

**VILLAGE OF
GROVEPORT**

***GENERAL PURPOSE
FINANCIAL STATEMENTS
(Audited)***

**FOR THE YEAR ENDED
DECEMBER 31, 1999**

TRIMBLE, JULIAN & GRUBE, INC.

TJG

**VILLAGE OF
GROVEPORT**

***GENERAL PURPOSE
FINANCIAL STATEMENTS
(Audited)***

**FOR THE YEAR ENDED
DECEMBER 31, 1999**

BRAD SHULL, FINANCE DIRECTOR

VILLAGE OF GROVEPORT

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

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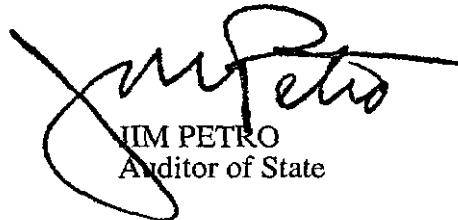
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Village Council
Village of Groveport

We have reviewed the Independent Auditor's Report of the Village of Groveport, Franklin County, prepared by Trimble, Julian & Grube, Inc. for the audit period January 1, 1999 through December 31, 1999. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Village of Groveport is responsible for compliance with these laws and regulations.



JIM PETRO
Auditor of State

June 23, 2000

TRIMBLE, JULIAN & GRUBE, INC.

"SERVING OHIO LOCAL GOVERNMENTS"

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Independent Auditor's Report

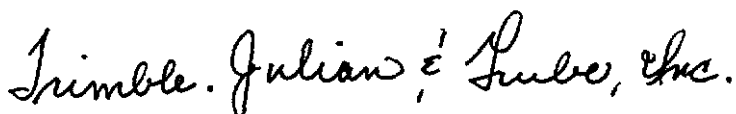
Village Council
Village of Groveport
655 Blacklick Street
Groveport, Ohio 43125

We have audited the accompanying general purpose financial statements of the Village of Groveport, Franklin County, Ohio as of and for the year ended December 31, 1999, as listed in the table of contents. These general purpose financial statements are the responsibility of the Village of Groveport's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Village of Groveport, as of December 31, 1999, and the results of its operations and the cash flows of its proprietary fund type for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated April 27, 2000 on our consideration of the Village of Groveport's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.



Trimble, Julian & Grube, Inc.
April 27, 2000

VILLAGE OF GROVEPORT, OHIO
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
DECEMBER 31, 1999

	<u>Governmental Fund Types</u>				<u>Proprietary Fund Type</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Enterprise</u>
<u>ASSETS AND OTHER DEBITS</u>					
ASSETS:					
Equity in pooled cash and investments	\$1,722,673	\$566,698	\$81,116	\$2,285,940	\$931,673
Cash in segregated accounts					
Receivables (net of allowances for uncollectibles):					
Income taxes	216,302			243,914	
Property and other taxes	203,169	1,157			
Accounts					147,260
Accrued interest	37,367	1,390			
Due from other funds	8,731	910			
Due from other governments	23,675	28,958		2,625	
Restricted assets:					
Equity in pooled cash and cash equivalents	291,667				
Fixed assets (net of accumulated depreciation where applicable)					5,461,157
OTHER DEBITS:					
Amount available in debt service fund					
Amount to be provided from general government resources					
Total assets and other debits	<u>\$2,503,584</u>	<u>\$599,113</u>	<u>\$81,116</u>	<u>\$2,532,479</u>	<u>\$6,540,090</u>

THE NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

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Fiduciary Fund Type	Account Groups		Total (Memorandum Only)
	General Fixed Assets	General Long-Term Obligations	
Agency			
	\$177,143		\$5,765,243
	9,217		9,217
			460,216
			204,326
			147,260
			38,757
			9,641
			55,258
			291,667
	\$3,953,787		9,414,944
		\$81,116	81,116
		2,364,739	2,364,739
	<u>\$186,360</u>	<u>\$2,445,855</u>	<u>\$18,842,384</u>

Continued

VILLAGE OF GROVEPORT, OHIO
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS (Continued)
DECEMBER 31, 1999

	<u>Governmental Fund Types</u>				<i>Proprietary</i> <u>Fund Type</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Enterprise</u>
LIABILITIES, EQUITY AND OTHER CREDITS					
LIABILITIES:					
Accounts payable	\$27,354	\$7,789		\$39,202	\$54,914
Accrued wages and benefits.	31,341	2,862			4,275
Compensated absences payable.	9,598				22,187
Due to other funds		2,015			
Due to other governments.	64,255	837			6,106
Deposits held and due to others.					
Deferred revenue	219,030				
OPWC loan payable.					
General obligation bonds payable.					
Obligation under capital lease.					
Total liabilities	<u>351,578</u>	<u>13,503</u>		<u>39,202</u>	<u>87,482</u>
EQUITY AND OTHER CREDITS:					
Investment in general fixed assets.					
Contributed capital.					6,617,970
Retained earnings (accumulated deficit):					
Unreserved					(165,362)
Fund balances:					
Reserved for encumbrances	173,276	30,555		942,815	
Reserved for debt service			\$81,116		
Reserved for perpetual care		11,513			
Unreserved:					
Designated for budget stabilization	291,667				
Undesignated	1,687,063	543,542		1,550,462	
Total equity and other credits.	<u>2,152,006</u>	<u>585,610</u>	<u>81,116</u>	<u>2,493,277</u>	<u>6,452,608</u>
Total liabilities, equity and other credits	<u>\$2,503,584</u>	<u>\$599,113</u>	<u>\$81,116</u>	<u>\$2,532,479</u>	<u>\$6,540,090</u>

THE NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

Fiduciary Fund Type	Account Groups		Total (Memorandum Only)
	General Fixed Assets	General Long-Term Obligations	
			\$129,259
			38,478
		\$108,713	140,498
\$7,626			9,641
1,591			72,789
177,143			177,143
			219,030
		292,637	292,637
		2,030,000	2,030,000
		14,505	14,505
<u>186,360</u>		<u>2,445,855</u>	<u>3,123,980</u>
	\$3,953,787		3,953,787
			6,617,970
			(165,362)
			1,146,646
			81,116
			11,513
			291,667
			3,781,067
	<u>3,953,787</u>		<u>15,718,404</u>
<u>\$186,360</u>	<u>\$3,953,787</u>	<u>\$2,445,855</u>	<u>\$18,842,384</u>

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VILLAGE OF GROVEPORT, OHIO

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

	Governmental Fund Types				Total (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
Revenues:					
Municipal income taxes	\$1,959,023			\$2,271,322	\$4,230,345
Property and other taxes	155,581	\$49,249			204,830
Charges for services	17,858	77,625			95,483
Licenses, permits and fees	294,109				294,109
Fines and forfeitures	73,656	14,378			88,034
Intergovernmental	254,159	279,738		197,860	731,757
Special assessments		42,081			42,081
Investment income	253,327	13,136		5,323	271,786
Other	23,785	876		69,880	94,541
Total revenues	3,031,498	477,083		2,544,385	6,052,966
Expenditures:					
Current:					
General government	1,362,902	5,373		30,477	1,398,752
Security of persons and property	551,621	71,538			623,159
Public health and welfare	55,638	14,970			70,608
Transportation	238,440	159,124			397,564
Community environment	234,891	4,000			238,891
Leisure time activity	188,422	59,926			248,348
Economic development	2,059				2,059
Capital outlay		30,958		1,010,111	1,041,069
Debt service:					
Principal retirement	8,817		\$383,160		391,977
Interest and fiscal charges	1,587		129,740		131,327
Total expenditures	2,644,377	345,889	512,900	1,040,588	4,543,754
Excess (deficiency) of revenues over (under) expenditures	387,121	131,194	(512,900)	1,503,797	1,509,212
Other financing sources (uses):					
Operating transfers in			481,250		481,250
Operating transfers out				(481,250)	(481,250)
Total other financing sources (uses)			481,250	(481,250)	
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing (uses)	387,121	131,194	(31,650)	1,022,547	1,509,212
Fund balances, January 1	1,764,885	454,416	112,766	1,470,730	3,802,797
Fund balances, December 31	\$2,152,006	\$585,610	\$81,116	\$2,493,277	\$5,312,009

THE NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

VILLAGE OF GROVEPORT, OHIO

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

	General			Special Revenue		
	Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:						
Municipal income taxes	\$1,811,499	\$1,900,822	\$89,323			
Property and other taxes	142,225	149,238	7,013	\$30,291	\$49,208	\$18,917
Charges for services	17,019	17,858	839	38,800	77,625	38,825
Licenses, permits and fees	280,288	294,109	13,821			
Fines and forfeitures	68,489	71,866	3,377	21,700	14,288	(7,412)
Intergovernmental	259,249	272,032	12,783	240,998	283,705	42,707
Special assessments				15,000	42,081	27,081
Investment income	258,561	271,310	12,749	12,159	12,685	526
Other	22,667	23,785	1,118	0	876	876
Total revenues	2,859,997	3,001,020	141,023	358,948	480,468	121,520
Expenditures:						
Current:						
General government	1,701,965	1,523,401	178,564	18,200	5,373	12,827
Security of persons and property	713,781	595,821	117,960	89,096	72,715	16,381
Public health and welfare	87,492	71,918	15,574	15,392	15,268	124
Transportation	287,027	241,815	45,212	212,672	188,032	24,640
Community environment	249,734	238,788	10,946	4,000	4,000	0
Leisure time activity	200,803	196,541	4,262	80,000	60,144	19,856
Economic development	67,000	7,266	59,734			
Capital outlay				30,958	30,958	0
Debt service:						
Principal retirement						
Interest and fiscal charges						
Total expenditures	3,307,802	2,875,550	432,252	450,318	376,490	73,828
Excess (deficiency) of revenues over (under) expenditures	(447,805)	125,470	573,275	(91,370)	103,978	195,348
Other financing sources (uses):						
Operating transfers in						
Operating transfers out						
Total other financing sources (uses)						
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing (uses)	(447,805)	125,470	573,275	(91,370)	103,978	195,348
Fund balances, January 1	1,581,950	1,581,950	0	398,968	398,968	0
Prior year encumbrances appropriated	142,749	142,749	0	26,864	26,864	0
Fund balances, December 31	\$1,276,894	\$1,850,169	\$573,275	\$334,462	\$529,810	\$195,348

THE NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

Debt Service			Capital Projects			Total (Memorandum Only)		
Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)
			\$2,288,693	\$2,205,693	(\$83,000)	\$4,100,192	\$4,106,515	\$6,323
						172,516	198,446	25,930
						55,819	95,483	39,664
						280,288	294,109	13,821
						90,189	86,154	(4,035)
			202,582	195,235	(7,347)	702,829	750,972	48,143
						15,000	42,081	27,081
			5,523	5,323	(200)	276,243	289,318	13,075
			72,510	69,880	(2,630)	95,177	94,541	(636)
			<u>2,569,308</u>	<u>2,476,131</u>	<u>(93,177)</u>	<u>5,788,253</u>	<u>5,957,619</u>	<u>169,366</u>
			37,100	32,565	4,535	1,757,265	1,561,339	195,926
						802,877	668,536	134,341
						102,884	87,186	15,698
						499,699	429,847	69,852
						253,734	242,788	10,946
						280,803	256,685	24,118
						67,000	7,266	59,734
			2,831,627	2,026,387	805,240	2,862,585	2,057,345	805,240
\$385,000	\$383,160	\$1,840				385,000	383,160	1,840
140,000	129,740	10,260				140,000	129,740	10,260
<u>525,000</u>	<u>512,900</u>	<u>12,100</u>	<u>2,868,727</u>	<u>2,058,952</u>	<u>809,775</u>	<u>7,151,847</u>	<u>5,823,892</u>	<u>1,327,955</u>
(525,000)	(512,900)	12,100	(299,419)	417,179	716,598	(1,363,594)	133,727	1,497,321
519,832	481,250	(38,582)				519,832	481,250	(38,582)
			(525,000)	(481,250)	43,750	(525,000)	(481,250)	43,750
<u>519,832</u>	<u>481,250</u>	<u>(38,582)</u>	<u>(525,000)</u>	<u>(481,250)</u>	<u>43,750</u>	<u>(5,168)</u>	<u>0</u>	<u>5,168</u>
(5,168)	(31,650)	(26,482)	(824,419)	(64,071)	760,348	(1,368,762)	133,727	1,502,489
112,766	112,766	0	812,256	812,256	0	2,905,940	2,905,940	0
			555,738	555,738	0	725,351	725,351	0
<u>\$107,598</u>	<u>\$81,116</u>	<u>(\$26,482)</u>	<u>\$543,575</u>	<u>\$1,303,923</u>	<u>\$760,348</u>	<u>\$2,262,529</u>	<u>\$3,765,018</u>	<u>\$1,502,489</u>

VILLAGE OF GROVEPORT, OHIO
COMBINED STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS
PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 1999

	Proprietary Fund Type
	Enterprise
Operating revenues:	
Charges for services	\$886,426
Total operating revenues	886,426
Operating expenses:	
Personal services	175,482
Contractual services	367,942
Materials and supplies	22,597
Depreciation	100,579
Other	1,105
Total operating expenses	667,705
Operating income	218,721
Retained earnings (accumulated deficit), January 1	(384,083)
Retained earnings (accumulated deficit), December 31	<u>(\$165,362)</u>

THE NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

VILLAGE OF GROVEPORT, OHIO
COMBINED STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 1999

	Proprietary Fund Type
	Enterprise
Cash flows from operating activities:	
Cash received from charges for services	\$904,807
Cash payments for personal services	(176,037)
Cash payments for contractual services	(372,774)
Cash payments for materials and supplies.	(22,597)
Cash payments for other expenses	(1,105)
Net cash provided by operating activities	<u>332,294</u>
Net increase in cash and cash equivalents	332,294
Cash and cash equivalents at beginning of year.	<u>599,379</u>
Cash and cash equivalents at end of year	<u>\$931,673</u>
 <i>Reconciliation of operating income to</i>	
<i>net cash provided by operating activities:</i>	
Operating income	\$218,721
<i>Adjustments to reconcile operating income</i>	
<i>to net cash provided by operating activities:</i>	
Depreciation	100,579
<i>Changes in assets and liabilities:</i>	
Decrease in accounts receivable	18,381
Decrease in accounts payable	(4,832)
Increase in accrued wages and benefits	966
Increase in compensated absences payable	867
Decrease in due to other governments.	(2,388)
Net cash provided by operating activities	<u>\$332,294</u>

THE NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

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VILLAGE OF GROVEPORT, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 1999

NOTE 1 - DESCRIPTION OF THE VILLAGE

The Village of Groveport ("Village") was founded in 1847 and is located in Franklin County. The Village is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio and the Village Charter. The Village Charter was adopted in 1990 and provides for a Mayor-Council-Administrator form of government. The six member council is elected at-large in odd-numbered years for overlapping four-year terms. The Council members serve as the legislative authority and the taxing authority. The Council members create and adopt the annual operating budget and approve expenditures of Village funds.

The Village provides general governmental services to its residents including: police services, community affairs, senior citizens' services, building and zoning regulation and enforcement, water and sewer services, road maintenance, parks, and other administrative support services. The Village's management believes these financial statements present all activities for which the Village is financially accountable.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The general purpose financial statements (GPFS) of the Village 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 Village also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its proprietary activities provided they do not conflict with or contradict GASB pronouncements. The most significant of the Village's accounting policies are described below.

VILLAGE OF GROVEPORT, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 1999

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

A. Reporting Entity

The Village's reporting entity has been defined in accordance with GASB Statement No. 14, "The Financial Reporting Entity". The GPFS includes all funds, agencies, boards, commissions, and departments for which the Village is financially accountable. Financial accountability, as defined by the GASB, exists if the Village appoints a voting majority of an organization's governing board and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific burdens on, the Village. The Village may also be financially accountable for governmental organizations with a separately elected governing board, a governing board appointed by another government, or a jointly appointed board that is fiscally dependent on the Village. The Village also took into consideration other organizations for which the nature and significance of their relationship with the Village are such that exclusion would cause the Village's GPFS to be misleading or incomplete. Based upon the foregoing criteria, the Village has no component units, but is a member of three insurance purchasing pools which are described in Note 15.

B. Basis of Presentation - Fund Accounting

The accounts of the Village are organized on the basis of fund or account groups, each of which is considered a separate account entity. The operations of each fund are accounted for with a set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures/expenses, as appropriate. The various funds are summarized by type in the GPFS.

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

VILLAGE OF GROVEPORT, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1999

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

GOVERNMENTAL FUND TYPES

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

General Fund - This fund accounts for the general operating revenues and expenditures of the Village not recorded elsewhere.

Special Revenue Funds - These funds are used to account for specific governmental revenues (other than for major capital projects) requiring separate accounting because of legal or regulatory provisions or administrative action.

Debt Service Fund - This fund is used to account for revenues received and used to pay principal and interest on debt reported to the Village's general long-term obligations account group.

Capital Projects Fund - This fund is used to account for the acquisition or construction of major capital assets other than those financed by proprietary funds.

PROPRIETARY FUND TYPE

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

Enterprise Funds - These funds are established to account for operations that are financed and operated in a manner similar to private 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.

VILLAGE OF GROVEPORT, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1999

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

FIDUCIARY FUND TYPE

These funds are used to account for assets held by the Village in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. The following is the Village's fiduciary fund type:

Agency Funds - These funds are used to account for assets held by the Village as an agent for individuals, private organizations, other governmental units, and other funds. Agency funds are purely custodial in nature and do not involve the measurement of results of operations.

ACCOUNT GROUPS

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

General Fixed Assets Account Group - This account group is used to present the general fixed assets of the Village utilized in its general operations, exclusive of those accounted for in the enterprise funds. General fixed assets include land, land improvements, buildings, building improvements, vehicles, and furniture and equipment owned by the Village.

General Long-Term Obligations Account Group - This account group is used to account for all long-term obligations of the Village, except for those accounted for in the enterprise funds.

VILLAGE OF GROVEPORT, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 1999

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

C. Measurement Focus and Basis of Accounting

The modified accrual basis of accounting is followed for the governmental funds and the agency funds. Under this basis, revenues are recognized in the accounting period when they become both measurable and available. Available means collectible within the sixty days after year-end to be used to pay liabilities of the current year.

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available: reimbursements from other governments, amounts receivable from Village income tax withholdings, charges for services, interest on investments and state-levied, locally-shared taxes. The Village reports deferred revenues 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.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are recognized when the related liability is expected to be liquidated with expendable available financial resources with the following exceptions: general long-term obligation principal and interest is reported only when paid; and the costs of accumulated unpaid vacation and sick leave are reported in the period due rather than in the period earned by employees.

The accrual basis of accounting is utilized for reporting purposes by the proprietary funds. Revenues are recognized when they are earned and become measurable and expenses are recognized when they are incurred, if measurable.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are 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.

VILLAGE OF GROVEPORT, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 1999

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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

D. Budgetary Data

The budgetary process is prescribed by provisions of the Ohio Revised Code (ORC) 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 Appropriations Resolution, all of which are prepared on the budgetary basis of accounting. The Certificate of Estimated Resources and the Appropriations Resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources. All funds, other than agency funds, legally are required to be budgeted and appropriated. The legal level of budgetary control is at the department level in the General fund and at the fund level for all other funds. Budgetary modifications may only be made by resolution of Village Council at the legal level of control.

A budget of estimated revenues and expenditures is submitted to the County Auditor by July 20 of each year, for the period January 1 to December 31 of the following year.

The County Budget Commission certifies its actions to the Village by September 1. As part of this certification, the Village receives the official Certificate of Estimated Resources which states the projected revenue of each fund. On or about January 1, this Certificate is amended to include any unencumbered balances from the preceding year. Prior to December 31, the Village must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal 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 Measure. 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 following fiscal year as authority for expenditure. Budgeted receipts as shown in the accompanying financial statements do not include January 1, 1999 unencumbered fund balances. However, those fund balances are available for appropriations.

VILLAGE OF GROVEPORT, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 1999

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Appropriation budgets are legally required for each organizational unit by major expenditure object. A temporary Appropriation Measure to control cash disbursements may be passed on or about January 1 of each year for the period January 1 to March 31.

An annual appropriation measure must be passed by April 1 of each year for the period January 1 to December 31. The appropriation measure may be amended or supplemented during the year as new information becomes available, provided that total fund appropriations do not exceed current estimated resources, as certified and beginning-year fund balance.

E. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary control in the appropriated governmental and proprietary funds. Encumbrances outstanding at year-end are reported as reservations of fund balance for subsequent year expenditures on the modified accrual basis of accounting shown on the combined balance sheet, compared to encumbrances outstanding at year-end reported as expenditures on the budget basis of accounting as shown on the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual.

F. Cash and Investments

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

During fiscal year 1999, investments were limited to U.S. Treasury Notes, repurchase agreements, nonnegotiable certificates of deposit and investments in the State Treasury Asset Reserve of Ohio (STAR Ohio).

Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts such as repurchase agreements and nonnegotiable certificates of deposit are reported at cost.

VILLAGE OF GROVEPORT, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1999

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

The Village has invested funds in STAR Ohio during fiscal 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.

Under existing Ohio statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund. The following funds were credited with more interest revenue than would have been received based upon their share of the Village's cash fund balance during 1999:

	<u>Interest Actually Received</u>	<u>Interest Based Upon Share of Cash Fund Balance</u>	<u>Interest Assigned by Other Funds</u>
General	\$253,327	\$97,815	\$155,512
<u>Special Revenue Fund</u>			
DVI/OMVI Education	129	122	7

The Village has a segregated bank account for Mayors Court monies held separate from the Village's central bank account. This interest bearing depository account is presented on the combined balance sheet as "Cash in Segregated Accounts" since it is not required to be deposited into the Village treasury.

For purpose of the combined statement of cash flows and for presentation on the combined balance sheet, investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the Village are considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

VILLAGE OF GROVEPORT, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1999

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

The Village's Combined Statement of Cash Flows - Proprietary Fund Type has been prepared in accordance with GASB Statement No. 9, "Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting." For purposes of this statement, the Village considers cash and cash equivalents to include "Equity in Pooled Cash and Investments" since these amounts are available upon demand.

An analysis of the Treasurer's investment account at year end is provided in Note 4.

G. Property, Plant, Equipment, and Depreciation

1. *General Fixed Assets Account Group*

General fixed assets are capitalized at cost and updated for the cost of additions and disposals during the year in the general fixed assets account group. The Village follows a policy of not capitalizing infrastructure, which is defined as assets that are immovable and of value only to the Village, (i.e., roads, bridges, etc.). No depreciation is recognized for assets in the account group. Interest on debt issued to construct general fixed assets is not capitalized in the account group. The Village has established a capitalization threshold of \$1,000 for general fixed assets.

2. *Enterprise Fund Fixed Assets*

Property, plant, and equipment reflected in the enterprise funds are stated at cost and updated for the cost of additions and disposals during the year. Contributed fixed assets are recorded at their fair market value as of the date donated. Depreciation and amortization have been provided on a straight-line basis over the following estimated useful lives:

<u>Description</u>	<u>Estimated Life</u>
Vehicles	8
Furniture, fixtures and equipment	10-30
Land improvements	20
Buildings	50
Building improvements	10-30
Water mains	65
Storm sewer lines	65
Sanitary sewer lines	65

VILLAGE OF GROVEPORT, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 1999

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

The Village also capitalizes the cost of major renovations which extend the useful life of an asset or which enable it to perform new or more valuable services. Interest on tax exempt debt issued to construct enterprise fund fixed assets is capitalized, net of interest earned on the proceeds of such debt. The Village has established a capitalization threshold of \$1,000 for proprietary fixed assets.

3. *Valuation*

Fixed asset values were initially determined at December 31, 1997, by assigning original acquisition costs when such information was available. In cases when original costs were not practicably determinable, estimates were arrived at by indexing estimated current costs back to the estimated year of acquisition. Donated fixed assets are capitalized at estimated fair market value on the date donated.

H. **Compensated Absences**

Compensated absences of the Village consists of vacation leave and sick leave to the extent that payment to the employee for these absences are attributable to services already rendered and are not contingent on a specific event that is outside the control of the Village and the employee.

In accordance with the provisions of GASB Statement No. 16, "Accounting for Compensated Absences", a liability for vacation leave is accrued if a) the employees' rights to payment are attributable to services already rendered; and b) it is probable that the employer will compensate the employees for the benefits through paid time off or other means, such as cash payment at termination or retirement. A liability for sick leave is based on the sick leave accumulated at the balance sheet date by those employees who are currently eligible to receive termination (severance) payments, as well as those employees expected to become eligible in the future. For purposes of establishing a liability for severance on employees expected to become eligible to retire in the future, all employees age fifty (50) or greater with at least ten (10) years of service or any employee with at least twenty (20) years of service were considered expected to become eligible to retire in accordance with GASB Statement No. 16. Sick leave benefits are accrued using the "Vesting" method. In addition, the Village has a policy by which an employee receives a portion of their unused sick leave balance upon separation of employment if the employee has ten (10) or more years of governmental service. This policy is in addition to employees eligible or expected to become eligible for termination (severance) payments.

VILLAGE OF GROVEPORT, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 1999

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

The total liability for vacation and sick leave payments has been calculated using pay rates in effect at the balance sheet date, and reduced to the maximum payment allowed by labor contract and/or statute, plus applicable additional salary related payments. Village employees are granted vacation and sick leave in varying amounts. In the event of termination, an employee is reimbursed for accumulated vacation and sick leave at various rates. Payment of vacation and sick leave recorded in the general long-term obligations account group is dependent upon many factors; therefore, timing of future payments is not readily determinable. However, management believes that sufficient resources will be made available for the payment of vacation and sick leave when such payments become due.

Accumulated vacation and sick leave of governmental fund type employees meeting the above requirements have been recorded in the appropriate governmental fund as a current liability to the extent that the amounts are expected to be payable within the current available period. The balance of the liability is recorded in the general long-term obligations account group. Vacation and sick leave benefits for employees meeting the above requirements who are paid from proprietary funds are recorded as an expense when earned, and the liability for unused amounts is shown as a fund liability.

I. Intergovernmental Revenues

Unrestricted intergovernmental revenues received on the basis of entitlement are recorded as receivables and revenues when the entitlement occurs (to the extent they are intended to finance the current fiscal year). Reimbursement type grants are recorded as receivables and revenues when the related expenditures are incurred. Intergovernmental receivables are reported as revenue if they are both measurable and available and intended to finance fiscal 1999 operations. Intergovernmental receivables that are measurable as of December 31, 1999, but are intended to finance 2000 operations, whose availability is indeterminable, have been recorded as deferred revenue.

J. Long-Term Obligations

Long-term obligations for general obligation bonds, capital lease obligations, OPWC loans and vested sick, severance and vacation leave that are expected to be paid from the governmental funds are shown in the general long-term obligations account group, while those expected to be paid from proprietary funds are shown as a liability of those funds.

VILLAGE OF GROVEPORT, OHIO

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

K. Interfund Transactions

During the course of normal operations, the Village has numerous transactions between funds. The most significant include:

1. Transfers of resources from one fund to another fund. The resources transferred are to be expended for operations by the receiving fund and are recorded as operating transfers, with the exception of agency funds, which do not show transfers of resources as operating transfers. Intrafund transfers have been eliminated for GAAP reporting.
2. Reimbursements from one fund to another are treated as expenditures/expenses in the reimbursing fund and a reduction in expenditures/expenses in the reimbursed fund.
3. Short-term interfund balances, related to changes for goods and services rendered, are reflected as "due to/from other funds".

An analysis of interfund transactions is presented in Note 5.

L. Fund Balance Reserves and Designations

Reserved or designated fund balances indicate that portion of fund equity which are not available for current appropriation or use. The unreserved and undesignated portions of fund equity reflected in the governmental funds are available for use within the specific purposes of the funds.

The Village reports amounts representing encumbrances outstanding, available debt service equity and amounts for perpetual care of the cemetery are reservations of fund balance in the governmental funds. The Village reports amounts set aside by Village Council for budget stabilization as a designation of fund balance in the governmental funds.

VILLAGE OF GROVEPORT, OHIO

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

M. Contributed Capital

Contributed capital represents donations by developers, grants restricted for capital construction, contributions made by the Village, and assets constructed with special assessments. These assets are recorded at their fair market value on the date contributed and are not subject to repayment. Depreciation on those proprietary fund type assets acquired or constructed with contributed resources is expensed and closed to unreserved retained earnings at year-end.

It is the policy of the Village to construct and acquire capital assets used in the operations of the enterprise funds with resources of the capital projects funds or through donations by developers. These assets are recorded as contributed capital in the accompanying combined financial statements.

N. Estimates

The preparation of financial statements in conformity with GAAP 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.

O. Restricted Assets

Restricted assets in the general fund represent cash and cash equivalents used to establish a budget stabilization reserve. Current State legislation provides that the amount reserved may not exceed 5% of the general fund's revenue for the preceding fiscal year and that the reserve balance is not to be considered part of the unencumbered balance when certifying available balances at year-end. The reserve for budget stabilization was established by Village Council and may be reduced or eliminated at any time by the Village's taxing authority. A fund balance designation has also been established.

P. Total Columns on General Purpose Financial Statements

Total columns on the GPFS are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flows in conformity with GAAP. Neither is such data comparable to a consolidation. Interfund-type eliminations have not been made in the aggregation of this data.

VILLAGE OF GROVEPORT, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1999

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

Deficit Retained Earnings

The following fund had deficit retained earnings as of December 31, 1999:

	<u>Deficit Retained Earnings</u>
<u>Enterprise Funds:</u>	
Water	\$301,529

This fund complied with Ohio state law, which does not permit a cash basis deficit at year end. This deficit balance is caused by the application of GAAP, namely in closing depreciation expense related to contributed capital to retained earnings at year end. This deficit will be eliminated as user charges are increased or cost-cutting measures are implemented. Total fund equity at year end (including contributed capital) was \$2,579,608.

NOTE 4 - EQUITY IN POOLED CASH AND INVESTMENTS

Monies held by the Village are classified by State statute into two categories. Active monies are public monies determined to be necessary to meet current demand upon the Village treasury. Active monies must be maintained either as cash in the Village treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Protection of the Village'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 treasurer 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.

VILLAGE OF GROVEPORT, OHIO

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

NOTE 4 - EQUITY IN POOLED CASH AND INVESTMENTS - (Continued)

Monies held by the Village which are not considered active are classified as inactive. Inactive monies may 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 or 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) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio).

The Village 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;
3. Obligations of the Village.

VILLAGE OF GROVEPORT, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 1999

NOTE 4 - EQUITY IN POOLED CASH AND INVESTMENTS - (Continued)

Investments in stripped principal or interest obligations, 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 Village, and must be purchased 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 treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

The following information classifies 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 Village's deposits (which includes cash in segregated accounts) was \$1,575,815 and the bank balance was \$1,663,661. These balances include \$31,576 in a money market account and \$1,492,830 in nonnegotiable certificates of deposit which the Village considers "deposits" due to their nature and the fact that they may be redeemed without penalty. Of the bank balance:

1. \$1,009,252 was covered by federal depository insurance; and
2. \$654,409 was uninsured and uncollateralized. Although all state statutory requirements for the deposit of money had been followed, non-compliance with federal requirements could potentially subject the Village to a successful claim by the FDIC.

VILLAGE OF GROVEPORT, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1999

NOTE 4 - EQUITY IN POOLED CASH AND INVESTMENTS - (Continued)

Investments: The Village's investments are required to be categorized to give an indication of the level of risk assumed by the Village at year end. Category 1 includes investments that are insured or registered or for which the securities are held by the Village or its agent in the Village's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the Village's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent, but not in the Village's name. STAR Ohio is an unclassified investments since it is not evidenced by securities that exist in physical or book entry form.

	<u>Category</u> 3	<u>Reported</u> <u>Amount</u>	<u>Fair</u> <u>Value</u>
Repurchase Agreement	\$ 589,510	\$ 589,510	\$ 589,510
U.S. Treasury Notes	<u>901,000</u>	901,000	901,000
	<u>\$1,490,510</u>		
Investment in STAR Ohio		<u>2,999,802</u>	<u>2,999,802</u>
Total Investments		<u>\$4,490,312</u>	<u>\$4,490,312</u>

The U.S. Treasury Notes mature in February through July 2000.

The classification of cash and cash equivalents on the combined balance sheet is based on criteria set forth in GASB Statement No. 9, "Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting".

VILLAGE OF GROVEPORT, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1999

NOTE 4 - EQUITY IN POOLED CASH AND INVESTMENTS - (Continued)

A reconciliation between the classifications of cash and cash equivalents and investments on the combined financial statements and the classifications of deposits and investments presented above per GASB Statement No. 3 is as follows:

	Cash and Cash Equivalents/ Deposits	Investments
GASB Statement No. 9	\$ 3,672,297	\$ 2,393,830
Investments of the Cash Management Pool:		
Repurchase Agreement	(589,510)	589,510
Certificates of Deposit	1,492,830	(1,492,830)
Investment in STAR Ohio	<u>(2,999,802)</u>	<u>2,999,802</u>
 GASB Statement No. 3	 <u>\$ 1,575,815</u>	 <u>\$ 4,490,312</u>

NOTE 5 - INTERFUND TRANSACTIONS

A. The following is a summarized breakdown of the Village's operating transfers for 1999:

	Transfers In	Transfers Out
Debt Service Fund	\$481,250	\$ - - -
<u>Capital Projects Fund</u>		
Capital Improvements	<u>- - -</u>	<u>(481,250)</u>
 Total	 <u>\$481,250</u>	 <u>\$(481,250)</u>

VILLAGE OF GROVEPORT, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1999

NOTE 5 - INTERFUND TRANSACTIONS - (Continued)

B. Interfund balances at December 31, consist of the following amounts due to and from other funds:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 8,731	\$ ---
<u>Special Revenue Funds</u>		
Court Computer	910	---
COPS Fast Grant		(2,015)
<u>Agency Fund</u>		
Mayor's Court	---	<u>(7,626)</u>
Total	<u>\$ 9,641</u>	<u>\$ (9,641)</u>

NOTE 6 - PROPERTY TAXES

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the Village. Real property taxes and public utility taxes are levied after October 1 on the assessed value as of the prior January 1, the tax lien date. Assessed values are established by state law at 35 percent of appraised market value, as established by the County Auditor. All real property is required to be revalued every six years. Real property taxes are payable annually or semiannually. The first payment for 1999 was due January 1, with the remainder payable June 20.

Public utility real and tangible personal property taxes collected in one calendar year are levied on assessed values as of the prior January 1, the lien date. Public utility tangible personal property currently is assessed at "true value" which is approximately 50% of cost. "True value" is established by the State of Ohio. Public utility property taxes are payable on the same dates as real property taxes described previously.

VILLAGE OF GROVEPORT, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1999

NOTE 6 - PROPERTY TAXES - (Continued)

Taxes collected on tangible personal property (other than public utility) in one calendar year are levied on the assessed values and at the close of the most recent fiscal year of the taxpayer (for businesses in operation more than one year) or December 31. Tangible personal property used in business (except for public utilities) is currently assessed for ad valorem taxation purposes at 25 percent of its true value. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, payment is due April 30, and if paid semiannually, the first payment is due April 30, with the remainder payable by September 20. The first \$10,000 of taxable value is exempt from taxation for each business by state law.

Public utility property taxes are assessed on tangible personal property, as well as land and improvements.

The County Treasurer collects property taxes on behalf of all taxing districts in the County, including the Village. The County Auditor periodically remits to the Village its portion of the taxes collected. The full rate for all Village operations for the year ended December 31, 1999, was \$1.40 per \$1,000 of assessed value. The assessed values of real and tangible personal property located in the Village, upon which taxes for 1999 were collected, are as follows:

<u>Category</u>	<u>Assessed Value</u>
Residential	\$ 43,895,280
Agriculture	1,411,420
Commercial	9,050,670
Industrial	<u>28,351,680</u>
 Total Real Estate	 <u>82,709,050</u>
 Public Utility - Real	 10,240
Public Utility - Personal	<u>13,080,380</u>
 Total Public Utility	 <u>13,090,620</u>
 Tangible Personal Property	 <u>36,013,640</u>
 Total	 <u><u>\$131,813,310</u></u>

VILLAGE OF GROVEPORT, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 1999

NOTE 6 - PROPERTY TAXES - (Continued)

Property taxes receivable represents real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 1999. Although total property tax collections for the next fiscal year are measurable, they are not "available" for current period expenses, since they are not intended to finance 1999 operations. The Village had a receivable for property taxes of \$171,955 at December 31, 1999, which is offset by a credit to deferred revenue.

NOTE 7 - LOCAL INCOME TAX

The 2.0 percent Village income tax, which is not subject to renewal, is levied on substantially all income earned within the Village. In addition, the residents of the Village are required to pay Village income tax on income they earn outside the Village; however, full credit is allowed for all income taxes these residents pay to other municipalities. Employers within the Village are required to withhold income tax on employee compensation and remit the tax to the Village at least quarterly. Major employers are required to remit withholdings to the Village monthly. Corporations and self-employed individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually with the Village. Income tax revenue is reported to the extent that it is measurable and available to finance current operations at December 31, 1999. Income tax revenue for 1999 was \$4,230,345.

NOTE 8 - RECEIVABLES

Receivables at December 31, 1999, consisted of taxes, accrued interest, accounts (billing for user charged services) and intergovernmental receivables arising from grants, entitlements and shared revenue. All intergovernmental receivables have been classified as "Due From Other Governments" on the combined balance sheet. Receivables have been recorded to the extent that they are both measurable and available at December 31, 1999, as well as intended to finance fiscal 1999 operations. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs and current year guarantee of Federal funds.

VILLAGE OF GROVEPORT, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1999

NOTE 8 - RECEIVABLES - (Continued)

A summary of the principal items of receivables follows:

<u>Fund/Description</u>	<u>Amount</u>
<u>General Fund</u>	
Municipal income taxes	\$216,302
Property and other taxes	203,169
Accrued interest	37,367
Intergovernmental:	
Local government state support	16,481
Estate tax	7,194
<u>Special Revenue Funds</u>	
Property and other taxes	1,157
Accrued interest	1,390
Intergovernmental:	
Auto license fees	3,224
Gasoline excise tax	9,709
Federal COPS fast grant	16,025
<u>Capital Projects Funds</u>	
Municipal income taxes	243,914
Intergovernmental:	
Capital Improvement Grant	2,625
<u>Enterprise Funds</u>	
Accounts	147,260

VILLAGE OF GROVEPORT, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1999

NOTE 9 - FIXED ASSETS

A. Proprietary Fixed Assets

A summary of the proprietary fixed assets at December 31, 1999, follows:

	<u>Water</u>	<u>Sewer</u>	<u>Total Enterprise</u>
Land	\$ 11,837	\$ ---	\$ 11,837
Land improvements	1,965	---	1,965
Buildings and improvements	95,195	77,207	172,402
Furniture, fixtures and equipment	269,762	59,004	328,766
Vehicles	10,853	---	10,853
Water mains	3,116,815	---	3,116,815
Storm sewer mains	---	2,061,500	2,061,500
Sanitary sewer lines	---	1,911,408	1,911,408
Less: accumulated depreciation	<u>(1,224,044)</u>	<u>(930,345)</u>	<u>(2,154,389)</u>
Total net assets	<u>\$ 2,282,383</u>	<u>\$3,178,774</u>	<u>\$ 5,461,157</u>

B. General Fixed Assets

A summary of the changes in general fixed assets during 1999 follows:

	<u>Balance at 1/1/99</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at 12/31/99</u>
Land	\$ 801,459	\$ ---	\$ ---	\$ 801,459
Land improvements	122,702	---	---	122,702
Buildings and improvements	1,882,167	---	---	1,882,167
Furniture, fixtures and equipment	527,773	17,457	---	545,230
Vehicles	<u>572,149</u>	<u>30,080</u>	<u>---</u>	<u>602,229</u>
Total fixed assets	<u>\$3,906,250</u>	<u>\$47,537</u>	<u>\$ 0</u>	<u>\$3,953,787</u>

VILLAGE OF GROVEPORT, OHIO

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

NOTE 10 - CHANGES IN CONTRIBUTED CAPITAL

Changes in contributed capital for the year ended December 31, 1999 are summarized by source as follows:

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Contributed capital, December 31, 1998	\$2,507,557	\$3,142,496	\$5,650,053
Current contributions from developers	<u>373,580</u>	<u>594,337</u>	<u>967,917</u>
Contributions capital, December 31, 1999	<u>\$2,881,137</u>	<u>\$3,736,833</u>	<u>\$6,617,970</u>

NOTE 11 - CAPITAL LEASES - LESSEE DISCLOSURE

The Village has entered into a capitalized lease for a vehicle. This lease meets the criteria of a capital lease as defined by FASB Statement 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 combined GPFS for the governmental funds. These expenditures are reported as function expenditures on the budgetary statements.

General fixed assets consisting of equipment has been capitalized in the general fixed assets account group in the amount of \$36,715. This amount represents the present value of the minimum lease payments at the time of acquisition. A corresponding liability was recorded in the general long-term obligations account group. Principal payments in fiscal year 1999 totaled \$8,817 in the general fund.

VILLAGE OF GROVEPORT, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1999

NOTE 11 - CAPITAL LEASES - LESSEE DISCLOSURE - (Continued)

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

<u>Year</u> <u>Ending</u>	<u>Amount</u>
2000	\$ 10,404
2001	<u>5,202</u>
Total minimum lease payments	15,606
Less: amount representing interest	<u>(1,101)</u>
Present value of net minimum lease payments	<u>\$ 14,505</u>

NOTE 12 - VACATION AND SICK LEAVE LIABILITY

Vacation and sick leave accumulated by governmental fund type employees has been recorded in the general long-term obligations account group to the extent they were not paid using current expendable available resources. Vacation and sick leave earned by proprietary funds type employees is expensed when earned and has been recorded in the fund.

Upon termination of Village service, a fully vested employee is entitled to a percentage of their accumulated sick leave based on their years of service. At December 31, 1999, vested benefits for vacation leave for governmental fund type employees, net of amounts paid using current expendable available resources, totaled \$41,824 and vested benefits for sick leave, net of amounts paid using current expendable available resources, totaled \$66,889. For proprietary fund types, vested benefits for vacation leave totaled \$7,618 and vested benefits for sick leave totaled \$14,299 at December 31, 1999. Included in the vested benefits for sick leave figures is an additional liability to accrue and record termination (severance) payments for employees expected to become eligible to retire in the future in accordance with GASB Statement No. 16 and an additional liability for employees with ten or more years of governmental service who are entitled to receive a portion of their sick leave balance regardless of the means by which they separate employment from the Village.

VILLAGE OF GROVEPORT, OHIO

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

NOTE 13 - LONG-TERM OBLIGATIONS

A. General Long-Term Obligations

The Village's general long-term obligations at year-end consist of the following:

	<u>Interest Rates</u>	<u>Balance Outstanding 1/1/99</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance Outstanding 12/31/99</u>
<u>OPWC Loan</u>					
Street Reconstruction	3.0%	\$ <u>370,797</u>	\$ <u>---</u>	\$ <u>(78,160)</u>	\$ <u>292,637</u>
<u>General Obligation Bonds</u>					
1993 Capital Facilities Bonds	3.5% - 5.3%	\$ <u>915,000</u>	\$ <u>---</u>	\$ <u>(225,000)</u>	\$ <u>690,000</u>
1996 Capital Facilities Bonds	4.0% - 5.0%	<u>1,420,000</u>	<u>---</u>	<u>(80,000)</u>	<u>1,340,000</u>
Total General Obligation Bonds		<u>\$2,335,000</u>	<u>\$ ---</u>	<u>\$(305,000)</u>	<u>\$2,030,000</u>
<u>Other Long-Term Obligations</u>					
Compensated Absences Payable		\$ <u>95,644</u>	<u>13,069</u>	\$ <u>---</u>	\$ <u>108,713</u>
Capital Lease		<u>23,322</u>	<u>---</u>	<u>(8,817)</u>	<u>14,505</u>
Total Other Long-Term Obligations		<u>\$ 118,966</u>	<u>\$13,069</u>	<u>\$(8,817)</u>	<u>\$ 123,218</u>
Total General Long-Term Obligations		<u>\$2,824,763</u>	<u>\$13,069</u>	<u>\$(391,977)</u>	<u>\$2,445,855</u>

In 1993, the Village received a loan, in the amount of \$764,921, from the Ohio Public Works Commission (OPWC). The loan was used to reconstruct various streets and infrastructure within the Village. The annual interest rate for the OPWC loan is 3 percent and it will be paid in full on January 1, 2003.

On January 1, 1993, the Village issued \$1,910,000 general obligation capital facility bonds. The bonds bear interest rates at 3.5 percent to 5.3 percent per annum and mature at various installments through August 2002. The proceeds of the bonds were used to repair Main Street and Hendron Roads, install water lines, and construct a sanitary trunk sewer from Big Walnut Creek to Rohr Road. The principle balance of the general obligation capital facilities bonds at December 31, 1998 was \$915,000. The Village retired \$225,000 of these bonds during 1999 leaving a principal balance of \$690,000 at December 31, 1999.

VILLAGE OF GROVEPORT, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1999

NOTE 13 - LONG-TERM OBLIGATIONS

On September 1, 1996, the Village issued \$1,575,000 general obligation capital facility bonds. The bonds bear interest rates at 4 percent to 5 percent per annum and mature at various installments through December 2011. The proceeds of the bonds were used to acquire and refurbish the Village's Municipal Building and repair various sanitary sewer lines within the Village. The principal balance of the general obligation capital facilities bonds on December 31, 1998 was \$1,420,000. The Village retired \$80,000 of the bonds during 1999 leaving a principal balance of \$1,340,000 at December 31, 1999.

Compensated absences represent amounts for which the Village could potentially be liable on eligible employees. Compensated absences are further described in Note 12. Sick leave and vacation benefits are presented net of actual increases and decreases because of the practicality of determining these values. The benefits will be paid from the fund from which the person is paid. The capital lease obligation at year end is further described in Note 11.

The following is a summary of the Village's future annual debt service principal and interest requirements for the general obligation bonds and the OPWC loan.

<u>Year</u>	<u>General Obligation Bonds</u>			<u>OPWC Loan</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2000	\$ 320,000	\$104,803	\$ 424,803	\$ 80,522	\$ 8,180	\$ 88,702
2001	340,000	89,273	429,273	82,956	5,746	88,702
2002	300,000	72,303	372,303	85,463	3,239	88,702
2003	95,000	57,020	152,020	43,696	655	44,351
2004	100,000	52,507	152,507	---	---	---
2005-2009	590,000	180,557	770,557	---	---	---
2010-2012	<u>285,000</u>	<u>24,079</u>	<u>309,079</u>	<u>---</u>	<u>---</u>	<u>---</u>
Total	<u>\$2,030,000</u>	<u>\$580,542</u>	<u>\$2,610,542</u>	<u>\$292,637</u>	<u>\$17,820</u>	<u>\$310,457</u>

VILLAGE OF GROVEPORT, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1999

NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)

B. Legal Debt Margins

The Ohio Revised Code provides that the net debt of a municipal corporation, whether or not approved by the electors, shall not exceed 10.5% of the total value of all property in the municipal corporation as listed and assessed for taxation. In addition, the unvoted net debt of municipal corporations cannot exceed 5.5% of the total taxation value of property. The statutory limitations on debt are measured by a direct ratio of net debt to tax valuation and expressed in terms of a percentage. At December 31, 1999, the Village's total voted debt margin was \$11,891,514, and the unvoted debt margin was \$5,300,848.

NOTE 14 - SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The Village maintains two enterprise funds which are intended to be self-supported through user fees charged for services provided to consumers. These enterprise funds include water and sewer operations. Segment information for the year ended December 31, 1999 was as follows:

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Total</u>
Operating revenues	\$ 319,657	\$ 566,769	\$ 886,426
Operating expenses			
before depreciation	239,513	327,613	567,126
Depreciation expense	45,981	54,598	100,579
Operating income	34,163	184,558	218,721
Additions to property, plant and equipment	373,580	594,337	967,917
Net working capital	319,143	694,225	1,013,368
Total assets	2,618,701	3,921,389	6,540,090
Total liabilities	39,093	48,389	87,482
Accumulated deficit	(301,529)	136,167	(165,362)
Contributed capital	2,881,137	3,736,833	6,617,970
Total equity	2,579,608	3,873,000	6,542,608
Encumbrances outstanding at December 31	270,352	661,321	931,673

VILLAGE OF GROVEPORT, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 1999

NOTE 15 - RISK MANAGEMENT

A. Comprehensive

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 1999, the Village was part of the Ohio Municipal League Joint Self - Insurance Pool an insurance purchasing pool, for general liability, property, auto, crime, forgery, employee liability, public officers liability, and boiler and machinery insurance. The Village has transferred its risk of loss to the insurance carrier to the extent of the limits shown below.

<u>Type of Coverage</u>	<u>Deductible</u>	<u>Limits of Coverage</u>
Property	\$1,000	\$2,957,360
General Liability:		
Per occurrence	1,000	3,000,000
Annual aggregate	1,000	5,000,000
Inland Marine	250	137,131
EDP	500	191,000
Vehicles		
Comprehensive	1,000	1,000,000
Collision	1,000	1,000,000
Errors and Omissions	1,000	1,000,000
Police	1,000	1,000,000
Public Officials Bond	0	10,000

VILLAGE OF GROVEPORT, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 1999

NOTE 15 - RISK MANAGEMENT - (Continued)

B. Health Insurance

During 1999, the Village was a member of the Central Ohio Health Care Consortium, a insurance purchasing pool, which provides health insurance benefits for full-time employees who wish to participate in the plan. The pool consists of thirteen political subdivisions who pool risk for basic hospital, surgical and prescription drug coverage. The Village pays monthly contributions to the Consortium, which are used to cover claims and administrative costs, and to purchase excess loss coverage with a commercial insurance carrier. The individual excess loss coverage has been structured to indemnify the Plan for medical claims paid for an individual in excess of \$125,000, with an individual lifetime maximum of \$2,000,000. The aggregate excess loss coverage has been structured to indemnify the Plan for aggregate claims in excess of \$4,990,568 to a maximum of \$1,000,000 annually. In the event that the losses of the Consortium in any year exceeds amounts paid to the Consortium, together with all stop-loss, reinsurance and other coverage then in effect, then the payment of all uncovered claims losses shall revert to and be the sole obligation of the political subdivision against which the claim was made.

C. Workers' Compensation

The Village participates in the Ohio Municipal League public entity insurance purchasing pool for workers' compensation. The Group Rating Plan is administered by Gates McDonald Company. The OML Group Rating Plan is intended to achieve lower workers' compensation premium rates for the participants, and result in the establishment of a safer working environment. There are no additional contributions required by a participant other than their annual fee.

There were no significant reductions in insurance coverage from the prior year in any category of risk. Claims have not exceeded coverage limitations in any of the past three years.

VILLAGE OF GROVEPORT, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 1999

NOTE 16 - DEFINED BENEFIT PENSION PLANS

A. Public Employees Retirement System

All Village full-time employees, other than uniformed employees, participate in the Public Employees Retirement System of Ohio (PERS), a cost sharing multiple-employer public employee retirement system created by the State of Ohio. The PERS provides basic retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by state statute per Chapter 145 of the Ohio Revised Code. The 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.

The Ohio Revised Code provides statutory authority for employee and employer contributions. The employee contribution rate for 1999 was 8.5 percent for employees other than law enforcement. Law enforcement employees contribute 9.0 percent of covered salary. The employer contribution rate for employees other than law enforcement was 13.55 percent of covered payroll; 9.35 percent was the portion used to fund pension obligations for 1999. The employer contribution rate for law enforcement employees was 16.7 percent of covered payroll; 12.5 percent was the portion used to fund pension obligations for 1999. The Village's contributions for pension obligations to the PERS for the years ended December 31, 1999, 1998, and 1997 were \$150,875, \$181,914, and \$161,656, respectively; 80.0 percent has been contributed for 1999 and 100 percent for 1998 and 1997. \$30,175, representing the unpaid contribution for 1999, is recorded as a liability within the respective funds.

B. Police and Fireman's Disability Pension Fund

Full-time uniformed employees of the Village participate in the Police and Fireman's Disability and Pension Fund of Ohio (PFDPF), a cost-sharing multiple employer defined benefit pension plan. The PFDPF provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Contribution requirements and benefit provisions are established by Ohio State Legislature and are codified by Ohio Revised Code Chapter 742. The PFDPF issues a publicly available financial report that includes financial statements and required supplementary information for the PFDPF. That report may be obtained by writing to the Police and Fireman's Disability and Pension Fund of Ohio, 140 East Town Street, Columbus, Ohio 43215-5164.

VILLAGE OF GROVEPORT, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 1999

NOTE 16 - DEFINED BENEFIT PENSION PLANS - (Continued)

Plan members are required to contribute 10.0 percent of their annual covered salary, while the Village is required to contribute 19.5 percent and 24.0 percent for police officers and firefighters, respectively. The Village's contributions for pension obligations to the PFDPF for the years ended December 31, 1999, 1998, and 1997 were \$107,013, \$139,768 and \$128,096, respectively; 77.9 percent has been contributed for 1999 and 100 percent for the years 1998 and 1997. \$23,649, representing the unpaid contributions for 1999, is recorded as a liability within the respective funds.

NOTE 17 - POSTEMPLOYMENT BENEFITS

A. Public Employees Retirement System

Public Employees Retirement System of Ohio provides post retirement health care coverage to age and service retirants with 10 or more years of qualifying Ohio service credit and to primary survivor recipients of such retirants. 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, "Disclosure of Information on Postemployment Benefits other than Pension Benefits by State and Local Government Employers". A portion of each employer's contribution to PERS is set aside for the funding of post retirement health care. The Ohio Revised Code provides statutory authority for employer contributions. The 1999 employer contribution rate for local employers was 13.55% of covered payroll; 4.2% was the portion that was used to fund health care. The law enforcement employer rate for 1999 was 16.7% of covered payroll; 4.2% was the portion used to fund health care.

The Ohio Revised Code provides the statutory authority requiring public employers to fund postretirement health care through their contributions to PERS. The Village's contribution actually made to fund postemployment benefits was \$46,766.

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

VILLAGE OF GROVEPORT, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 1999

NOTE 17 - POSTEMPLOYMENT BENEFITS - (Continued)

Expenditures for OPEB during 1999 were \$523.599 million. As of December 31, 1999, the unaudited estimated net assets available for future OPEB payments were \$9.870 billion. The number of benefit recipients eligible for OPEB at December 31, 1999 was 118,062.

During 1997, the Retirement Board adopted a new calculation method for determining employer contributions applied to OPEB. Under the new method, effective January 1, 1998, employer contributions, equal to 4.2% of member covered payroll, are used to fund health care expenses. Under the prior method, accrued liabilities and normal cost rates were determined for retiree health care coverage.

Additional information on the PERS, including historical trend information showing the progress in accumulating sufficient assets to pay benefits when due is available in the PERS December 31, 1999, Comprehensive Annual Financial Report.

B. Police and Fireman's Disability Pension Fund

The PFDPF provides postretirement health care coverage to any person who receives or is eligible to receive a monthly benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school or under the age of 22 if attending full-time or on a 2/3 basis. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12, "Disclosure of Information on Postemployment Benefits Other than Pension Benefits by State and Local Government Employers." The Ohio Revised Code provides that health care cost paid from the funds of the PFDPF shall be included in the employer's contribution rate. The total police officer employer contribution rate is 19.5% of covered payroll and the total firefighter's employer contribution rate is 24.0% of covered payroll. Health care funding and accounting is on a pay-as-you-go basis. A percentage of covered payroll, as defined by the Board, is used to pay retiree health care expenses. The Board defined allocation was 6.5 percent and 7.0 percent of covered payroll in 1998 and 1999, respectively. The allocation rate will be 7.25 percent in 2000. In addition, since July 1, 1992 most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment.

VILLAGE OF GROVEPORT, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1999

NOTE 17 - POSTEMPLOYMENT BENEFITS - (Continued)

The number of participants eligible to receive health care benefits as of December 31, 1998 (the latest information available), is 11,424 for police officers and 9,186 for firefighters. The amount of employer contributions used to pay postemployment benefits for police officers was \$35,671. The PFDPF's total health care expenses for the year ending December 31, 1998 (the latest information available), was \$78.597 million, which was net of member contributions of \$5.332 million.

NOTE 18 - BUDGETARY BASIS OF ACCOUNTING

The Village's budgetary process is based upon accounting for transactions on a cash basis. The differences between the cash basis (budget basis) and the modified accrual basis (GAAP basis) are that revenues are recorded when actually received (budget) as opposed to when susceptible to accrual (GAAP) and the expenditures are recorded when paid (budget) as opposed to when incurred (GAAP). Additionally, the Village reflects outstanding encumbrances as expenditures on the budgetary basis of accounting. Adjustments necessary to convert the results of operations at the end of the year on the budget basis to the GAAP basis are as follows:

**EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING
SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES**

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
Budget basis	\$125,470	\$103,978	\$(31,650)	\$ (64,071)
Adjustments:				
Net adjustment for revenue accruals	30,478	(3,385)	---	68,254
Net adjustment for expenditure accruals	44,654	(4,272)	---	36,347
Encumbrances	<u>186,519</u>	<u>34,873</u>	<u>---</u>	<u>982,017</u>
GAAP basis	<u>\$387,121</u>	<u>\$131,194</u>	<u>\$(31,650)</u>	<u>\$1,022,547</u>

VILLAGE OF GROVEPORT, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 1999

NOTE 19 - CONTINGENCIES

A. Grants

The Village receives significant financial assistance from numerous federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the Village at December 31, 1999.

B. Litigation

There are no claims or lawsuits pending against the Village that would have a material effect on the GPFS.

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TRIMBLE, JULIAN & GRUBE, INC.

"SERVING OHIO LOCAL GOVERNMENTS"

1 445 WORTHINGTON WOODS BOULEVARD
SUITE B
WORTHINGTON, OHIO 43085

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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Village Council
Village of Groveport
655 Blacklick Street
Groveport, Ohio 43125

We have audited the general purpose financial statements of the Village of Groveport as of and for the year ended December 31, 1999, and have issued our report thereon dated April 27, 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.

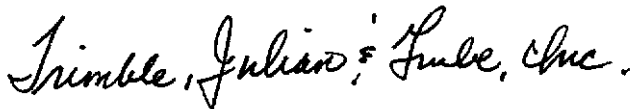
Compliance

As part of obtaining reasonable assurance about whether the Village of Groveport's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the Village of Groveport in a separate letter dated April 27, 2000.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Village of Groveport's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted a matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to management of the Village of Groveport in a separate letter dated April 27, 2000.

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



Trimble, Julian & Grube, Inc.
April 27, 2000



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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

VILLAGE OF GROVEPORT
FRANKLIN COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

By: Susan Babbitt

Date: JULY 13, 2000