



**JIM PETRO**  
**AUDITOR OF STATE**  

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**STATE OF OHIO**



**CITY OF NEW CARLISLE  
CLARK COUNTY**

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STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

One First National Plaza  
130 West Second Street  
Suite 2040  
Dayton, Ohio 45402  
Telephone 937-285-6677  
800-443-9274  
Facsimile 937-285-6688  
[www.auditor.state.oh.us](http://www.auditor.state.oh.us)

**REPORT OF INDEPENDENT ACCOUNTANTS**

City of New Carlisle  
Clark County  
331 Church Street  
New Carlisle, Ohio 45344

To Honorable Mayor and City Council:

We have audited the accompanying general-purpose financial statements of City of New Carlisle (the City), 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'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 the 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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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, 1999, and the results of its operations and cash flows of its enterprise funds and nonexpendable trust fund 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 August 7, 2000, 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.

A handwritten signature in black ink, appearing to read "Jim Petro".

**Jim Petro**  
Auditor of State

August 7, 2000



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**CITY OF NEW CARLISLE  
CLARK COUNTY**

**COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS  
DECEMBER 31, 1999**

	<u>Governmental Fund Types</u>			
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
<b>Assets and Other Debits:</b>				
<b>Assets:</b>				
Equity in Pooled Cash and Cash Equivalents	\$422,489	\$201,548	\$0	\$0
Investments	0	58,775	0	0
Receivables:				
Taxes	224,293	258,729	6,237	0
Accounts	5,863	47,753	0	0
Interfund	164,528	0	0	0
Special Assessments	0	163,962	0	0
Accrued Interest	156	1,506	0	0
Due from Other Funds	6,112	168	0	0
Due from Other Governments	62,514	12,367	0	0
Materials and Supplies Inventory	7,833	8,200	0	0
Prepaid Items	3,248	761	0	0
Fixed Assets (Net, Where Applicable, of Accumulated Depreciation)	0	0	0	0
<b>Other Debits:</b>				
Amount to be Provided From General Government Resources	0	0	0	0
<b>Total Assets and Other Debits</b>	<u>\$897,036</u>	<u>\$753,769</u>	<u>\$6,237</u>	<u>\$0</u>
<b>Liabilities, Fund Equity and Other Credits:</b>				
<b>Liabilities:</b>				
Accounts Payable	\$49,338	\$14,368	\$0	\$0
Contracts Payable	137,899	0	0	0
Retainage Payable	10,626	0	0	0
Due to Other Funds	0	0	0	0
Accrued Wages	9,347	13,696	0	0
Compensated Absences Payable	0	0	0	0
Interfund Payable	0	107,880	17,769	5,601
Due to Other Governments	3,984	2,717	0	0
Deferred Revenue	149,702	458,318	6,237	0
Accrued Interest Payable	0	3,484	0	0
Loans Payable	0	111,093	0	0
Capital Leases Payable	0	0	0	0
WPCLF Loans Payable	0	0	0	0
OPWC Loans Payable	0	0	0	0
<b>Total Liabilities</b>	<u>360,896</u>	<u>711,556</u>	<u>24,006</u>	<u>5,601</u>
<b>Fund Equity and Other Credits:</b>				
Investment in General Fixed Assets	0	0	0	0
Contributed Capital	0	0	0	0
Retained Earnings:				
Unreserved	0	0	0	0
Fund Balance:				
Reserved for Encumbrances	34,819	8,869	0	0
Reserved for Materials and Supplies Inventory	7,833	8,200	0	0
Reserved for Perpetual Care	0	0	0	0
Unreserved (Deficit)	493,488	25,144	(17,769)	(5,601)
<b>Total Fund Equity (Deficit) and Other Credits</b>	<u>536,140</u>	<u>42,213</u>	<u>(17,769)</u>	<u>(5,601)</u>
<b>Total Liabilities, Fund Equity and Other Credits</b>	<u>\$897,036</u>	<u>\$753,769</u>	<u>\$6,237</u>	<u>\$0</u>

See Accompanying Notes to the General Purpose Financial Statements



Proprietary Fund Type	Fiduciary Fund Type	Account Groups		Totals (Memorandum Only)
		General Fixed Assets	General Long-Term Obligations	
Enterprise	Nonexpendable Trust			
\$540,405	\$59	\$0	\$0	\$1,164,501
0	66,604	0	0	125,379
0	0	0	0	489,259
158,776	0	0	0	212,392
15,660	0	0	0	180,188
0	0	0	0	163,962
0	0	0	0	1,662
336	0	0	0	6,616
0	0	0	0	74,881
9,459	0	0	0	25,492
2,487	0	0	0	6,496
5,973,696	0	2,435,650	0	8,409,346
0	0	0	93,858	93,858
<u>\$6,700,819</u>	<u>\$66,663</u>	<u>\$2,435,650</u>	<u>\$93,858</u>	<u>\$10,954,032</u>
\$26,735	\$0	\$0	\$0	\$90,441
0	0	0	0	137,899
0	0	0	0	10,626
6,616	0	0	0	6,616
11,290	0	0	0	34,333
33,607	0	0	38,094	71,701
48,938	0	0	0	180,188
3,772	0	0	0	10,473
10,714	0	0	0	624,971
0	0	0	0	3,484
0	0	0	0	111,093
0	0	0	55,764	55,764
2,041,231	0	0	0	2,041,231
427,248	0	0	0	427,248
2,610,151	0	0	93,858	3,806,068
0	0	2,435,650	0	2,435,650
2,867,322	0	0	0	2,867,322
1,223,346	0	0	0	1,223,346
0	0	0	0	43,688
0	0	0	0	16,033
0	66,663	0	0	66,663
0	0	0	0	495,262
4,090,668	66,663	2,435,650	0	7,147,964
<u>\$6,700,819</u>	<u>\$66,663</u>	<u>\$2,435,650</u>	<u>\$93,858</u>	<u>\$10,954,032</u>

**CITY OF NEW CARLISLE  
CLARK COUNTY**

**COMBINED STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Totals (Memorandum Only)</u>
<b>Revenues:</b>					
Property Taxes	\$133,028	\$191,887	\$0	\$0	\$324,915
Municipal Income Taxes	784,283	0	0	0	784,283
Other Local Taxes	0	38,834	0	0	38,834
Intergovernmental	164,290	209,690	0	34,209	408,189
Charges for Services	8,287	164,811	0	0	173,098
Licenses and Permits	24,520	6,438	0	0	30,958
Fines and Forfeitures	21,279	0	0	0	21,279
Special Assessments	4,862	3,209	0	0	8,071
Interest	61,835	2,981	0	0	64,816
Miscellaneous	23,301	1,608	0	0	24,909
<b>Total Revenues</b>	<u>1,225,685</u>	<u>619,458</u>	<u>0</u>	<u>34,209</u>	<u>1,879,352</u>
<b>Expenditures:</b>					
Current Operations and Maintenance:					
Security of Persons and Property	335,350	197,446	0	0	532,796
Public Health	0	305,179	0	0	305,179
Leisure Time Activities	48,656	0	0	0	48,656
Community Environment	37,655	0	0	0	37,655
Transportation	0	215,033	0	0	215,033
General Government	503,743	0	102	0	503,845
Capital Outlay	344,708	211,523	0	34,560	590,791
Debt Service:					
Principal Retirement	21,647	15,741	0	0	37,388
Interest and Fiscal Charges	48	3,577	0	0	3,625
<b>Total Expenditures</b>	<u>1,291,807</u>	<u>948,499</u>	<u>102</u>	<u>34,560</u>	<u>2,274,968</u>
Excess of Revenues Under Expenditures	<u>(66,122)</u>	<u>(329,041)</u>	<u>(102)</u>	<u>(351)</u>	<u>(395,616)</u>
<b>Other Financing Sources (Uses):</b>					
Inception of Capital Lease	61,671	31,481	0	0	93,152
Operating Transfers - In	8,619	27,000	0	0	35,619
Operating Transfers - Out	<u>(27,000)</u>	<u>0</u>	<u>(8,619)</u>	<u>0</u>	<u>(35,619)</u>
<b>Total Other Financing Sources (Uses)</b>	<u>43,290</u>	<u>58,481</u>	<u>(8,619)</u>	<u>0</u>	<u>93,152</u>
Excess of Revenues and Other Financing Sources Under Expenditures and Other Financing Uses	<u>(22,832)</u>	<u>(270,560)</u>	<u>(8,721)</u>	<u>(351)</u>	<u>(302,464)</u>
Fund Balances (Deficit) at Beginning of Year (Restated - Note 3)	<u>558,972</u>	<u>312,773</u>	<u>(9,048)</u>	<u>(5,250)</u>	<u>857,447</u>
<b>Fund Balances (Deficit) at End of Year</b>	<u><u>\$536,140</u></u>	<u><u>\$42,213</u></u>	<u><u>(\$17,769)</u></u>	<u><u>(\$5,601)</u></u>	<u><u>\$554,983</u></u>

See Accompanying Notes to the General Purpose Financial Statements

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**CITY OF NEW CARLISLE  
CLARK COUNTY**

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 1999**

	General Fund			Special Revenue Funds		
	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>						
Property Taxes	\$137,950	\$127,738	(\$10,212)	\$178,757	\$191,887	\$13,130
Municipal Income Taxes	834,827	742,358	(92,469)	0	0	0
Other Local Taxes	0	0	0	48,428	38,850	(9,578)
Intergovernmental	106,578	136,292	29,714	175,196	193,191	17,995
Charges for Services	3,044	2,175	(869)	119,646	145,149	25,503
Licenses and Permits	28,130	24,526	(3,604)	5,697	6,438	741
Fines and Forfeitures	12,178	21,124	8,946	0	0	0
Special Assessments	1,372	4,862	3,490	55,550	3,209	(52,341)
Interest	73,065	62,659	(10,406)	2,136	2,191	55
Miscellaneous	7,306	22,956	15,650	2,138	1,108	(1,030)
<b>Total Revenues</b>	<b>1,204,450</b>	<b>1,144,690</b>	<b>(59,760)</b>	<b>587,548</b>	<b>582,023</b>	<b>(5,525)</b>
<b>Expenditures:</b>						
Current Operations and Maintenance:						
Security of Persons and Property	333,678	333,814	(136)	207,029	191,756	15,273
Public Health	0	0	0	302,984	290,765	12,219
Leisure Time Activities	73,173	47,728	25,445	0	0	0
Community Environment	51,641	39,185	12,456	0	0	0
Transportation	0	0	0	209,330	224,409	(15,079)
General Government	455,615	370,847	84,768	0	0	0
Capital Outlay	329,906	319,164	10,742	229,879	209,046	20,833
Debt Service:						
Principal Retirement	28,000	13,000	15,000	18,574	20,000	(1,426)
Interest and Fiscal Charges	0	622	(622)	958	958	0
<b>Total Expenditures</b>	<b>1,272,013</b>	<b>1,124,360</b>	<b>147,653</b>	<b>968,754</b>	<b>936,934</b>	<b>31,820</b>
Excess of Revenues Over (Under) Expenditures	(67,563)	20,330	87,893	(381,206)	(354,911)	26,295
<b>Other Financing Sources (Uses):</b>						
Proceeds of Loan	0	0	0	104,690	111,093	6,403
Proceeds From Sale of Fixed Assets	6,088	0	(6,088)	0	0	0
Operating Transfers - In	0	0	0	19,941	27,000	7,059
Operating Transfers - Out	(27,000)	(27,000)	0	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>(20,912)</b>	<b>(27,000)</b>	<b>(6,088)</b>	<b>124,631</b>	<b>138,093</b>	<b>13,462</b>
Excess of Revenues and Other Financing Sources Under Expenditures and Other Financing Uses	(88,475)	(6,670)	81,805	(256,575)	(216,818)	39,757
Fund Balances (Deficit) at Beginning of Year	404,361	404,361	0	336,905	336,905	0
Prior Year Encumbrances Appropriated	111,646	111,646	0	13,853	13,853	0
<b>Fund Balances (Deficit) at End of Year</b>	<b>\$427,532</b>	<b>\$509,337</b>	<b>\$81,805</b>	<b>\$94,183</b>	<b>\$133,940</b>	<b>\$39,757</b>

See Accompanying Notes to the General Purpose Financial Statements

Debt Service Fund			Capital Projects Fund			Total (Memorandum Only)		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$20,332	\$5,290	(\$15,042)	\$0	\$0	\$0	\$337,039	\$324,915	(\$12,124)
0	0	0	0	0	0	834,827	742,358	(92,469)
0	0	0	0	0	0	48,428	38,850	(9,578)
3,360	750	(2,610)	5,501	0	(5,501)	290,635	330,233	39,598
0	0	0	0	0	0	122,690	147,324	24,634
0	0	0	0	0	0	33,827	30,964	(2,863)
0	0	0	0	0	0	12,178	21,124	8,946
0	0	0	0	0	0	56,922	8,071	(48,851)
0	0	0	0	0	0	75,201	64,850	(10,351)
0	0	0	0	0	0	9,444	24,064	14,620
<u>23,692</u>	<u>6,040</u>	<u>(17,652)</u>	<u>5,501</u>	<u>0</u>	<u>(5,501)</u>	<u>1,821,191</u>	<u>1,732,753</u>	<u>(88,438)</u>
0	0	0	0	0	0	540,707	525,570	15,137
0	0	0	0	0	0	302,984	290,765	12,219
0	0	0	0	0	0	73,173	47,728	25,445
0	0	0	0	0	0	51,641	39,185	12,456
0	0	0	0	0	0	209,330	224,409	(15,079)
250	102	148	0	0	0	455,865	370,949	84,916
0	0	0	70,000	351	69,649	629,785	528,561	101,224
14,000	14,000	0	0	0	0	60,574	47,000	13,574
1,596	630	966	0	0	0	2,554	2,210	344
<u>15,846</u>	<u>14,732</u>	<u>1,114</u>	<u>70,000</u>	<u>351</u>	<u>69,649</u>	<u>2,326,613</u>	<u>2,076,377</u>	<u>250,236</u>
<u>7,846</u>	<u>(8,692)</u>	<u>(16,538)</u>	<u>(64,499)</u>	<u>(351)</u>	<u>64,148</u>	<u>(505,422)</u>	<u>(343,624)</u>	<u>161,798</u>
0	0	0	0	0	0	104,690	111,093	6,403
0	0	0	0	0	0	6,088	0	(6,088)
0	0	0	0	0	0	19,941	27,000	7,059
0	0	0	0	0	0	(27,000)	(27,000)	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>103,719</u>	<u>111,093</u>	<u>7,374</u>
7,846	(8,692)	(16,538)	(64,499)	(351)	64,148	(401,703)	(232,531)	169,172
(10,673)	(10,673)	0	(5,250)	(5,250)	0	725,343	725,343	0
1,596	1,596	0	0	0	0	127,095	127,095	0
<u>(\$1,231)</u>	<u>(\$17,769)</u>	<u>(\$16,538)</u>	<u>(\$69,749)</u>	<u>(\$5,601)</u>	<u>\$64,148</u>	<u>\$450,735</u>	<u>\$619,907</u>	<u>\$169,172</u>

**CITY OF NEW CARLISLE  
CLARK COUNTY**

**COMBINED STATEMENT OF REVENUES,  
EXPENSES AND CHANGES IN FUND EQUITY  
PROPRIETARY FUND TYPE AND NONEXPENDABLE TRUST FUND  
FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Nonexpendable Trust</u>	
<b>Operating Revenues:</b>			
Charges for Services	\$1,084,364	\$0	\$1,084,364
Tap-In Fees	5,420	0	5,420
Miscellaneous	295	0	295
Total Operating Revenues	<u>1,090,079</u>	<u>0</u>	<u>1,090,079</u>
<b>Operating Expenses:</b>			
Personal Services	520,472	0	520,472
Travel and Education	1,878	0	1,878
Contractual Services	267,122	0	267,122
Materials and Supplies	237,623	0	237,623
Miscellaneous	4,415	0	4,415
Depreciation	500,876	0	500,876
Total Operating Expenses	<u>1,532,386</u>	<u>0</u>	<u>1,532,386</u>
Operating Income (Loss)	<u>(442,307)</u>	<u>0</u>	<u>(442,307)</u>
<b>Non-Operating Revenues (Expenses):</b>			
Interest	9,408	0	9,408
Grants	18,947	0	18,947
Interest and Fiscal Charges	<u>(88,673)</u>	<u>0</u>	<u>(88,673)</u>
Total Non-Operating Revenues (Expenses)	<u>(60,318)</u>	<u>0</u>	<u>(60,318)</u>
Net Income (Loss)	(502,625)	0	(502,625)
Retained Earnings/Fund Balance at Beginning of Year (Restated - Note 3)	<u>1,725,971</u>	<u>66,663</u>	<u>1,792,634</u>
Retained Earnings/Fund Balance at End of Year	<u>1,223,346</u>	<u>66,663</u>	<u>1,290,009</u>
Contributed Capital at Beginning of Year	2,820,789	0	2,820,789
Governmental Contributions	<u>46,533</u>	<u>0</u>	<u>46,533</u>
Contributed Capital at End of Year	<u>2,867,322</u>	<u>0</u>	<u>2,867,322</u>
Fund Equity at End of Year	<u><u>\$4,090,668</u></u>	<u><u>\$66,663</u></u>	<u><u>\$4,157,331</u></u>

See Accompanying Notes to the General Purpose Financial Statements

CITY OF NEW CARLISLE, OHIO  
CLARK COUNTY

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND EQUITY - BUDGET AND ACTUAL (BUDGET BASIS)  
PROPRIETARY FUND TYPE AND NONEXPENDABLE TRUST FUND  
FOR THE YEAR ENDED DECEMBER 31, 1999**

	Enterprise Funds			Nonexpendable Trust Fund		
	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>						
Charges for Services	\$1,180,871	\$1,051,638	(\$129,233)	\$0	\$0	\$0
Tap-In Fees	3,761	5,420	1,659	0	0	0
Interest	43,875	9,408	(34,467)	0	0	0
Grants	25,072	18,947	(6,125)	0	0	0
Miscellaneous	98	108	10	2,750	0	(2,750)
<b>Total Revenues</b>	<b>1,253,677</b>	<b>1,085,521</b>	<b>(168,156)</b>	<b>2,750</b>	<b>0</b>	<b>(2,750)</b>
<b>Expenses:</b>						
Personal Services	445,618	551,405	(105,787)	0	0	0
Travel and Education	2,990	1,878	1,112	0	0	0
Contractual Services	263,449	264,385	(936)	0	0	0
Materials and Supplies	128,609	119,816	8,793	0	0	0
Miscellaneous	3,707	4,377	(670)	0	0	0
Capital Outlay	404,062	223,126	180,936	0	0	0
Debt Service:						
Principal Retirement	114,438	106,607	7,831	0	0	0
Interest and Fiscal Charges	91,878	88,673	3,205	0	0	0
<b>Total Expenses</b>	<b>1,454,751</b>	<b>1,360,267</b>	<b>94,484</b>	<b>0</b>	<b>0</b>	<b>0</b>
Excess of Revenues Over (Under) Expenses Before Operating Transfers	(201,074)	(274,746)	(73,672)	2,750	0	(2,750)
Operating Transfers - Out	(3,750)	0	3,750	0	0	0
Excess of Revenues Over (Under) Expenses and Operating Transfers	(204,824)	(274,746)	(69,922)	2,750	0	(2,750)
Fund Equity at Beginning of Year	570,762	570,762	0	66,663	66,663	0
Prior Year Encumbrances Appropriated	125,078	125,078	0	0	0	0
<b>Fund Equity at End of Year</b>	<b>\$491,016</b>	<b>\$421,094</b>	<b>(\$69,922)</b>	<b>\$69,413</b>	<b>\$66,663</b>	<b>(\$2,750)</b>

See Accompanying Notes to the General Purpose Financial Statements

**CITY OF NEW CARLISLE  
CLARK COUNTY**

**COMBINED STATEMENT OF CASH FLOWS  
PROPRIETARY FUND TYPE AND NONEXPENDABLE TRUST FUND  
FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Type</u>	<u>Totals</u>
	<u>Enterprise</u>	<u>Nonexpendable Trust</u>	<u>(Memorandum Only)</u>
<b>Increases (Decreases) In Cash And Cash Equivalents:</b>			
<b>Cash Flows From Operating Activities:</b>			
Cash Received From Customers	\$1,057,058	\$0	\$1,057,058
Cash Payments For Personal Services	(545,283)	0	(545,283)
Cash Payments For Contractual Services and Material and Supp	(492,722)	0	(492,722)
Other Operating Revenues	108	0	108
Other Operating Expenses	(4,328)	0	(4,328)
Net Cash Provided By Operating Activities	<u>14,833</u>	<u>0</u>	<u>14,833</u>
<b>Cash Flows From Noncapital Financing Activities:</b>			
Advance From General Fund	23,505	0	23,505
Grants	18,947	0	18,947
Net Cash Provided By Noncapital Financing Activities	<u>42,452</u>	<u>0</u>	<u>42,452</u>
<b>Cash Flows From Capital And Related Financing Activities:</b>			
Acquisition Of Capital Assets	(26,848)	0	(26,848)
Principal Paid On Water Pollution Control Loan Fund	(77,947)	0	(77,947)
Interest Paid On Water Pollution Control Loan Fund	(88,673)	0	(88,673)
Principal Paid On Ohio Public Works Commission Loan	(28,660)	0	(28,660)
Net Cash Used For Capital And Related Financing Activities	<u>(222,128)</u>	<u>0</u>	<u>(222,128)</u>
<b>Cash Flows From Investing Activities:</b>			
Interest	9,408	0	9,408
Net Decrease In Cash And Cash Equivalents	(155,435)	0	(155,435)
Cash And Cash Equivalents At Beginning Of Year	<u>695,840</u>	<u>59</u>	<u>695,899</u>
Cash And Cash Equivalents At End Of Year	<u>\$540,405</u>	<u>\$59</u>	<u>\$540,464</u>

See Accompanying Notes to the General Purpose Financial Statements

(Continued)



CITY OF NEW CARLISLE  
CLARK COUNTY

COMBINED STATEMENT OF CASH FLOWS  
PROPRIETARY FUND TYPE AND NONEXPENDABLE TRUST FUND  
FOR THE YEAR ENDED DECEMBER 31, 1999  
(Continued)

	<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Type</u>	<u>Totals</u>
	<u>Enterprise</u>	<u>Nonexpendable Trust</u>	<u>(Memorandum Only)</u>
<b>Reconciliation Of Operating Income (Loss) To Net Cash Provided By Operating Activities:</b>			
Operating Income (Loss)	(\$442,307)	\$0	(\$442,307)
<b>Adjustments to Reconcile Operating Loss To Net Cash Provided By Operating Activities:</b>			
Depreciation	500,876	0	500,876
Changes In Assets And Liabilities:			
Increase In Accounts Receivable	(35,029)	0	(35,029)
Increase In Due from Other Funds	(336)	0	(336)
Decrease In Prepaid Items	1,058	0	1,058
Increase In Accounts Payable	6,247	0	6,247
Increase In Due to Other Funds	6,616	0	6,616
Increase In Accrued Wages	525	0	525
Decrease In Compensated Absences Payable	(10,400)	0	(10,400)
Decrease In Due to Other Governments	(14,869)	0	(14,869)
Increase In Deferred Revenue	2,452	0	2,452
Net Cash Provided By Operating Activities:	<u>\$14,833</u>	<u>\$0</u>	<u>\$14,833</u>

Non-Cash Transactions:

During 1999, the governmental funds purchased fixed assets with a fair market value of \$46,533 for the Swimming Pool Enterprise Fund.

See Accompanying Notes to the General Purpose Financial Statements.

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**CITY OF NEW CARLISLE  
CLARK COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
DECEMBER 31, 1999**

**1. REPORTING ENTITY AND BASIS OF PRESENTATION**

The City of New Carlisle is a charter municipal corporation operating under the laws of the State of Ohio. The City was established as a statutory municipal corporation on February 13, 1971, and adopted its charter on November 4, 1980.

The City operates under a Council - Manager form of government. Legislative power is vested in a seven member council. Each member is elected to a four year term. The Mayor is elected to a two year term from among the council's own membership. The Mayor is the ceremonial and representative head of the City, but does not exercise administrative authority. The Mayor also serves as presiding officer of the council. The council appoints a Municipal Manager for an indefinite term who acts as the chief administrative officer of the City. All department heads are appointed by the Municipal Manager.

**A. Reporting Entity**

A 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 comprise the City's legal entity, which provides various services including emergency ambulance service, fire protection, health services, street maintenance and repairs, parks and recreation, water and sewer services and contracted police protection with the Clark County Sheriff's Department. Council and the Municipal Manager have direct responsibility 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 board 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 also include organizations that are fiscally dependent on the City in that the City approves the organization's budget, the issuance of its debt or the levying of its taxes. There are no component units included as part of the reporting entity.

The City is associated with one jointly governed organization, the Miami Valley Fire/EMS Alliance (the Alliance). This organization is presented in Note 19 to the general purpose financial statements.

The City is a member of the Ohio Government Risk Management Plan (the "Pool"), an insurance purchasing pool which shops for insurance as a group with the intention of securing better rates than if each participant purchased insurance separately. The Pool, which commenced business on June 1, 1988, has 564 members consisting of various cities, villages and townships. The pool is governed by a Board of Directors consisting of nine directors. Directors of the Board assume the positions on a volunteer basis for a two year period. After two years, a Director can remain as a Director or choose to resign. The Board elects a chairman, a vice chairman and a secretary. The Board is responsible for its own financial matters, and the Pool maintains its own books of account. Budgeting and financing of the Pool is subject to the approval of the Board. The City has no explicit and measurable equity interest in the Pool.

**CITY OF NEW CARLISLE  
CLARK COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
DECEMBER 31, 1999  
(Continued)**

**1. REPORTING ENTITY AND BASIS OF PRESENTATION (Continued)**

**B. 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 government functions and activities.

A fund is a separate 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 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.

**1. 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 the enterprise funds and the nonexpendable trust fund) are accounted for through governmental funds. The following are the City's governmental fund types.

**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 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 Charter of the City of New Carlisle and/or the general laws of Ohio.

**Special Revenue Funds**

The special revenue funds are used to account for the proceeds of specific revenue sources (other than amounts relating to major capital projects) that are legally restricted to expenditure for specific purposes.

**Debt Service Fund**

The debt service fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest and related costs.

**Capital Projects Fund**

The capital projects fund is used to account for the financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by enterprise funds and the nonexpendable trust fund).

**CITY OF NEW CARLISLE  
CLARK COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
DECEMBER 31, 1999  
(Continued)**

**1. REPORTING ENTITY AND BASIS OF PRESENTATION (Continued)**

**B. Basis of Presentation - Fund Accounting (Continued)**

**2. Proprietary Fund Type**

The proprietary funds are used to account for the City's ongoing organizations and activities which are similar to those often found in the private sector. The following is the City's only proprietary fund type:

**Enterprise Funds**

The enterprise funds are used to account for the City's swimming pool, sewer and water operations. They are financed and operated in a manner similar to private sector business enterprises where the intent is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered 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.

**3. Fiduciary Fund Type**

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 governmental units and/or other funds. The City's fiduciary fund is a nonexpendable trust fund. The nonexpendable trust fund is accounted for in essentially the same manner as proprietary funds.

**4. Account Groups**

To make a clear distinction between fixed assets related to a specific fund 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**

The General Fixed Assets Account Group is used to account for fixed assets other than those accounted for in the enterprise funds. These assets do not represent financial resources available for expenditure.

**General Long-Term Obligations Account Group**

The General Long-Term Obligations Account Group is used to account for all unmatured long-term obligations of the City that are not a specific liability of the enterprise funds.

**CITY OF NEW CARLISLE  
CLARK COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
DECEMBER 31, 1999  
(Continued)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the City of New Carlisle have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The City applies Financial Accounting Standards Board Statements and Interpretations issued before November 30, 1989, to its enterprise activities unless they conflict with or contradict GASB pronouncements. The more significant of the City's accounting policies are described below.

**A. Measurement Focus and Basis of Accounting**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types 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 enterprise funds and the nonexpendable trust fund 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. Enterprise fund operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

Basis of accounting refers to the time 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 are accounted for using the modified accrual basis of accounting. Under this basis of accounting, the City recognizes revenue when it becomes both measurable and available. "Measurable" means the amount of the transaction can be determined, and "available" means collectible within the current period 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.

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available; income taxes withheld by employers, interest on investments, intergovernmental revenues (including motor vehicle license fees, gasoline tax, and local government assistance), fines and forfeitures and amounts due from other funds for goods, services, or prior advances.

Other revenues, including licenses and permits, certain charges for services, income taxes other than those withheld by employers, and miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received.

**CITY OF NEW CARLISLE  
CLARK COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
DECEMBER 31, 1999  
(Continued)**

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

**A. Measurement Focus and Basis of Accounting (Continued)**

The City reports deferred revenue on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the measurable and available criteria for recognition in the current period. In subsequent periods when both revenue recognition criteria are met, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized. Property taxes measurable as of December 31, 1999, and delinquent property taxes, whose availability is indeterminate and which are not intended to finance the current year, have been recorded as deferred revenue. Levied special assessments are measurable, and have been recorded as a receivable. Since all special 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 recognized in the accounting period in which the fund liability is incurred, if measurable. Principal and interest on general long-term debt is recognized when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year, and 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 employees earn them. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

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

**B. Budgetary Process**

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, the 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 appropriations ordinance are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds are legally required to be budgeted and appropriated. The legal level of budgetary control is at the object level (personal services, materials and supplies, contractual services, capital outlay, principal retirement, interest and fiscal charges, operating transfers) within each department.

**Tax Budget**

A tax budget of estimated revenues and outstanding and projected debt for all budgeted 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. Budgetary modifications may only be made by ordinance of City Council.

**CITY OF NEW CARLISLE  
CLARK COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
DECEMBER 31, 1999  
(Continued)**

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

**B. Budgetary Process (Continued)**

**Estimated Resources**

The County Budget Commission determines if the budget substantiates a need to levy all or part of previously authorized taxes and reviews estimated revenue. The Commission certifies its actions to the City by October 1. As part of this certification, the City receives the official certificate of estimated resources, which states the projected revenues 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 available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual 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, and the Budget Commission agrees, that an estimate needs to be either increased or decreased. The amounts reported on the budgetary statements reflect the amounts in the final amended official certificate of estimated resources requested 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 fixes spending authority at the fund, department and object level. The appropriation ordinance may be amended during the year as new information becomes available, provided that total fund appropriations do not exceed current estimated resources, as certified. During the year, one supplemental appropriation measure was passed, which reduced appropriations by \$300,000 in the general fund, \$69,000 in the special revenue funds, and \$485,000 in the enterprise funds. 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 expenditures for governmental funds and reported in the notes to the financial statements for the enterprise 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 calendar year and need not be reappropriated.



**CITY OF NEW CARLISLE  
CLARK COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
DECEMBER 31, 1999  
(Continued)**

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

**C. Cash and Cash Equivalents**

Cash balances of the City's funds are pooled and invested in short-term investments in order to provide improved cash management. Individual fund integrity is maintained through City records. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the combined balance sheet.

During 1999, several special revenue funds, the debt service fund and the capital projects fund expended more than their share of pooled cash and cash equivalents. These funds had negative cash balances at year-end that were eliminated by short-term loans from the General Fund. These loans are classified as "Interfund Receivables" and "Interfund Payables" on the combined financial statements.

During 1999, investments were limited to STAR Ohio and certificates of deposit. Investments are reported at fair value which is based on quoted market prices, with the exception of nonparticipating investment contracts such as nonnegotiable certificates of deposit which are reported at cost.

The City has invested funds in the State Treasury Assets Reserve of Ohio (STAR Ohio) during 1999. STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on December 31, 1999.

Following Ohio statutes, the City has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue of \$61,835 was credited to the General Fund during 1999, which includes \$31,158 assigned from other City funds. Interest revenue of \$2,981 and \$9,408 was also credited to the special revenue funds and the enterprise funds, respectively.

For purposes of the combined statement of cash flows and for presentation on the combined balance sheet, funds included within the City's cash management pool and investments with original maturities of three months or less are considered to be cash and cash equivalents. Investments with an initial maturity of more than three months not purchased from the pool are reported as investments.

**D. Inventory of Supplies**

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

**CITY OF NEW CARLISLE  
CLARK COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
DECEMBER 31, 1999  
(Continued)**

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

**E. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond December 31, 1999, are recorded as prepaid items by using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

**F. Fixed Assets**

The fixed asset values were initially determined at December 31, 1992, 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 arrived at by indexing estimated current costs back to the estimated year of acquisition. Donated fixed assets are capitalized at fair market value on the date donated. The City maintains a capitalization threshold of five hundred dollars.

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.

**1. 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.

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 City.

**2. 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 estimated useful life of each asset. The assets of the enterprise funds are depreciated on the following basis:

	<u>YEARS</u>
Buildings	20
Improvements Other Than Buildings	5
Machinery and Equipment	20
Furniture and Fixtures	20
Computer Equipment	5
Vehicles	10
Sewer and Water Lines	50

**CITY OF NEW CARLISLE  
CLARK COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
DECEMBER 31, 1999  
(Continued)**

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

**F. Fixed Assets (Continued)**

**3. Capitalization of Interest**

Interest is capitalized on enterprise fund assets acquired with tax-exempt debt. The City's policy is to capitalize net interest on construction projects until substantial completion of the project. The amount of capitalized interest equals the difference between the interest cost associated with the tax-exempt borrowing used to finance the project from the date of borrowing until completion of the project and the interest earned from temporary investment of the debt proceeds over the same period. Capitalized interest is amortized on the straight-line basis over the estimated useful life of the asset. For 1999, no material interest expense was incurred on enterprise fund construction projects.

**G. Compensated Absences**

The City accrues a liability for compensated absences in accordance with the provisions of GASB Statement No. 16, "Accounting for Compensated Absences." Vacation benefits and compensatory time are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the City will compensate the employees for the benefits through paid time off or some other means. The City records a liability for accumulated unused vacation time and compensatory time when earned for all employees. Accumulated unused sick leave is accrued as a liability for all employees. 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 current portion of unpaid compensated absences is the amount to be paid using available expendable resources and is reported as an accrued liability in the fund from which the individuals who have accumulated the unpaid compensated absences are paid. The balance of the liability is reported in the General Long-Term Obligations Account Group. In enterprise funds, the entire amount of unpaid compensated absences is reported as a fund liability.

**H. Accrued Liabilities and Long-term Obligations**

In general, governmental fund payables and accrued liabilities are reported as obligations of the funds regardless of whether they will be liquidated with current resources. However, compensated absences are reported as a liability in the General Long-Term Obligations Account Group to the extent that they will not be paid with current expendable available financial resources. Payments made more than thirty-one days after year end are generally considered not to have been paid with current available financial resources. Capital leases are recognized as a liability of the General Long-Term Obligations Account Group until due. Long-term obligations financed by enterprise funds are reported as liabilities in the appropriate enterprise funds.

Under Ohio law, a debt retirement fund may 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 special revenue funds, capital projects 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.

**CITY OF NEW CARLISLE  
CLARK COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
DECEMBER 31, 1999  
(Continued)**

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

**I. Contributed Capital**

Contributed capital represents donations by developers, other governments, contributions made by the City, tap-in fees which exceed the cost of physical connections to the system or are not remitted to another government, and assets whose construction was financed by special assessments. Donated assets are recorded at their fair market value on the date contributed and are not subject to repayment. Depreciation on those assets acquired or constructed with contributed resources is expensed and closed to unreserved retained earnings at year end.

Because the City, prior to 1992, had not prepared its financial statements in accordance with generally accepted accounting principles, the exact amount of contributed capital pertaining to years prior to 1992 cannot be determined. In general, it has been the policy of the City to construct and acquire capital assets used in operations of the enterprise funds with revenue bonds and/or enterprise fund resources. These assets are recorded as retained earnings in the accompanying combined financial statements. All other fund equity amounts pertaining to the enterprise funds are classified as contributed capital.

**J. Reserves of Fund Balance**

The City records reservations for portions of fund balance which are legally segregated for specific future use or which do not represent available expendable financial resources and, therefore, are not available for expenditure. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund balance reserves have been established for encumbrances and materials and supplies inventory in the governmental funds and for perpetual care of cemeteries in the nonexpendable trust fund.

**K. Interfund Transactions**

Quasi-external transactions are accounted for as revenues and expenditures or expenses. Transactions that constitute reimbursement 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.

Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All remaining interfund transfers are reported as operating transfers.

**L. Intergovernmental Revenues**

For governmental funds, intergovernmental revenues, such as grants awarded on a non-reimbursement basis, entitlements and shared revenues, are recorded as receivables and revenues when measurable and available. Reimbursement-type grants are recorded as receivables and revenues when the related expenditures are incurred. Grants and entitlements received for enterprise fund operating purposes are recognized as non-operating revenues in the accounting period in which they are earned and become measurable. Such resources restricted for the construction of capital assets are recorded as contributed capital.

**CITY OF NEW CARLISLE  
CLARK COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
DECEMBER 31, 1999  
(Continued)**

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

**M. Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

**N. Interfund Assets and Liabilities**

Receivables and payables resulting from transactions between funds for services provided or goods received are classified as "Due from Other Funds" or "Due to Other Funds" on the balance sheet. Short-term interfund loans are classified as "Interfund Receivable" and "Interfund Payable".

**O. Memorandum Only - Total Columns on Combined Financial Statements**

Total columns on the general purpose financial statements are captioned "Totals (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. RESTATEMENT OF FUND EQUITY**

A restatement was done in the General Fund to adjust for municipal income taxes receivable that was overstated in the prior year. A restatement was also done for fixed assets in the enterprise funds for assets that the City had purchased in prior years and had inadvertently left off the fixed assets listing. The effects of these restatements on the excess of revenues and other financing sources over expenditures and other financing uses and the net loss in the enterprise funds were immaterial.

The restatements had the following effect on fund balance/retained earnings as of December 31, 1998 as they were previously reported:

	<b>General</b>	<b>Enterprise</b>
Fund balance/retained earnings as previously reported	\$574,573	\$1,721,783
Restatement of municipal income tax receivable	(15,601)	0
Restatement of fixed assets	0	4,188
Restated fund balance/retained earnings for the year ended December 31, 1998	\$558,972	\$1,725,971

**CITY OF NEW CARLISLE  
CLARK COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
DECEMBER 31, 1999  
(Continued)**

**4. COMPLIANCE AND ACCOUNTABILITY**

**A. Compliance**

The following accounts had an excess of expenditures/expenses plus encumbrances over appropriations for the year ended December 31, 1999:

<u>Fund/Program/Account</u>	<u>Appropriations</u>	<u>Expenditures</u>	<u>Excess</u>
General Fund:			
Security of Persons and Property			
Police			
Contractual Services	\$294,182	\$294,947	(\$765)
General Government			
Administration			
Materials and Supplies	7,981	10,603	(2,622)
Finance			
Personal Services	89,185	91,442	(2,257)
Materials and Supplies	8,074	17,659	(9,585)
Law			
Contractual Services	31,000	33,493	(2,493)
General Miscellaneous			
Contractual Services	92,436	101,323	(8,887)
Debt Service			
Interest	0	622	(622)
Special Revenue Funds:			
Cemetery			
Public Health			
Personal Services	54,245	58,880	(4,635)

**CITY OF NEW CARLISLE  
CLARK COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
DECEMBER 31, 1999  
(Continued)**

**4. COMPLIANCE AND ACCOUNTABILITY (Continued)**

<u>Fund/Program/Account</u>	<u>Appropriations</u>	<u>Expenditures</u>	<u>Excess</u>
Emergency Ambulance Levy			
Public Health			
Personal Services	\$84,695	\$85,991	(\$1,296)
Fire Levy			
Security of Persons and Property			
Materials and Supplies	27,709	34,736	(7,027)
Other Operating Expenses	0	18	(18)
Debt Service			
Principal Retirement	18,574	20,000	(1,426)
Special Assessment Street Lighting			
Security of Persons and Property			
Contractual Services	0	765	(765)
Street Construction			
Transportation			
Materials and Supplies	56,298	60,588	(4,290)
Street Permissive Tax			
Transportation			
Personal Services	42,050	56,433	(14,383)
Enterprise Funds:			
Sewer			
Personal Services	260,529	328,060	(67,531)
Contractual Services	133,189	142,533	(9,344)
Other Operating Expenses	2,695	4,187	(1,492)
Swimming Pool			
Personal Services	0	29,837	(29,837)
Materials and Supplies	4,535	8,200	(3,665)
Water			
Personal Services	185,089	193,508	(8,419)

**CITY OF NEW CARLISLE  
CLARK COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
DECEMBER 31, 1999  
(Continued)**

**4. COMPLIANCE AND ACCOUNTABILITY (Continued)**

**A. Compliance (Continued)**

The following funds had appropriations in excess of estimated resources plus available balances for the year ended December 31, 1999:

	<b>Estimated Resources and</b>		
	<b>Available Balances</b>	<b>Appropriations</b>	<b>Excess</b>
Special Revenue Funds:			
Cemetery	\$94,205	\$122,653	(\$28,448)
Federal COPS Program	11,797	13,000	(1,203)
Health Levy	62,697	71,682	(8,985)
Special Assessment Street Lighting	86,102	103,000	(16,898)
Street Construction	177,914	179,400	(1,486)
Debt Service Fund:			
General Bond Retirement	13,019	14,250	(1,231)
Capital Projects Fund:			
CDBG Project	351	70,000	(69,649)

**B. Accountability**

The following funds had deficit fund balances at December 31, 1999:

<b>Fund</b>	<b>Deficit</b>
Special Revenue Funds:	
Federal COPS Program	(\$11,172)
Fire Levy	(20,374)
Special Assessment Street Lighting	(59,717)
Street Permissive Tax	(16,617)
Debt Service Fund:	
General Bond Retirement	(17,769)
Capital Projects Fund:	
CDBG Project	(5,601)
Enterprise Fund:	
Swimming Pool	(23,505)

The deficit in the Fire Levy Special Revenue Fund was caused by the application of generally accepted accounting principles. The General Fund provides transfers to cover deficit balances; however this is done when cash is needed rather than when accruals occur. The deficits in the other funds were the result of negative cash balances. An interfund receivable/payable was established to cover the negative balances. The deficits will be eliminated from transfers from the General Fund.



**CITY OF NEW CARLISLE  
CLARK COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
DECEMBER 31, 1999  
(Continued)**

**5. DEPOSITS AND INVESTMENTS**

State statutes classify monies held by the City into three categories.

Active deposits are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the City Treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that Council has identified as not required for use within the current two year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including pass book accounts.

Protection of the City's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the finance director by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

State statute permits inactive monies to be deposited or invested in the following securities:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions; and
6. The State Treasurer's investment pool (STAR Ohio).

**CITY OF NEW CARLISLE  
CLARK COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
DECEMBER 31, 1999  
(Continued)**

**5. DEPOSITS AND INVESTMENTS (Continued)**

The City may also invest any monies not required to be used for a period of six months or more in the following:

1. Bonds of the State of Ohio;
2. Bonds of any municipal corporation, village, county, township, or other political subdivision of this State, as to which there is no default of principal, interest or coupons; and
3. Obligations of the City.

Investments in stripped principal or interest obligation, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the City, and must be purchase with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the finance director or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

**Cash on Hand:** At year end, the City had \$250 in undeposited cash which is included on the balance sheet of the City as part of "Equity in Pooled Cash and Cash Equivalents."

The following information classified deposits and investments by categories of risk as defined in GASB Statement No. 3, "Deposits with Financial Institutions, Investments (Including Repurchase Agreements), and Reverse Repurchase Agreements."

**Deposits:** At year-end, the carrying amount of the City's deposits was \$519,372 and the bank balance was \$670,274. Of the bank balance:

1. \$258,775 was covered by federal depository insurance and savings and loan federal depository insurance company.
2. The remaining amounts were uninsured and uncollateralized. Although the balance was collateralized by securities held by the financial institutions' trust department in the City's name and all statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the City to a successful claim by the FDIC.

**Investments:** GASB Statement No. 3, "Deposits with Financial Institutions, Investments and Reverse Repurchase Agreements," requires that local governments disclose the carrying amounts and market value of investments, classified by risk. The City's investments are categorized as either (1) insured or registered, or securities held by the City or its agent in the City's name, (2) uninsured and unregistered, with securities held by the counterparty's trust department or agent in the City's name or (3) uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the City's name. STAR Ohio, an investment pool operated by the Ohio State Treasurer is unclassified since it is not evidenced by securities that exist in physical or book entry form. The carrying/fair value of the City's investment in STAR Ohio was \$770,258 at December 31, 1999.

**CITY OF NEW CARLISLE  
CLARK COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
DECEMBER 31, 1999  
(Continued)**

**5. DEPOSITS AND INVESTMENTS (Continued)**

The classification of cash and cash equivalents and investments on the combined financial statements is based on criteria set forth in GASB Statement No. 9. A reconciliation between the classifications of cash and investments on the combined financial statements and the classifications per GASB Statement No. 3 is as follows:

	<b>Cash and Cash Equivalents/Deposits</b>	<b>Investments</b>
GASB Statement No. 9	\$1,164,501	\$125,379
Cash on Hand	(250)	0
Investments:		
STAR Ohio	(770,258)	770,258
Cemetery Certificate of Deposit	66,604	(66,604)
Fire Certificate of Deposit	58,775	(58,775)
GASB Statement No. 3	<u>\$519,372</u>	<u>\$770,258</u>

**6. MUNICIPAL INCOME TAX**

The City levies and collects a one percent income tax on all income earned within the City as well as on incomes of residents earned outside the City.

Prior to January 1, 1999, the income tax rate was one half of one percent. The City passed an additional income tax levy of one half of one percent effective January 1, 1999.

Employers within the City are required to withhold income tax on employee earnings and remit the tax to the City at least quarterly. Corporations and other individual taxpayers are also required to pay their estimated tax at least quarterly and file a final return annually. During 1999, income tax revenue of \$784,283 was allocated entirely to the General Fund.

**7. PROPERTY TAX**

Property taxes include amounts levied against all real, public utility and tangible personal property (other than public utility) located in the City. Property tax revenue received during 1999 for real and public utility property taxes is for 1998 taxes and property tax revenue received during 1999 for tangible personal property (other than public utility) is for 1999 taxes.

The 1999 real property taxes are levied after October 1, 1999, on the assessed values as of January 1, 1999, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 1999 real property taxes are collected in and intended to finance 2000.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 1999 public utility property taxes became a lien December 31, 1998, are levied after October 1, 1999, and are collected in 2000 with real property taxes.

**CITY OF NEW CARLISLE  
CLARK COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
DECEMBER 31, 1999  
(Continued)**

**7. PROPERTY TAX (Continued)**

The 1999 tangible personal property taxes are levied after October 1, 1998, on the value as of December 31, 1998. Collections are made in 1999. Tangible personal property assessments are 25 percent of assessed valuations.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20.

Tangible personal property taxes 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.

The County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City of New Carlisle. The County Auditor periodically remits to the City its portion of the taxes. Property taxes receivable represent real and tangible personal property taxes, public utility 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 offset by deferred revenue.

The full tax rate for all City operations for the year ended December 31, 1999, was \$9.00 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which the 1999 property tax receipts were based are as follows:

<b>Category</b>	<b>Assessed Value</b>
Real Estate	\$53,803,810
Public Utility Property	2,108,750
Tangible Personal	3,318,490
Total Property Taxes	\$59,231,050

**8. RECEIVABLES**

Receivables at December 31, 1999, consisted of property and municipal income taxes, intergovernmental receivables, special assessments, charges for services, interfund, amounts due from other funds, and interest. All receivables are considered fully collectible.

A summary of the principal items included in "Due from Other Governments" follows:

<b>Fund Type / Fund</b>	<b>Amount</b>
General Fund:	
Local Government	\$3,398
Local Government Revenue	623
Fines and Forfeitures	1,640
Estate Tax Available for Advance	56,853
Total General Fund	62,514

**CITY OF NEW CARLISLE  
CLARK COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
DECEMBER 31, 1999  
(Continued)**

**8. RECEIVABLES (Continued)**

Fund Type / Fund	Amount
Special Revenue Funds:	
Street Construction and Repair Fund	
Gasoline Tax	\$8,846
Motor Vehicle License Tax	2,595
Total Street Maintenance Fund	11,441
 State Highway Fund	
Gasoline Tax	716
Motor Vehicle License Tax	210
Total State Highway Fund	926
Total Special Revenue Funds	12,367
Total Due from Other Governments	\$74,881

**9. FIXED ASSETS**

**A. General Fixed Assets**

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

	Balance December 31, 1998	Additions	Deletions	Balance December 31, 1999
Land	\$198,707	\$0	\$0	\$198,707
Buildings	309,736	351,962	0	661,698
Improvements Other Than Buildings	110,267	1,152	0	111,419
Machinery And Equipment	561,885	83,736	0	645,621
Furniture And Fixtures	51,176	11,321	0	62,497
Computer Equipment	2,945	0	0	2,945
Vehicles	646,999	212,764	107,000	752,763
Total General Fixed Assets	\$1,881,715	\$660,935	\$107,000	\$2,435,650

The governmental funds purchased fixed assets in the amount of \$46,533 and immediately contributed them to the enterprise funds for their use in 1999.

**CITY OF NEW CARLISLE  
CLARK COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
DECEMBER 31, 1999  
(Continued)**

**9. FIXED ASSETS (Continued)**

**B. Fund Fixed Assets**

All fund fixed assets relate to the Swimming Pool, Sewer, and Water enterprise funds. A summary of the enterprise funds' fixed assets at December 31, 1999, follows:

	<b>Swimming</b>			<b>Balance at December 31, 1999</b>
	<b>Pool</b>	<b>Sewer</b>	<b>Water</b>	
Land	\$36,327	\$209,195	\$7,073	\$252,595
Buildings	16,605	1,459,521	554,365	2,030,491
Improvements Other Than Buildings	198,213	228,370	462,729	889,312
Machinery and Equipment	70,083	4,906,139	602,042	5,578,264
Furniture and Fixtures	19,397	18,195	2,656	40,248
Computer Equipment	0	0	2,488	2,488
Vehicles	0	163,946	52,362	216,308
Sewer and Water Lines	0	3,850,171	1,466,073	5,316,244
Total Fund Fixed Assets	340,625	10,835,537	3,149,788	14,325,950
Less: Accumulated Depreciation	(223,056)	(5,927,495)	(2,201,703)	(8,352,254)
Total Fund Fixed Assets (net of accumulated depreciation)	<u>\$117,569</u>	<u>\$4,908,042</u>	<u>\$948,085</u>	<u>\$5,973,696</u>

**10. DEFINED BENEFIT PENSION PLANS**

**A. Public Employees Retirement System**

The City of New Carlisle contributes to the Public Employees Retirement System of Ohio (PERS), a cost-sharing multiple-employer public employee retirement system administered by the Public Employees Retirement Board. PERS provides basic retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 145 of the Ohio Revised Code. PERS issues a stand-alone financial report which may be obtained by writing to the Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642.

Plan members are required to contribute 8.5 percent of their annual covered salary to fund pension obligations and the City is required to contribute 9.35 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, 1999, 1998, and 1997 were \$50,772, \$60,630, and \$56,870, respectively. The full amount has been contributed for all three years.

**CITY OF NEW CARLISLE  
CLARK COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
DECEMBER 31, 1999  
(Continued)**

**11. POSTEMPLOYMENT BENEFITS**

The Public Employees Retirement System of Ohio (PERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit and to primary survivor recipients of such retirees. Health care coverage for disability recipients is available. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. A portion of each employer's contribution to PERS is set aside for the funding of postretirement health care based on authority granted by State statute. The 1999 employer contribution rate was 13.55 percent of covered payroll; 4.2 percent was the portion that was used to fund health care for the year 1999.

For 1999, benefits were funded on a pay-as-you-go basis. OPEB are financed through employer contributions and investment earnings. 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 1999, OPEB expenditures made by PERS were \$523,599,349. As of December 31, 1999, the unaudited estimated net assets available for future OPEB payments were \$9,870,285,641. At December 31, 1999, the total number of benefit recipients eligible for OPEB through PERS was 118,062. The City's actual contributions for 1999 which were used to fund OPEB were \$22,807.

**12. OTHER EMPLOYEE BENEFITS**

**A. Deferred Compensation Plan**

Employees of the City may elect to participate in the Aetna deferred compensation plan created in accordance with Internal Revenue Code Section 457. Under this program, employees elect to defer a portion of their pay. The deferred pay and any income earned on it is not subject to federal and state income taxation until actually received by the employee. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death or unforeseen emergency.

**B. Compensated Absences**

Vacation leave is earned at rates which vary depending upon length of service and standard work week. Current policy credits vacation leave on the first pay of the year (or their anniversary for first year employees) and allows the unused balance to be accumulated at levels which depend upon years of service. City employees are paid for earned, unused vacation leave at the time of termination of employment.

Sick leave is earned at the rate of one and one-fourth days per month and can be accumulated without limit for each employee. Upon termination, 25 percent of accrued sick leave will be paid at the current rate of pay. In the event that an employee dies as the result of injuries sustained on the job, his or her beneficiary will receive all accrued sick leave at 50 percent of current rate of pay.

Compensatory time is earned at the rate of one and one-half hours for each hour of overtime worked, and may be accumulated to a maximum of 240 hours of compensatory time. City employees are paid for earned, unused compensatory time at the time of termination of employment.

Unpaid compensated absences of \$38,094 at December 31, 1999, were reported as a liability in the General Long-Term Obligations Account Group. The liability for compensated absences in the enterprise funds at December 31, 1999, was \$33,607.

**CITY OF NEW CARLISLE  
CLARK COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
DECEMBER 31, 1999  
(Continued)**

**13. SHORT-TERM AND LONG-TERM OBLIGATIONS**

**A. Short-term Obligations**

The City issues bond anticipation notes to provide funds for the acquisition and construction of capital facilities and purchase of vehicles. By Ohio law, notes can be issued in anticipation of bond proceeds, special assessment bond proceeds and levies, or for up to 50 percent of anticipated revenue collections. Limitations also exist on the number of times notes may be renewed. The liability for the bond anticipation notes issued by the City in the past were recorded in the funds that received the note proceeds.

During 1999, the City issued a 4.79 percent short-term loan for a fire truck. The loan will be repaid from the Fire Operating Levy Special Revenue Fund, the fund that received the proceeds. The loan is backed by the full faith and credit of the City.

The activity for the bond anticipation notes and the short-term loan for the year ended December 31, 1999, was as follows:

<u>Issue</u>	<u>Balance at 12/31/98</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance at 12/31/99</u>
<u>Bond Anticipation Notes:</u>				
Public Vehicle Notes - 4.735%	\$13,000	\$0	\$13,000	\$0
Swimming Pool Improvement - 4.45%	14,000	0	14,000	0
Fire Emergency Vehicle - 4.735%	<u>20,000</u>	<u>0</u>	<u>20,000</u>	<u>0</u>
Total Bond Anticipation Notes	<u>47,000</u>	<u>0</u>	<u>47,000</u>	<u>0</u>
<u>Loan:</u>				
Fire Truck Loan - 4.79%	<u>0</u>	<u>111,093</u>	<u>0</u>	<u>111,093</u>
Total Short-Term Obligations	<u>\$47,000</u>	<u>\$111,093</u>	<u>\$47,000</u>	<u>\$111,093</u>

**B. Long-term Obligations**

Changes in the general long-term obligations of the City for the year ended December 31, 1999, were as follows:

<u>Type</u>	<u>Balance at 12/31/98</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance at 12/31/99</u>
<u>Other Long-Term Obligations:</u>				
Capital Leases Payable	\$0	\$93,152	\$37,388	\$55,764
Due to Other Governments	11,816	0	11,816	0
Compensated Absences	<u>33,175</u>	<u>4,919</u>	<u>0</u>	<u>38,094</u>
Total Other Long-Term Obligations	<u>\$44,991</u>	<u>\$98,071</u>	<u>\$49,204</u>	<u>\$93,858</u>

Capital leases payable will be paid from the General and special revenue funds. Compensated absences will be paid from the fund from which the employees' salaries are paid. Additions and deletions of accrued vacation and sick leave are shown net since it is impractical for the City to determine these amounts separately.



**CITY OF NEW CARLISLE  
CLARK COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
DECEMBER 31, 1999  
(Continued)**

**13. SHORT-TERM AND LONG-TERM OBLIGATIONS (Continued)**

**B. Long-term Obligations (Continued)**

Changes in long-term obligations payable from enterprise funds for the year ended December 31, 1999, were as follows:

<u>Issue</u>	<u>Balance at 12/31/98</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance at 12/31/99</u>
<u>Loans:</u>				
0.00% - 1994				
Ohio Public Works Commission Loan	\$234,908	\$0	\$15,660	\$219,248
0.00% - 1996				
Ohio Public Works Commission Loan	221,000	0	13,000	208,000
7.38 % - 1995				
Water Pollution Control Loan Fund	172,464	0	0	172,464
4.56 % - 1995				
Water Pollution Control Loan Fund	1,930,681	0	77,280	1,853,401
4.12% - 1997				
Water Pollution Control Loan Fund	16,033	0	667	15,366
Total Enterprise Fund Loans	<u>2,575,086</u>	<u>0</u>	<u>106,607</u>	<u>2,468,479</u>
<u>Other Long-Term Obligations:</u>				
Compensated Absences	40,738	0	7,131	33,607
Total Enterprise Fund Long-Term Obligations	<u>\$2,615,824</u>	<u>\$0</u>	<u>\$113,738</u>	<u>\$2,502,086</u>

The Water Pollution Control Loan Fund (WPCLF) loans consists of money owed to the WPCLF for construction improvements at the wastewater treatment plant and the planning of the Sewer Line North project. WPCLF loans are payable solely from the operating revenues of the Sewer enterprise fund.

The Ohio Public Works Commission (OPWC) loans consists of money owed to the Ohio Public Works Commission for construction of a 16-inch water main from Smith Park to White Pine Street and the addition of a filter building at the wastewater treatment plant. The OPWC loans are payable solely from the operating revenues of the Sewer and Water enterprise funds.

The compensated absences liability will be paid from the fund from which the employees' salaries are paid. Additions and deletions of accrued vacation and sick leave are shown net since it is impractical for the City to determine these amounts separately.

**CITY OF NEW CARLISLE  
CLARK COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
DECEMBER 31, 1999  
(Continued)**

**13. SHORT-TERM AND LONG-TERM OBLIGATIONS (Continued)**

**B. Long-term Obligations (Continued)**

Annual debt service requirements to maturity for the WPCLF and OPWC loans, for the enterprise funds, including interest are:

<u>Year</u>	<u>OPWC Loans</u>	<u>WPCLF Loans</u>	<u>Total</u>
2000	\$14,330	\$92,244	\$106,574
2001	28,661	184,488	213,149
2002	28,660	184,488	213,148
2003	28,661	184,488	213,149
2004	28,660	184,488	213,148
2005 - 2009	143,303	922,439	1,065,742
2010 - 2014	135,473	922,439	1,057,912
2015 - 2016	<u>19,500</u>	<u>276,730</u>	<u>296,230</u>
Total	<u><u>\$427,248</u></u>	<u><u>\$2,951,804</u></u>	<u><u>\$3,379,052</u></u>

The City's overall legal debt margin (the ability to issue additional amounts of general obligation debt) was \$6,108,167 and the unvoted debt margin was \$3,146,615 at December 31, 1999.

**C. Defeased Debt**

In 1988, the City defeased the 1979 Waterworks System First Mortgage Wastewater System Revenue Bonds by placing monies in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. At December 31, 1999, \$85,000 of bonds outstanding are considered defeased by assets of \$85,824 held in the irrevocable trust.

**14. CAPITALIZED LEASES - LESSEE DISCLOSURE**

During 1999, the City entered into two capitalized leases for three police cruisers and two mowers. The leases are accounted for on a GAAP basis as security of persons and property and transportation expenditures in the General and special revenue funds with an offsetting amount reported as an other financing source. The leases meet the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, "Accounting for Leases", which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments have been reclassified and are reflected as debt service expenditures in the general purpose financial statements for the General and special revenue funds. These expenditures are reflected as program/function expenditures on a budgetary basis.

Vehicles and machinery and equipment acquired by lease have been capitalized in the General Fixed Assets Account Group at \$93,152, which equals the present value of the future minimum lease payments at the time of acquisition. A corresponding liability was recorded in the General Long-Term Obligations Account Group.

**CITY OF NEW CARLISLE  
CLARK COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
DECEMBER 31, 1999  
(Continued)**

**14. CAPITALIZED LEASES - LESSEE DISCLOSURE (Continued)**

The following is a schedule of the future long-term minimum lease payments required under the capital leases and the present value of the minimum lease payments as of December 31, 1999.

Year Ending December 31,	GLTOAG
2000	\$39,123
2001	21,647
Total	60,770
Less: Amount Representing Interest	(5,006)
Present Value of Net Minimum Lease Payments	\$55,764

**15. RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to or destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 1999, the City was a member of the Ohio Government Risk Management Plan, an insurance purchasing pool. The Pool shops for insurance as a group with the intention of securing better rates than if each participant purchased insurance separately.

The type of coverage, deductible and limit for each is as follows:

Type of Coverage	Deductible	Limit
Public Officials Errors and Omissions		
Per Occurrence	\$2,500	\$1,000,000
Total Per Year	0	2,000,000
Automobile	500	1,000,000
Property	500	16,421,179
Crime	0	5,000
Earthquake	25,000	1,000,000
Boiler and Machinery	1,000	2,500,000
Inland Marine	100	1,224,789
General Liability		
Per Occurrence	1,000	1,000,000
Total Per Year	0	3,000,000

The City also maintains separate coverage for the City's public health agency. This coverage includes liability for bodily injury, property damage, clinic professional, and errors and omissions. The deductible is \$1,000 for each claim, with a limit of \$1,000,000 for each type of coverage.

Settlements have not exceeded coverage in any of the last three fiscal years. There has been no significant reduction in coverage from the prior year.

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.

**CITY OF NEW CARLISLE  
CLARK COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
DECEMBER 31, 1999  
(Continued)**

**16. INTERFUND ASSETS AND LIABILITIES**

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$164,528	\$0	\$6,112	\$0
Special Revenue Funds:				
Federal COPS Program	0	11,172	0	0
Fire Levy	0	20,374	0	0
Street Light Assessment	0	59,717	0	0
Street Maintenance	0	0	168	0
Street Permissive Tax	0	16,617	0	0
Total Special Revenue Funds	<u>0</u>	<u>107,880</u>	<u>168</u>	<u>0</u>
Bond Retirement Debt Service Fund	<u>0</u>	<u>17,769</u>	<u>0</u>	<u>0</u>
CDBG Project Capital Projects Fund	<u>0</u>	<u>5,601</u>	<u>0</u>	<u>0</u>
Enterprise Funds:				
Swimming Pool	0	23,505	0	0
Sewer	15,660	4,887	336	0
Water	0	20,546	0	6,616
Total Enterprise Funds	<u>15,660</u>	<u>48,938</u>	<u>336</u>	<u>6,616</u>
Total All Funds	<u>\$180,188</u>	<u>\$180,188</u>	<u>\$6,616</u>	<u>\$6,616</u>

**CITY OF NEW CARLISLE  
CLARK COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
DECEMBER 31, 1999  
(Continued)**

**17. SEGMENT INFORMATION**

The City maintains three enterprise funds which are intended to be self-supporting through user fees charged for services to the public. The City's enterprise funds consist of the Swimming Pool, Sewer and Water funds. The Swimming Pool Fund accounts for the activity of the City's swimming pool. The Sewer and Water funds account for sewer and water services provided to City residents. Financial segment information as of and for the year ended December 31, 1999, is as follows:

	<b>Swimming</b>			<b>Total</b>
	<b>Pool</b>	<b>Sewer</b>	<b>Water</b>	
Operating Revenues	\$38,894	\$620,171	\$431,014	\$1,090,079
Depreciation Expense	6,851	422,004	72,021	500,876
Operating Loss	(26,097)	(338,384)	(77,826)	(442,307)
Grants	0	0	18,947	18,947
Net Non-Operating Revenues (Expenses) - Including Grants	0	(83,969)	23,651	(60,318)
Net Loss	(26,097)	(422,353)	(54,175)	(502,625)
Net Working Capital	(23,042)	475,843	108,620	561,421
Property, Plant and Equipment Additions	51,096	11,675	10,610	73,381
Total Assets	118,248	5,465,874	1,116,697	6,700,819
Loans and Other Long-Term Liabilities				
Payable From Revenues	0	2,249,231	219,248	2,468,479
Current Capital Contributions	46,533	0	0	46,533
Total Fund Equity	94,527	3,154,207	841,934	4,090,668
Encumbrances Outstanding				
At December 31, 1999	138	73,797	21,871	95,806

**18. BUDGETARY BASIS OF ACCOUNTING**

While reporting financial position, results of operations, and changes in fund balance/retained earnings on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, appropriations and encumbrances. The Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Budget Basis) - All Governmental Fund Types and the Combined Statement of Revenues, Expenses and Changes in Fund Equity - Budget and Actual (Budget Basis) - All Enterprise Funds and the Nonexpendable Trust Fund 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).

**CITY OF NEW CARLISLE  
CLARK COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
DECEMBER 31, 1999  
(Continued)**

**18. BUDGETARY BASIS OF ACCOUNTING (Continued)**

3. In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, encumbrances are recorded as the equivalent of an expenditure (budget basis) as opposed to a reservation of fund balance for governmental funds and note disclosure for proprietary funds (GAAP basis).
4. Proceeds from and principal payments on short-term note and loan obligations are reported on the operating statement (budget basis) rather than as balance sheet transactions (GAAP Basis).
5. For enterprise funds, the acquisition and construction of capital assets 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 of Revenues and Other Financing Sources  
Over (Under) Expenditures and Other Financing Uses  
All Governmental Fund Types**

	<b>General</b>	<b>Special Revenue</b>	<b>Debt Service</b>	<b>Capital Projects</b>
GAAP Basis	(\$22,832)	(\$270,560)	(\$8,721)	(\$351)
Revenue Accruals	(136,655)	(68,916)	29	(34,209)
Prepaid Items	(4,585)	(17,160)	0	0
Loan Proceeds	0	111,093	0	0
Transfers	(8,619)	0	8,619	0
Expenditure Accruals	252,307	67,228	0	34,209
Principal Retirement	(13,000)	(20,000)	(14,000)	0
Interest and Fiscal Charges	630	0	(630)	0
Reallocation of Debt Activity	(6,011)	0	6,011	0
Encumbrances	(67,905)	(18,503)	0	0
Budget Basis	(\$6,670)	(\$216,818)	(\$8,692)	(\$351)

**Net Loss/Excess of Revenues Under Expenses  
and Operating Transfers Enterprise Funds**

	<b>Enterprise</b>
GAAP Basis	(\$502,625)
Revenue Accruals	(32,913)
Expense Accruals	(9,765)
Prepaid Items	(1,058)
Capital Outlay	(26,848)
Depreciation Expense	500,876
Principal Retirement	(106,607)
Encumbrances	(95,806)
Budget Basis	(\$274,746)

**CITY OF NEW CARLISLE  
CLARK COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
DECEMBER 31, 1999  
(Continued)**

**19. JOINTLY GOVERNED ORGANIZATION**

The Miami Valley Fire/EMS Alliance (the Alliance) is a jointly governed organization between municipal corporations and townships in Montgomery, Greene and Warren Counties. The purpose of the Alliance is to foster cooperation among the political subdivisions by promoting programs and recommending matters which will result in more efficient methods of delivering fire and emergency medical services in the region. The Board of the Alliance is made up of a representative appointed by the City of Dayton, a representative appointed by the members who are provided Fire/EMS Services by volunteers, two representatives appointed by the members who are provided Fire/EMS Services by a combination of full time employees and volunteers, and a representative appointed by the members who are provided Fire/EMS Services by full time employees. Payments to the Alliance are made from the Fire Operating Levy Special Revenue Fund. The City contributed \$1,443 for the operation of the Alliance during 1999. Financial information can be obtained from Glenn Alexander, Director, at 444 West Third Street, Suite 13-204, Dayton, Ohio 45402.

**20. CONTINGENT LIABILITIES**

**A. Litigation**

The City of New Carlisle is party to various legal proceedings seeking damages or injunctive relief generally incidental to its operations and pending projects. The ultimate disposition of such proceedings is not presently determinable, but will not, in the opinion of the City Law Director, have a material adverse effect on the financial condition of the City.

**B. 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 the grantor agencies or their designees. 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.

**21. SUBSEQUENT EVENTS**

On May 9, 2000, the City authorized a contract with National City Bank for the lease-purchase of several vehicles and a tractor loader at 6.21 percent interest. This is a three year agreement with payments of \$45,940 due annually in May of 2001, 2002, and 2003.

On May 15, 2000, the City authorized a \$129,412 contract for remodeling of the Municipal Building. On April 3, 2000, the City authorized a \$106,990 contract for purchase of an ambulance.

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

One First National Plaza  
130 West Second Street  
Suite 2040  
Dayton, Ohio 45402  
Telephone 937-285-6677  
800-443-9274  
Facsimile 937-285-6688  
[www.auditor.state.oh.us](http://www.auditor.state.oh.us)

## REPORT ON COMPLIANCE AND ON INTERNAL CONTROL REQUIRED BY GOVERNMENT AUDITING STANDARDS

City of New Carlisle  
Clark County  
331 Church Street  
New Carlisle, Ohio 45344

To Honorable Mayor and City Council:

We have audited the financial statements of the City of New Carlisle, Clark County, Ohio (the City), as of and for the year ended December 31, 1999, and have issued our report thereon dated August 7, 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'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 instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 1999-20312-001 and 1999-20312-002. We also noted certain immaterial instances of noncompliance that we have reported to management of the City in a separate letter dated August 7, 2000.

### 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. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgement, could adversely affect the City's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings as items 1999-20312-003 through 20312-006.

**Internal Control Over Financial Reporting  
(Continued)**

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 that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, we consider item 1999-20312-003 to be a material weakness. We also noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to the management of the City in a separate letter dated August 7, 2000.

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



**Jim Petro**  
Auditor of State

August 7, 2000

**CITY OF NEW CARLISLE  
CLARK COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 1999**

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

<b>Finding Number</b>	<b>1999-20312-001</b>	<b>Report Level Citation</b>
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**Encumbering**

Ohio Rev. Code Section 5705.41(D), states that no orders or contracts involving the expenditure of money are to be made unless there is a certificate of the fiscal officer that the amount required for the order or contract has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances.

Section 5705.41(D), Revised Code, provides the following exception to this requirement:

If no certificate is issued at the time the contract or order is presented for payment, the fiscal officer may authorize the payment provided there is appropriated a sufficient sum for the purpose of such contract and is in the treasury or process of collection to the credit of an appropriate fund free from a previous encumbrance, and the amount involved is less than \$1,000. Amounts greater than \$1,000 must be approved by the taxing authority within 30 days from receipt of the fiscal officers certificate.

Fifty-five percent of the vouchers tested were not certified before the purchase occurred. The City should develop and implement purchasing policies to ensure that the fiscal officer's certificate is obtained in a timely manner.

<b>Finding Number</b>	<b>1999-20312-002</b>	<b>Report Level Citation</b>
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**Negative Cash Balances**

Ohio Rev. Code Section 5705.10 requires that money that is paid into a fund must be used only for the purpose for which such fund has been established. A negative cash balance indicates that money from one fund was used to cover the expenses of another fund.

The City had negative cash balances in the following funds at December 31, 1999:

Permissive Tax	( 16,617)
COPS Grant	( 11,172)
Fire	( 20,374)
Street Light	( 59,717)
Bond Retirement	( 17,769)
CDBG	( 5,601)
Swimming Pool	( 23,505)

The City should develop and implement procedures to routinely monitor individual fund cash balances to prevent improperly using one fund's resources to meet another's obligations. The City may consider temporary advances, or transfers of money from the General Fund to cover these cash flow shortages.

**CITY OF NEW CARLISLE  
CLARK COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 1999  
(Continued)**

<b>Finding Number</b>	<b>1999-20312-003</b>	<b>Material Weakness</b>
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**Cash Reconciliation**

Monthly reconciliations from the City's ledgers to the City's depository accounts were not performed on a timely basis. As a result, the City's cash balances at December 31, 1999 were increased \$67,058 for identified errors and by \$7,156 in unidentified errors to agree with the recorded fund balances. Among the errors found were checks written in 2000 which were recorded as 1999 expenditures, and 1998 checks which were paid by the bank in 1999 but not recorded in 1998. Further, the payroll bank account was not reconciled. Accurate and timely bank reconciliations are tools to enable management to improve the accuracy and completeness of the City's financial information and statements. Failure to maintain complete accountability of public monies increased the possibility of errors being undetected and could result in poor decision making as a result of faulty financial information.

Monthly bank reconciliations should be performed in a timely manner to improve accountability and to help strengthen internal accounting controls over the cash reconciliation process. Also, personnel independent of the reconciliation process should periodically review the records to determine accuracy and to assure themselves that proper procedures were followed by the fiscal officer. These periodic reviews should be noted in the minutes and/or documents reviewed should be initialed by the reviewer.

<b>Finding Number</b>	<b>1999-20312-004</b>	<b>Reportable Condition</b>
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**Fixed Assets**

Review of the City's fixed asset accounting system noted the following weaknesses:

1. No written policy for the determination of the City's capitalization amount.
2. No depreciation report by fixed asset.
3. No detailed list of fixed assets which agreed to amounts reported on the financial statements.

These weaknesses could result in an inaccurate listing of City property and erroneous presentation of fixed assets on the City's financial statements. Additionally, lack of detailed assets listings does not provide the City with accurate information in the event of loss of assets.

We recommend the following:

1. The City should adopt and implement a fixed asset policy that includes a minimum capitalization threshold, depreciable lives, and any other pertinent information.
2. All fixed assets above the capitalization threshold amount should be recorded on a fixed asset report and reconciled to the amount reported on the financial statements.
3. An annual physical inventory should be performed, reviewed, maintained, and reconciled to the City's Fixed Asset report.

**CITY OF NEW CARLISLE  
CLARK COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 1999  
(Continued)**

<b>Finding Number</b>	<b>1999-20312-005</b>	<b>Reportable Condition</b>
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**Compensated Absences**

The leave used on the City's records did not agree to the approved leave forms. Failure to maintain accurate vacation and sick leave forms could result in additional expense for the City if employees are paid for unauthorized leave and could allow irregularities to occur in the financial statements without being detected in a timely manner.

The City's leave records should be updated and reconciled on a monthly basis with the approved leave sheets. This should help to provide accurate leave balances for all employees, thereby reducing the potential for disagreement between the City and its employees, and to aid in accurate financial presentation.

<b>Finding Number</b>	<b>1999-20312-006</b>	<b>Reportable Condition</b>
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**Purchase Requisitions**

The City's purchasing procedures require a requisition form to be prepared by an employee and then be approved (signed) by a supervisor prior to forwarding to the finance department. Forty percent of tested requisitions did not include the approval of a supervisor which could result in unauthorized purchases and expenditures.

The City should implement procedures to require all requisitions have the approval of a supervisor before the requisition is forwarded to the finance department to prevent unauthorized purchases and to enable supervisors to know about spending of departmental funds.

**CITY OF NEW CARLISLE  
CLARK COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 1999**

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Fully Corrected?</b>	<b>Not Corrected, Partially Corrected, Significantly Different Corrective Action Taken, or Finding No Longer Valid; Explain</b>
1998-20312-001	Not properly certifying.	No	Corrected in 2000
1998-20312-002	Destruction of public records: Ambulance bills and receipts, leave sheets, 1099's and income tax logs.	Yes	
1998-20312-003	City did not reconcile the general or payroll accounts monthly. Unidentified variance between books and bank.	No	Partially corrected in 2000
1998-20312-004	City did not properly account for sick and vacation leave balances.	No	Corrected in 2000
1998-20312-005	City did not keep proper accounting for ambulance receipts.	Yes	
1998-20312-006	City did not properly account for fixed assets. No policy or detailed list.	No	City is still working on this condition.
1998-20312-007	City Manager modified employee contracts without Council approval.	Yes	
1998-20312-008	Unauthorized personnel signing checks.	Yes	

**CITY OF NEW CARLISLE  
CLARK COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 1999  
(Continued)**

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Fully Corrected?</b>	Not Corrected, Partially Corrected, Significantly Different Corrective Action Taken, or Finding No Longer Valid; <b>Explain</b>
1998-20312-009	The City Council did not approve detailed list of expenditures.	D i f f e r e n t action taken.	City Council does not require detailed check reports. They are given monthly revenue, expense and cash reports.
1998-20312-010	City did not post accounting transactions on a timely basis.	No	Corrected in 2000
1998-20312-011	City did not have written accounting procedures in place.	No	City is still working on this.
1998-20312-012	City had not tested the computer system for 2000 compliance.	N/A	







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 NEW CARLISLE**

**CLARK 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  
SEPTEMBER 14, 2000**