent Liabilities:

Litigation

The City is of the opinion that ultimate disposition of claims and legal proceedings will not have a material effect, if any, on the financial condition of the City.

Federal and State Grants

For the period January 1, 1999 to December 31, 1999 the City received federal and state grants for specific purposes that are subject to review and audit by grantor agencies or their designee. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the City believes such disallowance, if any would be immaterial.

19. Construction Commitments:

The City has contracted with Danis Building Construction for the construction of a new service center. As of December 31, 1999, the City has expended \$2,795,554 toward this project, which includes a retainer fee of \$237,485.

## CITY OF OAKWOOD, OHIO

### Elected and Appointed Officials

<u>Name</u>	<u>Title</u>	<u>Term of Office</u>
Gretchen H. Bullock	Mayor	1/1/00 to 12/31/03
Judy Cook	Vice-Mayor	1/1/98 to 12/31/01
Carlo C. McGinnis	Council Member	1/1/98 to 12/31/01
Jeffrey T. Cox	Council Member	1/1/96 to 12/31/99
Charles D. Metcalf	Council Member	1/1/96 to 12/31/99
Michael J. Kelly	City Manager	Appointed
Jay A. Weiskircher	Assistant City Manager, Director of Personnel	Appointed
Glen O. Beddies	Acting Director of Public Safety	Appointed
John C. Chain	Director of Public Service	Appointed
Norbert S. Klopsch	City Engineer	Appointed
Brad M. Beachdell	Acting Director of Finance	Appointed
Carol Collins	Director of Leisure Services	Appointed
Robert N. Farquhar	City Attorney	Appointed
Elizabeth A. Niswonger	Acting Income Tax Administrator	Appointed

#### Oakwood Municipal Court

Robert Deddens	Judge	1/1/96 to 12/31/00
Louise Ackerman	Clerk of Courts	Appointed

These officials can be contacted at the following address:

City of Oakwood  
30 Park Avenue  
Oakwood, Ohio 45419

#### Bonded Officials

Each officer and employee of the City of Oakwood is covered by a faithful performance blanket bond in the amount of \$25,000 for each occurrence plus an additional \$50,000 indemnity on the City Manager and Director of Finance. The surety is the Ohio Casualty Insurance Company.

Independent Auditors' Report on Compliance and on Internal Control Over  
Financial Reporting Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards*

Members of the City Council  
and City Manager  
City of Oakwood, Ohio

We have audited the general-purpose financial statements of the City of Oakwood, Ohio, as of and for the year ended December 31, 1999, and have issued our report thereon dated June 23, 2000. 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 of Oakwood, Ohio's general purpose 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 noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to the management of the City of Oakwood, Ohio, in a separate letter dated June 23, 2000.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered City of Oakwood, Ohio's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general-purpose financial statements and not to provide assurance on the internal control over financial reporting. 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. 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 general purpose 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. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to management of City of Oakwood, Ohio in a separate letter dated June 23, 2000.



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

*Clark, Schaefer, Hackett & Co.*  
Springfield, Ohio  
June 23, 2000



**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 OAKWOOD  
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.**

By: *Susan Babbitt*

Date: JUL 27 2000