

**CITY OF ENGLEWOOD**

*General Purpose  
Financial Statements*  
(Audited)

For The Year Ended  
December 31, 2000

**MR. ROBERT W. FORTMAN, FINANCE DIRECTOR**





**STATE OF OHIO**  
**OFFICE OF THE AUDITOR**  

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**JIM PETRO, AUDITOR OF STATE**

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Members of Council and Mayor  
City of Englewood  
333 West National Road  
Englewood, Ohio 45322

We have reviewed the independent auditor's report of the City of Englewood, Montgomery County, prepared by Trimble, Julian & Grube, Inc., for the audit period January 1, 2000 through December 31, 2000. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

**JIM PETRO**  
Auditor of State

July 2, 2001

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# CITY OF ENGLEWOOD

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# TRIMBLE, JULIAN & GRUBE, INC.

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## Independent Auditor's Report

Members of Council and Mayor  
City of Englewood  
333 West National Road  
Englewood, Ohio 45322

We have audited the accompanying general purpose financial statements of the City of Englewood, Montgomery County, Ohio, (the "City"), as of and for the year ended December 31, 2000, 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 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 the 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 of Englewood, Montgomery County, as of December 31, 2000, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 15, 2001 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements of the City, taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

Trimble, Julian & Grube, Inc.  
May 15, 2001

CITY OF ENGLEWOOD, OHIO  
 COMBINED BALANCE SHEET -  
 ALL FUND TYPES AND ACCOUNT GROUPS  
 DECEMBER 31, 2000

	GOVERNMENTAL FUND TYPES			PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPES EXPENDABLE TRUST AND AGENCY	ACCOUNT GROUPS		TOTAL (MEMORANDUM ONLY)
	GENERAL	SPECIAL REVENUE	CAPITAL PROJECTS	DEBT SERVICE	ENTERPRISE		INTERNAL SERVICE	GENERAL FIXED ASSETS	
Assets and Other Debits									
Assets:									
Equity in Pooled Cash and Cash Equivalents	\$2,249,013	\$1,275,707	\$4,090,492	\$0	\$2,280,332	\$505,500	\$0	\$0	\$10,409,226
Cash and Cash Equivalents with Fiscal Agents	0	0	0	10,916	153	0	0	0	11,069
Receivables:									
Taxes	1,077,074	780,392	0	0	0	0	0	0	1,857,466
Accounts	0	0	0	0	311,117	0	0	0	311,117
Special Assessments	57,161	0	34,788	0	1,287	0	0	0	93,236
Accrued Interest	245,826	0	0	0	0	0	0	0	245,826
Intergovernmental	160,516	53,115	254,556	0	0	2,215	0	0	470,402
Supplies Inventory	0	18,597	0	0	183,335	27,371	0	0	229,303
Interfund Receivable	0	0	124,709	0	0	0	0	0	124,709
Fixed Assets	0	0	0	0	17,965,014	1,968,843	10,785,132	0	30,718,989
Other Debits:									
Amount to be Provided for Retirement of General Long-Term Obligations	0	0	0	0	0	0	0	269,704	269,704
Total Assets and Other Debits	\$3,789,590	\$2,127,811	\$4,504,545	\$10,916	\$20,741,238	\$2,503,929	\$10,785,132	\$269,704	\$44,741,047

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



CITY OF ENGLEWOOD, OHIO  
COMBINED BALANCE SHEET  
ALL FUND TYPES AND ACCOUNT GROUPS  
DECEMBER 31, 2000

	GOVERNMENTAL FUND TYPES			PROPRIETARY FUND TYPES		FUND TYPES EXPENDABLE TRUST AND AGENCY		ACCOUNT GROUPS		TOTAL MEMORANDUM (ONLY)
	GENERAL	SPECIAL REVENUE	CAPITAL PROJECTS	DEBT SERVICE	ENTERPRISE	INTERNAL SERVICE	TRUST AND AGENCY	GENERAL FIXED ASSETS	GENERAL LONG-TERM OBLIGATIONS	
Liabilities, Fund Equity and Other Credits										
Liabilities:										
Accounts Payable	86,458	\$19,910	\$24,536	\$0	\$12,195	\$5,787	\$0	\$0	\$0	\$68,866
Contracts Payable	0	0	0	0	46,740	0	0	0	0	46,740
Accrued Salaries Payable	6,396	41,877	0	0	9,110	2,302	0	0	0	59,685
Accrued Interest Payable	0	0	0	0	24,305	0	0	0	0	24,305
Intergovernmental Payable	20,369	43,263	0	0	12,171	3,100	0	0	57,203	136,106
Interfund Payable	124,709	0	0	0	0	0	0	0	0	124,709
Undistributed Monies	0	0	0	0	0	0	8,182	0	0	8,182
Deferred Revenue	804,807	780,392	34,788	0	1,287	0	0	0	0	1,621,274
Compensated Absences Payable	2,989	18,301	0	0	120,967	17,956	0	0	212,501	372,714
Matured Bonds Payable	0	0	0	10,000	0	0	0	0	0	10,000
Matured Interest Payable	0	0	0	916	153	0	0	0	0	1,069
Notes Payable	0	0	0	0	800,000	0	0	0	0	800,000
Revenue Bonds Payable	0	0	0	0	820,000	0	0	0	0	820,000
Total Liabilities	965,728	903,743	59,324	10,916	1,846,928	29,145	8,182	0	269,704	4,093,670
Fund Equity and Other Credits:										
Investment in General Fixed Assets	0	0	0	0	0	0	0	10,785,132	0	10,785,132
Contributed Capital	0	0	0	0	18,142,207	781,578	0	0	0	18,923,785
Retained Earnings:										
Unreserved	0	0	0	0	752,103	1,693,206	0	0	0	2,445,309
Fund Balances:										
Reserved for Encumbrances	481,830	306,253	992,398	0	0	0	0	0	0	1,780,481
Reserved for Supplies Inventory	0	18,597	0	0	0	0	0	0	0	18,597
Unreserved:										
Unreserved	2,342,032	899,218	3,452,823	0	0	0	0	0	0	6,694,073
Total Fund Equity and Other Credits	2,823,862	1,224,068	4,445,221	0	18,894,310	2,474,784	0	10,785,132	0	40,647,377
Total Liabilities, Fund Equity and Other Credits	\$3,789,590	\$2,127,811	\$4,504,545	\$10,916	\$20,741,238	\$2,503,929	\$8,182	\$10,785,132	\$269,704	\$44,741,047

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

CITY OF ENGLEWOOD, OHIO  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES -  
 ALL GOVERNMENTAL FUND TYPES  
 FOR THE YEAR ENDED DECEMBER 31, 2000

	GOVERNMENTAL FUND TYPES			TOTAL (MEMORANDUM ONLY)
	GENERAL	SPECIAL REVENUE	CAPITAL PROJECTS	
<b>Revenues:</b>				
Municipal Income Taxes	\$4,184,175	\$0	\$0	\$4,184,175
Property and Other Taxes	774,503	735,398	0	1,509,901
Intergovernmental	858,607	868,038	3,340,670	5,067,315
Special Assessments	16,415	99	1,792	18,306
Charges for Services	116,179	19,162	250	135,591
Fines, Licenses and Permits	91,566	37,451	0	129,017
Interest	626,679	243	0	626,922
Other	13,879	25,286	8,344	47,509
<b>Total Revenues</b>	<b>6,682,003</b>	<b>1,685,677</b>	<b>3,351,056</b>	<b>11,718,736</b>
<b>Expenditures:</b>				
<b>Current:</b>				
Security of Persons and Property	0	3,140,687	0	3,140,687
Public Health Services	3,019	0	0	3,019
Leisure Time Activities	71,502	110,090	0	181,592
Community Environment	301,852	0	0	301,852
Transportation	0	1,309,461	0	1,309,461
General Government	745,744	0	392,645	1,138,389
Capital Outlay	0	211,679	4,497,761	4,709,440
<b>Total Expenditures</b>	<b>1,122,117</b>	<b>4,771,917</b>	<b>4,890,406</b>	<b>10,784,440</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>5,559,886</b>	<b>(3,086,240)</b>	<b>(1,539,350)</b>	<b>934,296</b>
<b>Other Financing Sources (Uses):</b>				
Proceeds from Sale of Fixed Assets	4,999	67,682	535,994	608,675
Operating Transfers - In	0	3,393,403	1,984,896	5,378,299
Operating Transfers - Out	(5,121,896)	(286,403)	(200,000)	(5,608,299)
<b>Total Other Financing Sources (Uses)</b>	<b>(5,116,897)</b>	<b>3,174,682</b>	<b>2,320,890</b>	<b>378,675</b>
<b>Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses</b>	<b>442,989</b>	<b>88,442</b>	<b>781,540</b>	<b>1,312,971</b>
Fund Balances at Beginning of Year	2,380,873	1,141,698	3,663,681	7,186,252
Increase in Reserve for Inventory	0	(6,072)	0	(6,072)
<b>Fund Balances at End of Year</b>	<b>\$2,823,862</b>	<b>\$1,224,068</b>	<b>\$4,445,221</b>	<b>\$8,493,151</b>

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

CITY OF ENGLEWOOD, OHIO  
 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, 2000

	GENERAL FUND			SPECIAL REVENUE FUNDS			CAPITAL PROJECT FUNDS			DEBT SERVICE FUND			TOTAL (MEMORANDUM ONLY)		
	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>Revenues:</b>															
Municipal Income Taxes	\$4,074,986	\$4,131,909	\$56,923	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,074,986	\$4,131,909	\$56,923
Property and Other Taxes	758,810	768,123	9,313	735,398	735,398	21,530	0	0	0	0	0	0	1,503,521	1,503,521	30,843
Intergovernmental	767,575	783,338	15,763	834,298	880,340	46,042	5,297,000	3,665,670	(1,631,330)	0	0	0	6,898,873	5,329,348	(1,569,525)
Special Assessments	19,500	16,415	(3,085)	500	89	(401)	24,200	25,797	1,597	0	0	0	44,200	42,311	(1,889)
Charges for Services	109,750	116,379	6,629	8,700	7,632	(1,068)	0	0	0	0	0	0	118,450	124,011	5,561
Fees, Licenses and Permits	90,205	91,566	1,361	18,750	18,701	(49)	0	0	0	0	0	0	108,955	129,017	20,062
Interest	603,000	618,674	15,674	100	243	143	0	0	0	0	0	0	603,100	618,917	15,817
Donations	0	0	0	0	0	0	0	0	0	0	0	0	500	0	(500)
Other	14,300	13,879	(421)	9,789	25,007	15,218	7,614	8,594	980	0	0	0	31,703	47,480	15,777
<b>Total Revenues</b>	<b>6,438,126</b>	<b>6,540,283</b>	<b>102,157</b>	<b>1,586,505</b>	<b>1,686,170</b>	<b>99,665</b>	<b>5,328,814</b>	<b>3,700,061</b>	<b>(1,628,753)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>13,353,445</b>	<b>11,926,514</b>	<b>(1,426,931)</b>
<b>Expenditures:</b>															
<b>Current:</b>															
Security of Persons and Property	0	0	0	3,162,285	3,152,160	(10,125)	0	0	0	0	0	0	3,162,285	3,152,160	(10,125)
Public Health Services	9,865	3,118	(6,747)	0	0	0	0	0	0	0	0	0	9,865	3,118	(6,747)
Leisure Time Activities	115,713	73,886	(41,827)	116,380	111,739	(4,641)	0	0	0	0	0	0	232,093	185,625	(46,468)
Community Environment	30,000	317,647	287,647	0	0	0	0	0	0	0	0	0	349,131	317,647	(31,484)
Basic Utility Services	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Transportation	0	0	0	1,281,036	1,225,703	(55,333)	0	0	0	0	0	0	1,281,036	1,225,703	(55,333)
General Government	1,267,119	1,209,285	(57,834)	0	0	0	533,260	561,024	(27,764)	0	0	0	1,800,379	1,770,309	(30,070)
Capital Outlay	0	0	0	749,165	560,828	(188,337)	6,616,577	5,323,424	(1,293,153)	0	0	0	7,393,042	6,693,232	(699,810)
Debt Service	0	0	0	0	0	0	0	0	0	0	0	0	1,295,000	1,295,000	0
Debt Retirement	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest and Fiscal Charges	0	0	0	0	0	0	0	0	0	0	0	0	93,558	93,414	(144)
<b>Total Expenditures</b>	<b>1,791,828</b>	<b>1,603,936</b>	<b>187,892</b>	<b>5,308,866</b>	<b>5,059,430</b>	<b>(249,436)</b>	<b>7,179,137</b>	<b>6,084,448</b>	<b>(1,094,689)</b>	<b>144</b>	<b>144</b>	<b>144</b>	<b>15,668,389</b>	<b>14,138,228</b>	<b>(1,530,161)</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>4,646,298</b>	<b>4,936,347</b>	<b>290,049</b>	<b>(3,722,361)</b>	<b>(3,373,260)</b>	<b>349,101</b>	<b>(1,850,323)</b>	<b>(2,384,387)</b>	<b>(534,064)</b>	<b>144</b>	<b>144</b>	<b>144</b>	<b>(2,314,944)</b>	<b>(2,209,714)</b>	<b>105,230</b>
<b>Other Financing Sources (Uses):</b>															
Sale of Fixed Assets	3,500	4,989	1,489	4,100	67,961	63,861	100,000	535,994	435,994	0	0	0	107,600	608,954	501,354
Advances - In	0	250,000	250,000	0	0	0	0	0	0	0	0	0	0	250,000	250,000
Operating Transfers - In	(300,000)	0	(300,000)	3,324,000	3,393,403	69,403	1,900,000	1,970,000	70,000	(174)	(174)	0	6,612,588	6,751,817	139,229
Advances - Out	(5,250,000)	(5,107,000)	(143,000)	(307,000)	(286,403)	20,597	(400,000)	(200,000)	200,000	0	0	0	(550,000)	(250,000)	(300,000)
Operating Transfers - Out	(6,546,500)	(4,852,001)	(1,694,499)	3,021,100	3,174,961	153,861	1,350,000	2,055,994	705,994	(174)	(174)	0	(5,957,000)	(5,593,403)	(363,597)
<b>Total Other Financing Sources (Uses)</b>	<b>(6,546,500)</b>	<b>(4,852,001)</b>	<b>(1,694,499)</b>	<b>(701,261)</b>	<b>(198,299)</b>	<b>502,962</b>	<b>(500,323)</b>	<b>(328,393)</b>	<b>171,930</b>	<b>(30)</b>	<b>(30)</b>	<b>(30)</b>	<b>(2,101,756)</b>	<b>(442,346)</b>	<b>1,659,410</b>
<b>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</b>	<b>(900,202)</b>	<b>84,346</b>	<b>984,548</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Fund Balances at Beginning of Year</b>	<b>1,612,037</b>	<b>1,612,037</b>	<b>0</b>	<b>762,785</b>	<b>762,785</b>	<b>0</b>	<b>(1,196,584)</b>	<b>(1,199,584)</b>	<b>10,035</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,175,238</b>	<b>1,175,238</b>	<b>0</b>
<b>Residual Equity Transfers - In</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>10,035</b>	<b>10,035</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>10,035</b>	<b>10,035</b>
<b>Residual Equity Transfers - Out</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(10,035)</b>	<b>(10,035)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(10,035)</b>	<b>(10,035)</b>	<b>0</b>
<b>Prior-Year Encumbrances Appropriated</b>	<b>60,503</b>	<b>60,503</b>	<b>0</b>	<b>385,060</b>	<b>385,060</b>	<b>0</b>	<b>4,601,537</b>	<b>4,601,537</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,047,100</b>	<b>5,047,100</b>	<b>0</b>
<b>Fund Balances at End of Year</b>	<b>\$72,338</b>	<b>\$1,736,866</b>	<b>\$984,548</b>	<b>\$946,384</b>	<b>\$949,546</b>	<b>\$502,962</b>	<b>\$2,891,595</b>	<b>\$3,073,500</b>	<b>\$18,965</b>	<b>\$30</b>	<b>\$30</b>	<b>\$30</b>	<b>\$4,110,547</b>	<b>\$5,779,992</b>	<b>\$1,669,445</b>

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

CITY OF ENGLEWOOD, OHIO  
 COMBINED STATEMENT OF REVENUES, EXPENSES AND  
 CHANGES IN RETAINED EARNINGS -  
 ALL PROPRIETARY FUND TYPES  
 FOR THE YEAR ENDED DECEMBER 31, 2000

	PROPRIETARY FUND TYPES		TOTAL (MEMORANDUM ONLY)
	ENTERPRISE	INTERNAL SERVICE	
Operating Revenues:			
Charges for Services	\$2,563,953	\$923,236	\$3,487,189
Tap-In Fees	101,700	0	101,700
Other	14,677	6,086	20,763
	-----	-----	-----
Total Operating Revenues	2,680,330	929,322	3,609,652
	-----	-----	-----
Operating Expenses:			
Personal Services	681,873	163,974	845,847
Contractual Services	1,052,595	147,722	1,200,317
Supplies and Materials	102,400	169,840	272,240
Claims	0	377,791	377,791
Depreciation	613,776	74,564	688,340
	-----	-----	-----
Total Operating Expenses	2,450,644	933,891	3,384,535
	-----	-----	-----
Operating Income (Loss)	229,686	(4,569)	225,117
	-----	-----	-----
Non-Operating Revenues (Expenses):			
Interest	3,606	0	3,606
Interest and Fiscal Charges	(88,681)	0	(88,681)
Loss on Disposal of Fixed Assets	(651)	(33,237)	(33,888)
	-----	-----	-----
Total Non-Operating Revenues (Expenses)	(85,726)	(33,237)	(118,963)
	-----	-----	-----
Net Income (Loss) Before Operating Transfer	143,960	(37,806)	106,154
	-----	-----	-----
Operating Transfer - In	250,000	0	250,000
Operating Transfer - Out	(20,000)	0	(20,000)
	-----	-----	-----
Net Income (Loss)	373,960	(37,806)	336,154
	-----	-----	-----
Retained Earnings at Beginning of Year	378,143	1,731,012	2,109,155
	-----	-----	-----
Retained Earnings at End of Year	\$752,103	\$1,693,206	\$2,445,309
	=====	=====	=====

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

CITY OF ENGLEWOOD, OHIO  
 COMBINED STATEMENT OF CASH FLOWS  
 ALL PROPRIETARY FUND TYPES  
 FOR THE YEAR ENDED DECEMBER 31, 2000

	<u>PROPRIETARY FUND TYPES</u>		<u>TOTALS (MEMORANDUM ONLY)</u>
	<u>ENTERPRISE</u>	<u>INTERNAL SERVICE</u>	
Increase (Decrease) in Cash and Cash Equivalents:			
Cash Flows from Operating Activities:			
Cash Received from Customers	\$2,657,892	\$6,086	\$2,663,978
Cash Received from Quasi-External Transactions with Other Funds	0	925,728	925,728
Cash Payments to Employees for Services and Benefits	(674,698)	(168,909)	(843,607)
Cash Payments to Suppliers for Goods and Services	(1,190,166)	(330,430)	(1,520,596)
Cash Payments for Employee Medical and Life Insurance Claims	0	(377,431)	(377,431)
Net Cash Provided by Operating Activities	793,028	55,044	848,072
Cash Flows from Noncapital Financing Activities:			
Operating Transfer - In	250,000	0	250,000
Operating Transfer - Out	(20,000)	0	(20,000)
Net Cash Provided by Noncapital Financing Activities	230,000	0	230,000
Cash Flows from Capital and Related Financing Activities:			
Acquisition of Capital Assets	(907,601)	(75,864)	(983,465)
Proceeds from Sale of Notes	800,000	0	800,000
Principal Paid on Revenue Bonds Payable	(95,000)	0	(95,000)
Interest Paid on Revenue Bonds Payable	(45,547)	0	(45,547)
Principal Paid on Notes	(1,200,000)	0	(1,200,000)
Interest Paid on Notes	(47,867)	0	(47,867)
Net Cash Used In Capital and Related Financing Activities	(1,496,015)	(75,864)	(1,571,879)
Cash Flows from Investing Activities:			
Interest and Dividends on Investments	3,606	0	3,606
Net Cash Provided by Investing Activities	3,606	0	3,606
Net Decrease in Cash and Cash Equivalents	(469,381)	(20,820)	(490,201)
Cash and Cash Equivalents Beginning of Year	2,749,713	526,320	3,276,033
Cash and Cash Equivalents End of Year	\$2,280,332	\$505,500	\$2,785,832
	=====	=====	=====

(Continued)

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

CITY OF ENGLEWOOD, OHIO  
 COMBINED STATEMENT OF CASH FLOWS  
 ALL PROPRIETARY FUND TYPES  
 FOR THE YEAR ENDED DECEMBER 31, 2000  
 (Continued)

	PROPRIETARY FUND TYPES		(MEMORANDUM ONLY)
	ENTERPRISE	INTERNAL SERVICE	
Reconciliation of Operating Loss to Net Cash Provided by Operating Activities:			
Operating Income (Loss)	\$229,686	(\$4,569)	\$225,117
Adjustments to Reconcile Operating Loss to Net Cash Provided by (Used In) Operating Activities			
Depreciation	613,776	74,564	688,340
Changes in Assets and Liabilities:			
Increase in Accounts Receivable	(31,414)	0	(31,414)
Decrease in Intergovernmental Receivable	0	2,492	2,492
Increase in Supplies Inventory	(18,470)	(6,104)	(24,574)
Decrease in Accounts Payable	(13,325)	(6,404)	(19,729)
Increase in Contracts Payable	5,600	0	5,600
Increase (Decrease) in Accrued Salaries	(801)	1	(800)
Increase in Intergovernmental Payable	2,754	988	3,742
Increase (Decrease) in Compensated Absences	5,222	(5,924)	(702)
Net Cash Provided by Operating Activities	\$793,028	\$55,044	\$848,072

Noncash Capital Financing Activities:

- 1) Developers contributed \$71,040 in water lines and \$71,680 in sewer lines in 2000.
- 2) Water meters contributed by customers in 2000 were \$8,976.
- 3) Other funds of the City contributed \$104,670 to the Water Fund for construction of water lines.
- 4) Other funds of the City contributed \$167,799 to the Sewer Fund for construction of sewer lines and equipment.
- 5) The County contributed \$190,440 to the Sewer Fund for the biosolids project through a grant.
- 6) Issue II monies in the amount of \$297,779 were used in the Sewer Fund for the biosolids project.
- 7) The Capital Projects Fund - Issue II of the City contributed \$315,262 for the biosolids project.
- 8) Other funds of the City contributed \$21,990 to the Service Center Fund for equipment. (Internal Service)
- 9) Other funds of the City contributed \$9,294 to the Government Center Fund for equipment. (Internal Service)

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

CITY OF ENGLEWOOD, OHIO  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2000

**NOTE 1 - DESCRIPTION**

The City of Englewood (the "City") is a charter municipal corporation operating under the laws of the State of Ohio. The City was incorporated as a village in 1914 and became a City on February 12, 1971, after adopting the charter on November 3, 1970.

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

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The general purpose financial statements (GPFS) of the City 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 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 City's accounting policies are described below.

A. Reporting Entity

The City's reporting entity has been defined according to GASB Statement No. 14, "The Financial Reporting Entity". The reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements of the City are not misleading. The primary government consists of all funds and departments which provide various services including police protection, street maintenance and repair, parks, recreation, water, sewer and refuse services. Council and the City Manager are directly responsible for these activities. Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing body and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Component units may also include organizations for which the City approves the budget, the issuance of debt or the levying of taxes.

CITY OF ENGLEWOOD, OHIO  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2000

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (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 City functions or activities.

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

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

**Governmental Fund Types**

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

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

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

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



CITY OF ENGLEWOOD, OHIO  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2000

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

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

Proprietary Fund Types

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

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

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

Fiduciary Funds

Fiduciary funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments and other funds. They include agency funds which are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations.

Account Groups

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

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

CITY OF ENGLEWOOD, OHIO  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2000

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

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

C. Measurement Focus and Basis of Accounting

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

The accounting and reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types and expendable trust funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases (i.e. revenues and other financing sources) and decreases (i.e. expenditures and other financing uses) in net current assets.

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

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

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

CITY OF ENGLEWOOD, OHIO  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2000

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

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

The City reports deferred revenues in its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the measurable and available criteria for recognition in the current period. In a subsequent period, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized. Current and delinquent property taxes measurable as of December 31, 2000, whose availability is indeterminate and which are not intended to finance current period obligations, have been recorded as a receivable and deferred revenue. Levied special assessments are measurable, and have been recorded as a receivable. Since all assessments are due outside the available period, the entire amount has been deferred.

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

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

CITY OF ENGLEWOOD, OHIO  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2000

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

**D. Budgets and Budgetary Accounting**

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

**Budget**

A tax budget of estimated revenues and expenditures for all funds is submitted to the County Auditor, as Secretary of the County Budget Commission, by July 20 of each year, for the period January 1 to December 31 of the following year.

**Estimated Resources**

The County Budget Commission determines if the budget substantiates a need to levy all or part of previously authorized taxes and revise estimated revenues. The commission certifies its actions to the City by September 1. As part of this certification, the City receives the official certificate of estimated resources, which states the projected revenue of each fund. Prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the appropriation ordinance. On or about January 1, the certificate of estimated resources is amended to include unencumbered fund balances at December 31 of the preceding year. The certificate may be further amended during the year if the fiscal officer determines that the revenue collected is greater or less than the current estimates.

The amounts reported on the budgetary statement reflect the amounts in the final amended official certificate of estimated resources issued during 2000.

CITY OF ENGLEWOOD, OHIO  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2000

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

Appropriations

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

Encumbrances

As part of formal budgetary control, purchase orders, contracts and other commitments for the expenditure of monies are recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. The Ohio Revised Code prohibits expenditures plus encumbrances from exceeding appropriations. On the GAAP basis, encumbrances outstanding at year end are reported as reservations of fund balances for subsequent-year expenditure for governmental funds and reported in the notes to the financial statements for proprietary funds.

Lapsing of Appropriations

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

CITY OF ENGLEWOOD, OHIO  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2000

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

E. Cash and Cash Equivalents

Cash balances of the City's funds, except cash held by a trustee or fiscal agent, are pooled and invested in investments maturing within ten years in order to provide improved cash management. Individual fund integrity is maintained through City records. Each fund's interest in the pooled bank account is presented on the balance sheet as "Equity in Pooled Cash and Cash Equivalents" on the combined balance sheet. Investments are stated at cost which approximates fair value. For purposes of the combined statement of cash flows and for presentation on the combined balance sheet, investments with original maturities of three months or less and investments of the cash management pool are considered to be cash equivalents.

Interest income is distributed to the funds according to charter and statutory requirements. Interest revenue earned and credited to the General fund during 2000 for the General fund amounted to \$626,679. The \$626,679 included \$537,466 assigned from other funds of the City.

F. Supplies Inventory

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

G. Short-Term Interfund Receivables/Payables

Receivables and payables resulting from transactions between funds for services provided or goods received are classified as "due from other funds" or "due to other funds" on the balance sheet. Short-term interfund loans are classified as "interfund receivables/payables."

H. Fixed Assets and Depreciation

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

CITY OF ENGLEWOOD, OHIO  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2000

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

General Fixed Assets

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

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

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

Proprietary Fund Fixed Assets

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

Improvements to Land	15 - 20 years
Buildings	20 - 45 years
Machinery and Equipment	5 - 30 years
Vehicles	3 - 10 years
Infrastructure:	
Sewer and Water Lines and Underground Piping	50 years

I. Compensated Absences

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

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

CITY OF ENGLEWOOD, OHIO  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2000

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

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

A liability for sick leave is accrued based on guidelines set forth in GASB Statement No. 16 Accounting for Compensated Absences. The vesting method was implemented and states that the City will estimate its liability based on sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments as specified by the retirement system as well as other employees who are expected to become eligible in the future to receive such payments.

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

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

J. Long-Term Obligations

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



CITY OF ENGLEWOOD, OHIO  
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2000

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

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

<u>Obligation</u>	<u>Fund</u>
General Obligation Bonds	General Obligation Bond Retirement (Debt Service Fund)
Revenue Bonds	Water and Sewer Enterprise Funds
Compensated Absences	Will be paid by the fund from which the employee's salary is paid
Intergovernmental Payable Pension Contributions	Are being paid from the fund from which salaries are being paid.

K. Contributed Capital

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

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

L. Reservations and Designation of Fund Equity

Reservations of fund balances are established to identify the existence of assets that, because of their non-monetary nature or lack of liquidity, represent financial resources not available for current appropriation or expenditure or the portion of fund balance that is legally segregated for a specific future use. Fund balances have been reserved for encumbrances and supplies inventory.

CITY OF ENGLEWOOD, OHIO  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2000

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

M. Intergovernmental Revenues

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

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

N. Interfund Transactions

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions are reported as operating transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. Residual equity transfers also include a return of equity from a fund that is being closed. All other interfund transfers are reported as operating transfers.

O. Estimates

The preparation of GPFS 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.

P. Total Columns on General Purpose Financial Statements

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

CITY OF ENGLEWOOD, OHIO  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2000

**NOTE 3 - BUDGET TO GAAP RECONCILIATION**

Budgetary Basis of Accounting

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

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

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

CITY OF ENGLEWOOD, OHIO  
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2000

**NOTE 3 - BUDGET TO GAAP RECONCILIATION - (Continued)**

The adjustments necessary to convert the results of operations for the year ended December 31, 2000 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			
	Governmental Fund Types			
	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Capital Projects Funds</u>	<u>Debt Service Fund</u>
GAAP Basis	\$ 442,989	\$ 88,442	\$ 781,540	\$ 0
Revenue Accruals	(141,720)	772	349,005	0
Expenditure Accruals	6,469	38,650	(177,108)	0
Encumbrances	(488,288)	(326,163)	(1,016,934)	0
Debt Principal Payments	0	0	0	(1,295,000)
Debt Interest Payments	0	0	0	(93,414)
Advances	250,000	0	(250,000)	0
Transfers	<u>14,896</u>	<u>0</u>	<u>14,896</u>	<u>1,388,414</u>
Budget Basis	<u>\$ 84,346</u>	<u>\$(198,299)</u>	<u>\$ (328,393)</u>	<u>\$ 0</u>

**NOTE 4 - EQUITY IN POOLED CASH AND INVESTMENTS**

Policies and Procedures

Monies of substantially all funds of the City are maintained or invested in a common group of bank accounts and in investments that mature or are redeemable within ten years. This is done in order to maximize the rate of interest that can be earned on invested funds. Interest income is distributed to the funds according to the charter and statutory requirements.

CITY OF ENGLEWOOD, OHIO  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2000

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

The investment and deposit of City monies are governed by the provisions of the Charter and Codified Ordinances of the City and the Ohio Revised Code. In accordance with these provisions, only financial institutions located in Ohio or primary securities dealers as designated by the Federal Reserve Bank of New York or securities brokers that are registered members of the National Association of Security Dealers are eligible to hold public deposits. The provisions also permit the City to invest its monies in negotiable and nonnegotiable certificates of deposit, bankers acceptances, commercial paper, money market accounts, the State Treasurer's investment pool (STAR OHIO) and obligations of the United States government or certain agencies thereof. The City may also enter into repurchase agreements with any eligible depository.

Public depositories must give security for all public funds on deposit. According to the City's Deposit and Investment Policy, these institutions may either specifically collateralize individual accounts in lieu of amounts insured by the Federal Deposit Insurance Corporation (FDIC), or may pledge a pool of government securities, the face value of which is at least 110 percent of the total value of public monies on deposit at the institution. State law does not require that security for public deposits be maintained in the name of the City.

Repurchase agreements must be secured by the specific government securities upon which the repurchase agreements are based. These securities must be obligations of or guaranteed by the United States and mature or be redeemable within five years of the date of the related repurchase agreement.

Deposits

At year end, the carrying amount of the City's deposits was \$1,403,394 and the bank balance was \$1,874,706. Of the bank balance \$200,000 was covered by federal deposit insurance. The remaining amounts were uninsured and uncollateralized as defined by GASB Statement No. 3 because the securities held as collateral by the financial institutions or their trust departments or agencies were in the financial institutions' names. As authorized by state statute, the pledging bank has established an investment and securities pool to collateralize all public deposits.

CITY OF ENGLEWOOD, OHIO  
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2000

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

Investments

GASB Statement No. 3 "Deposits with Financial Institutions, Investments and Reverse Repurchase Agreements" requires that the City's investments be classified in categories of risk. Category 1 includes investments that are insured or registered or for which the securities are held by the City. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the City'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 City's name.

	<u>Category 2</u>	<u>Carrying Value</u>	<u>Market Value</u>
Certificates of Deposit	\$ 345,200	\$ 345,200	\$ 389,347
Government Securities	<u>8,671,701</u>	<u>8,671,701</u>	<u>8,737,405</u>
Total	<u>\$9,016,901</u>	<u>\$9,016,901</u>	<u>\$9,126,752</u>

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

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

	<u>Cash and Cash Equivalents/Deposits</u>	<u>Investments</u>
GASB Statement 9	\$10,420,295	\$ 0
Investments:		
Certificates of Deposit	(345,200)	345,200
Government Securities	<u>(8,671,701)</u>	<u>8,671,701</u>
GASB Statement 3	<u>\$ 1,403,394</u>	<u>\$9,016,901</u>

CITY OF ENGLEWOOD, OHIO  
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2000

**NOTE 5 - PROPERTY TAXES**

Property taxes include amounts levied against all real, public utility and tangible personal property located in the City. Taxes collected from real property taxes (other than public utility) in one calendar year are levied in the preceding calendar year on the assessed value as of January 1 of that preceding year, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. All property is required to be revaluated every six years. The last revaluation was completed in 1999. Real property taxes are payable annually or semi-annually. The first payment is due January 20, with the remainder payable by July 20.

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

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

The County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City of Englewood. The County Auditor periodically remits to the City its portion of the taxes collected. The full tax rate for all City operations for the year ended December 31, 2000 was \$10.59 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2000 property tax receipts were based are as follows:

Real Property Tax Assessed Valuation	\$194,324,190
Public Utility Tangible Personal Property Assessed Valuation	7,129,990
Tangible Personal Property Assessed Valuation	<u>18,507,381</u>
Total	<u>\$219,961,561</u>

Property taxes receivable represent real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2000. Although total property tax collections for the next year are measurable, they are generally not collected during the available period.

CITY OF ENGLEWOOD, OHIO  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2000

**NOTE 5 - PROPERTY TAXES - (Continued)**

The exception to this is any advances received by the City in the first thirty-one days of the year are credited as property tax revenues with the remainder being credited to deferred revenue.

**NOTE 6 - INCOME TAX**

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

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

Income tax proceeds are to be used to pay the cost of administering the tax. All income tax revenue is initially placed in the General Fund. At least twenty eight and one half percent of income tax collected must be transferred to the Capital Improvement Capital Projects Fund to be used for capital improvements. All other income tax proceeds are left in the General Fund with the use of these monies being determined by City Council. Income tax revenue for 2000 was \$4,184,175.

**NOTE 7 - RECEIVABLES**

Receivables at December 31, 2000 consisted of taxes, intergovernmental receivables arising from grants, entitlements and shared revenues, special assessments, interest on investments and utility accounts. The special assessment receivable in the enterprise funds relates to a water main project for which there is no outstanding debt. All receivables are considered fully collectible except utility accounts which are estimated to be one percent uncollectible.

Utility Accounts <u>Receivable</u>	Estimated <u>Uncollectible</u>	Net <u>Receivable</u>
\$314,296	\$3,179	\$311,117



CITY OF ENGLEWOOD, OHIO  
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2000

**NOTE 7 - RECEIVABLES - (Continued)**

A summary of intergovernmental receivables follows:

<u>GENERAL FUND:</u>	
Local Government Assistance	\$ 25,665
Inheritance Tax	134,651
Other	<u>200</u>
Total General Fund	<u>160,516</u>
<u>SPECIAL REVENUE FUNDS:</u>	
<u>Fire and EMS Fund</u>	
City of Union shared services	7,734
<u>Northmont Communications Fund</u>	
Dispatch Services to other governments	12,399
Police Fund	
Fines and Forfeitures	2,703
<u>State Highway Fund</u>	
Gas Tax	1,485
Motor Vehicle License Tax	355
<u>Street Construction Maintenance and Repair Fund</u>	
Gas Tax	18,316
Motor Vehicle License Tax	4,378
Other	299
<u>Permissive Road Tax Fund</u>	
Motor Vehicle License Tax	<u>5,446</u>
Total Special Revenue Funds	<u>53,115</u>
<u>CAPITAL PROJECTS FUND:</u>	
<u>SR/48 Jefferson, Phase V Fund</u>	
FHWA Grant	207,518
City of Union	<u>47,038</u>
Total Capital Projects Fund	<u>254,556</u>
<u>INTERNAL SERVICE FUND:</u>	
<u>Government Center Fund</u>	
Dayton and Montgomery County Library	<u>2,215</u>
Total All Funds	<u><u>\$470,402</u></u>

CITY OF ENGLEWOOD, OHIO  
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2000

**NOTE 7 - RECEIVABLES - (Continued)**

By statute, local property taxes are reduced 10%, with additional reductions for the elderly and the disabled. The amount of these reductions, estimated to be approximately \$164,322 will be paid to the City by the State of Ohio in 2001.

**NOTE 8 - FIXED ASSETS**

A summary of the proprietary funds' fixed assets at December 31, 2000 were as follows:

	<u>Enterprise</u>	<u>Internal Service</u>
Land	\$ 33,510	\$ 130,849
Buildings	7,090,463	2,712,898
Improvements	5,606	179,094
Machinery and equipment	1,429,972	225,389
Vehicles	107,390	19,350
Water and Sewer lines	<u>18,721,833</u>	<u>0</u>
Total Fixed assets	\$27,388,774	\$3,267,580
Accumulated depreciation	<u>(9,423,760)</u>	<u>(1,298,737)</u>
Total net fixed assets	<u>\$17,965,014</u>	<u>\$1,968,843</u>

Changes in general fixed assets during the year ended December 31, 2000 were as follows:

<u>Class</u>	<u>Balance December 31, 1999</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance December 31, 2000</u>
Land	\$ 3,046,073	\$ 0	\$(212,336)	\$ 2,833,737
Improvements to Land	1,971,539	0	0	1,971,539
Buildings	1,862,824	80,355	0	1,943,179
Equipment	1,468,340	409,930	(91,902)	1,786,368
Vehicles	<u>1,948,701</u>	<u>402,213</u>	<u>(100,605)</u>	<u>2,250,309</u>
Totals	<u>\$10,297,477</u>	<u>\$892,498</u>	<u>\$(404,843)</u>	<u>\$10,785,132</u>

**NOTE 9 - DEFINED BENEFIT PENSION PLANS**

Both the Ohio Police and Fire Pension Fund and the Public Employees Retirement System are reported using GASB Statement No. 27 "Accounting for Pensions by State and Local Governmental Employers".

CITY OF ENGLEWOOD, OHIO  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2000

**NOTE 9 - DEFINED BENEFIT PENSION PLANS - (Continued)**

Substantially all City employees are covered by one of two cost-sharing multiple-employer defined benefit pension plans, namely, the Ohio Police and Fire Pension Fund or the Public Employees Retirement System of Ohio (PERS). Both funds provide retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries.

Public Employees Retirement System

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

The Ohio Revised Code provides statutory authority for employee and employer contributions. The Retirement Board instituted a temporary employer contribution rate rollback for calendar year 2000. The rate rollback was 20% for state and local government divisions. The 2000 employer contribution rate for local government employer units was 10.84% of covered payroll. The City has elected to contribute an additional five percent of the employee's share for a total of 15.84%. The City's contributions to the plan for the years ending December 31, 1998, 1999, and 2000 were \$303,180, \$311,359 and \$286,923, respectively; 93 percent has been contributed for 2000 and 100 percent for 1999 and 1998. \$18,215, representing the unpaid contribution for 2000, is recorded as a liability within the respective funds.

Ohio Police and Fire Pension Fund

The City of Englewood contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple-employer defined benefit pension plan. OP&F provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. The OP&F issues a publicly available financial report that includes financial statements and required supplementary information for the plan. Interested parties may obtain a copy by making a written request to 140 East Town Street, Columbus, Ohio 43215-5164, or by calling (614) 228-2975.

CITY OF ENGLEWOOD, OHIO  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2000

**NOTE 9 - DEFINED BENEFIT PENSION PLANS - (Continued)**

The Ohio Revised Code provides statutory authority for employee and employer contributions. Plan members are required to contribute 10% of their annual covered salary and the City contributed 19.5% for Police employees and 24% for firefighters. The City has elected to contribute an additional five percent of the employee's share for a total of 24.5% for police employees and 29% for fire employees. The City's contributions to the plan for police for the years ended December 31, 1998, 1999, and 2000, were \$186,103, \$180,020 and \$184,572, respectively; 69 percent has been contributed for 2000 and 100 percent for 1999 and 1998. Contributions for fire employees for 1998, 1999, and 2000 were \$59,188, \$61,730 and \$65,400, respectively. The unpaid contribution for 2000 is \$57,203 and is recorded as a liability in the general long-term account group.

**NOTE 10 - POSTEMPLOYMENT BENEFITS**

Public Employees Retirement System

The Public Employees Retirement System of Ohio provides postemployment health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is available. A portion of each employer's contribution to the system is set aside for the funding of postretirement health care based on authority granted by State statute. The employer contribution rate was rolled back for the year 2000. For local government employer units the rate was 10.84% of covered payroll; 4.3 percent was the portion that was used to fund health care for the year 2000.

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

The City's actual contributions for 2000 which were used to fund postemployment benefits were \$113,822.

The actual contribution and the actuarially required contributions amounts are the same. As of December 31, 1999, the unaudited estimated net assets available for future other postemployment benefits payments were \$10,805.5 million. The number of active contributing participants for other postemployment benefits at December 31, 2000 was 401,339.

The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$12,473.6 million and \$1,668.1 million, respectively.

CITY OF ENGLEWOOD, OHIO  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2000

**NOTE 10 - POSTEMPLOYMENT BENEFITS - (Continued)**

The Retirement Board enacted a temporary employer contribution rate rollback for calendar year 2000.

The decision to rollback rates was based on the December 31, 1998 actuarial study, which indicated that actuarial assets exceeded actuarial liabilities. The temporary rate rollback was 20% for both the state and local government divisions. The Board reallocated employer contributions from 4.2% to 4.3% at the beginning of the year to improve health care financing. The proportion of contributions dedicated to funding other postemployment benefits increased during the year for those reasons

Ohio Police and Fire Pension Fund

The OP&F provides postretirement health care coverage to any person who receives or is eligible to receive a monthly benefit check or is a spouse or eligible dependent child of such persons. An eligible dependent child is any child under the age of eighteen whether or not he is attending school or under twenty-two if attending full-time or on a 2/3 basis. The Ohio Revised Code provides the authority allowing the OP&F's board of trustees to provide health care coverage and states that health care cost paid from the OP&F shall be included in the employer's contribution rate.

The total police employer contributions is 19.5 percent of covered payroll and the total firefighter employer contribution rate is 24% of covered payroll of which 7.25 percent was applied to the postemployment health care program. Health care funding and accounting is on a pay-as-you-go basis.

The number of participants eligible to receive health care benefits was 12,467 for police and 9,807 for firefighters. The City's actual contributions for 2000 that were used to fund postemployment benefits were \$68,661 for police and \$19,751 for firefighters. The fund's total health care expenses for the year ending December 31, 1999 (the latest information available) were \$95,004,633, which was net of member contributions of \$5,518,098.

CITY OF ENGLEWOOD, OHIO  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2000

**NOTE 11 - OTHER EMPLOYEE BENEFITS**

Deferred Compensation Plans

City employees and elected officials may participate in a statewide deferred compensation plan or a plan offered by the Aetna Life Insurance and Annuity Company. Both plans were created in accordance with Internal Revenue Code Section 457. Participation is on a voluntary payroll deduction basis. The plans permit deferral of compensation until future years. According to the plans, the deferred compensation is not available until termination, retirement, death or an unforeseeable emergency.

Compensated Absences

Accumulated Unpaid Vacation

City employees earn vacation leave at varying rates based upon length of service. In the case of death or retirement, an employee (or his estate) is paid for his unused vacation leave. The total obligation for vacation leave for the City as a whole amounted to \$203,077 at December 31, 2000. Amounts are recorded as a fund liability and/or in the general long-term account group, as applicable.

Accumulated Unpaid Sick Leave

City employees earn sick leave at the rate of one and one-fourth days per month. Upon retirement an employee is paid for one-third of his accumulated sick leave within various limits. The total obligation for sick leave accrual for the City as a whole as of December 31, 2000 was \$161,341. Amounts are recorded as a fund liability and/or in the general long-term account group, as applicable.

Overtime Pay

City employees earn overtime pay at varying rates based on when the employee works the overtime. The total obligation for overtime pay for the City as a whole as of December 31, 2000 was \$8,296. Amounts are recorded as a fund liability and/or in the general long-term account group, as applicable.

CITY OF ENGLEWOOD, OHIO  
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2000

**NOTE 12 - RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts, thefts of, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. The City is a member of the Ohio Government Risk Management Plan. This Plan does not operate as a risk pool, but provides conventional insurance protection and reinsures these coverages 100 percent. The type of coverage and deductible for each is as follows:

<u>Type of Coverage</u>	<u>Per Occurrence</u>	<u>Deductible</u>
Property	\$13,755,344	\$2,500
General Liability	5,000,000	none
Wrongful Acts	5,000,000	2,500
Auto Liability	5,000,000	2,500
Crime	5,000	none
Inland Marine	1,513,613	1,000
Bond	10,000	none
Law Enforcement	5,000,000	2,500
Fire Vehicle RC	1,017,312	2,500
EDP	213,551	250

Settled claims have not exceeded this commercial coverage in any of the past five years.

The City pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. The rate is calculated based on accident history and administrative costs.

The City has elected to offer employee medical insurance benefits through a plan provided by United Healthcare of Ohio. The current United Healthcare plan provides a medical plan with a deductible of \$200 for single coverage and \$400 for family coverage. Employees are required to share in the costs of their medical plan along with the City. Each month the City contributes \$185.95 for single coverage and \$539.27 for family coverage for each employee. In addition, all employees choosing family coverage must pay \$59.91 per month and \$20.67 for single coverage. Dental insurance is provided through Superior Dental with a deductible of \$25 for single coverage and \$50 for family coverage. The City pays for the majority of the monthly premium at \$60.56 for single coverage and \$67.29 for family coverage.

CITY OF ENGLEWOOD, OHIO  
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2000

**NOTE 13 - LONG-TERM OBLIGATIONS**

Long term obligations at December 31, 2000 were as follows:

General Long-Term Obligations

	<u>Balance December 31, 1999</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance December 31, 2000</u>
Compensated Absences	\$198,469	\$14,032	\$ 0	\$212,501
Intergovernmental Payable	<u>56,735</u>	<u>468</u>	<u>0</u>	<u>57,203</u>
TOTAL General Long-Term Obligations	<u>\$255,204</u>	<u>\$14,500</u>	<u>\$ 0</u>	<u>\$269,704</u>

The intergovernmental payable represents the employer's portion of pension for 2000 that was not paid until the following year.

Enterprise Funds

Revenue Bonds

4.75% - 1993 Sewer System Improvement	\$315,000	\$ 0	\$35,000	\$280,000
5.35% - 1994 Water System Improvement	<u>600,000</u>	<u>0</u>	<u>60,000</u>	<u>540,000</u>
Total - Enterprise Funds	<u>\$915,000</u>	<u>\$ 0</u>	<u>\$95,000</u>	<u>\$820,000</u>

As of December 31, 2000, the City's overall legal debt margin (the ability to issue additional amounts of general obligation bonded debt) was \$23,095,964. Principal and interest requirements to retire the City's long-term obligations outstanding at December 31, 2000 were:



CITY OF ENGLEWOOD, OHIO  
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**NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)**

<u>Year</u>	<u>Revenue Bonds</u>
2001	\$ 135,675
2002	130,803
2003	125,930
2004	121,051
2005	116,163
2006 - 2009	<u>380,774</u>
 TOTAL	 <u>\$1,010,396</u>

**NOTE 14 - SHORT-TERM OBLIGATION**

During 2000, the City issued bond anticipation notes in the amount of \$800,000 in the Water Fund for the purpose of making water system improvements. The notes were issued at 4.6% interest with a one year maturity. The City plans on rolling over the note and paying part of the principal with Water Fund revenues. Below is a description of 2000 activity:

	<u>Interest Rate</u>	<u>Balance 12/31/99</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/00</u>
Bond Anticipation Note	4.6%	\$1,200,000	\$800,000	\$(1,200,000)	\$800,000

**NOTE 15 - INTERFUND ASSETS/LIABILITIES**

Individual fund interfund asset and liability balances at December 31, 2000, were as follows:

Interfund Receivable/Payable:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
<u>Capital Projects Fund:</u>		
Reserve for Capital Improvement	General	\$124,709

CITY OF ENGLEWOOD, OHIO  
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FOR THE YEAR ENDED DECEMBER 31, 2000

**NOTE 16 - SEGMENT INFORMATION**

The City's enterprise funds account for the provision of sewer, solid waste collection and water services. Key financial information for the year ended December 31, 2000, for each enterprise fund is as follows:

	<u>Sewer Fund</u>	<u>Solid Waste Fund</u>	<u>Water Fund</u>	<u>Total</u>
Operating Revenues	\$1,097,379	\$595,879	\$ 987,072	\$ 2,680,330
Operating Expenses				
Before Depreciation	(777,300)	(519,855)	(539,713)	(1,836,868)
Depreciation Expense	<u>( 318,536)</u>	<u>(0)</u>	<u>(295,240)</u>	<u>(613,776)</u>
Operating Income	<u>1,543</u>	<u>76,024</u>	<u>152,119</u>	<u>229,686</u>
Net Non-Operating Expenses	<u>(12,604)</u>	<u>0</u>	<u>(73,122)</u>	<u>(85,726)</u>
Operating Transfer - In	0	0	250,000	250,000
Operating Transfer - Out	<u>(20,000)</u>	<u>0</u>	<u>0</u>	<u>(20,000)</u>
Net Income	<u>\$ (31,061)</u>	<u>\$ 76,024</u>	<u>\$ 328,997</u>	<u>\$ 373,960</u>
Current Contributed Capital	<u>\$ 727,698</u>	<u>\$ 0</u>	<u>\$ 184,686</u>	<u>\$ 912,384</u>
Additions to Property, Plant and Equipment	<u>\$ 21,847</u>	<u>\$ 0</u>	<u>\$ 885,754</u>	<u>\$ 907,601</u>
Net Working Capital	<u>\$1,002,328</u>	<u>\$200,049</u>	<u>\$ 572,886</u>	<u>\$ 1,775,263</u>
Total Assets	<u>\$9,286,491</u>	<u>\$246,789</u>	<u>\$11,207,958</u>	<u>\$20,741,238</u>
Other Long-Term Liabilities				
Payable from Revenue	<u>\$ 294,599</u>	<u>\$ 0</u>	<u>\$ 551,368</u>	<u>\$ 845,967</u>
Total Equity	<u>\$8,932,286</u>	<u>\$200,049</u>	<u>\$ 9,791,975</u>	<u>\$18,894,310</u>
Encumbrances Outstanding at December 31, 2000	<u>\$ 32,626</u>	<u>\$ 47,202</u>	<u>\$ 36,904</u>	<u>\$ 116,732</u>

CITY OF ENGLEWOOD, OHIO  
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2000

**NOTE 17 - CONTRIBUTED CAPITAL**

During the year contributed capital increased by the following amounts:

ENTERPRISE FUNDS

<u>Sources</u>	<u>Sewer Fund</u>	<u>Water Fund</u>	<u>Total</u>
Developers	\$ 71,680	\$ 71,040	\$ 142,720
Customers	0	8,976	8,976
Intergovernmental	488,219	0	488,219
Other Funds	483,061	104,670	587,731
Contributed Capital at 1/1/00	<u>8,138,698</u>	<u>8,775,863</u>	<u>16,914,561</u>
Contributed Capital at 12/31/00	<u>\$9,181,658</u>	<u>\$8,960,549</u>	<u>\$18,142,207</u>

INTERNAL SERVICE FUNDS

<u>Sources</u>	<u>Government Center Fund</u>	<u>Service Center Fund</u>	<u>Total</u>
Other Funds	\$ 9,294	\$ 21,990	\$ 31,284
Contributed Capital at 1/1/00	<u>669,208</u>	<u>81,086</u>	<u>750,294</u>
Contributed Capital at 12/31/00	<u>\$ 678,502</u>	<u>\$ 103,076</u>	<u>\$ 781,578</u>

**NOTE 18 - CONTINGENT LIABILITIES**

Litigation

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

State Grants

For the period January 1, 2000 to December 31, 2000 the City received state grants for specific purposes that are subject to review and audit by grantor agencies or their designee. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the City believes such disallowance, if any, would be immaterial.

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**CITY OF ENGLEWOOD  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2000**

<b>FEDERAL GRANTOR/ SUB GRANTOR/ PROGRAM TITLE</b>	<b>CFDA NUMBER</b>	<b>PASS-THROUGH GRANT NUMBER</b>	<b>(A) CASH FEDERAL RECEIPTS</b>	<b>(A) CASH FEDERAL DISBURSEMENTS</b>
<b>FEDERAL HIGHWAY ADMINISTRATION PASSED THROUGH THE OHIO DEPARTMENT OF TRANSPORTATION</b>				
Highway Planning and Construction	20.205	MOT-SR48-37.780	<u>\$2,665,375</u>	<u>\$2,665,375</u>
<b>Total Ohio Department of Transportation</b>			<u>2,665,375</u>	<u>2,665,375</u>
<b>Total Federal Financial Assistance</b>			<u>\$2,665,375</u>	<u>\$2,665,375</u>

(A) This schedule was prepared on a cash basis.

# TRIMBLE, JULIAN & GRUBE, INC.

ASERVING OHIO LOCAL GOVERNMENTS®

1445 Worthington Woods Boulevard  
Suite B  
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Telephone 614.846.1899  
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## **REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

Members of Council and Mayor  
City of Englewood  
333 West National Road  
Englewood, Ohio 45322

We have audited the general purpose financial statements of City of Englewood as of and for the year ended December 31, 2000, and have issued our report thereon dated May 15, 2001. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Compliance

As part of obtaining reasonable assurance about whether City of Englewood'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*.

Members of Council and Mayor  
City of Englewood

Internal Control Over Financial Reporting

In planning and performing our audit, we considered City of Englewood'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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control 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 City of Englewood in a separate letter dated May 15, 2001.

This report is intended for the information and use of management, the City of Englewood, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Trimble, Julian & Grube, Inc.  
May 15, 2001

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## **REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO ITS MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Members of Council and Mayor  
City of Englewood  
333 West National Road  
Englewood, Ohio 45322

### Compliance

We have audited the compliance of the City of Englewood with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal program for the year ended December 31, 2000. The City of Englewood's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the City of Englewood's management. Our responsibility is to express an opinion on the City of Englewood's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and *OMB Circular A-133, Audit of States, Local Governments, and Non-Profit Organizations*. Those standards and *OMB Circular A-133* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Englewood's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City of Englewood's compliance with those requirements.



Members of Council and Mayor  
City of Englewood

In our opinion, the City of Englewood complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 2000.

Internal Control Over Compliance

The management of the City of Englewood is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City of Englewood's internal control over compliance with requirements that could have a direct and material effect on its major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with *OMB Circular A-133*.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control 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 noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to its major federal programs 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 compliance and its operation that we consider to be material weaknesses.

This report is intended for the information and use of the management, the Council of the City of Englewood, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Trimble, Julian & Grube, Inc.  
May 15, 2001

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A-133 ' .505**

**CITY OF ENGLEWOOD  
MONTGOMERY COUNTY  
DECEMBER 31, 2000**

**1. SUMMARY OF AUDITOR-S RESULTS**

<i>(d)(1)(i)</i>	<i>Type of Financial Statement Opinion</i>	Unqualified
<i>(d)(1)(ii)</i>	<i>Were there any material control weakness conditions reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(ii)</i>	<i>Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(iii)</i>	<i>Was there any reported non-compliance at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any material internal control weakness conditions reported for major federal programs?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any other reportable internal control weakness conditions reported for major federal programs?</i>	No
<i>(d)(1)(v)</i>	<i>Type of Major Programs= Compliance Opinion</i>	Unqualified
<i>(d)(1)(vi)</i>	<i>Are there any reportable findings under ' .510?</i>	No

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A-133 ' .505**

**CITY OF ENGLEWOOD  
MONTGOMERY COUNTY  
DECEMBER 31, 2000**

**1. SUMMARY OF AUDITOR-S RESULTS (Continued)**

<i>(d)(1)(vii)</i>	<i>Major Program</i>	Highway Planning and Construction CFDA #20.205
<i>(d)(1)(viii)</i>	<i>Dollar Threshold: Type A/B Programs</i>	Type A: >\$300,000 Type B: all others
<i>(d)(1)(ix)</i>	<i>Low Risk Auditee?</i>	Yes

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

None

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

None





STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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**CITY OF ENGLEWOOD**

**MONTGOMERY COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
JULY 24, 2001**