



**CITY OF WILMINGTON
CLINTON COUNTY**

SINGLE AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2001



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**CITY OF WILMINGTON
CLINTON COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

City of Wilmington
Clinton County
69 North South Street
Wilmington, Ohio 45177

To the City Council:

We have audited the accompanying general-purpose financial statements of the City of Wilmington, Clinton County, Ohio (the City), as of and for the year ended December 31, 2001, 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 auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Wilmington as of December 31, 2001, and the results of its operations and the cash flows of its proprietary fund types and nonexpendable trust fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 18, 2002 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.

We performed our audit to form an opinion on the general-purpose financial statements of the City, taken as a whole. The accompanying schedule of federal awards expenditures is presented for 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. We subjected this information 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

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Jim Petro
Auditor of State

July 18, 2002

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CITY OF WILMINGTON, OHIO
Combined Balance Sheet
All Fund Types and Account Groups
December 31, 2001

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$ 3,042,622	\$ 4,778,871	\$ -	\$ 3,914
Cash and Cash Equivalents with Fiscal Agents	-	-	-	-
Receivables:				
Taxes	1,215,809	1,297,305	-	-
Accounts	73,465	12,218	-	-
Special Assessments	-	149,589	-	-
Loans Receivable	-	449,060	-	-
Accrued Interest	5,333	-	-	-
Due from Other Funds	22,553	14,693	-	-
Due from Other Governments	405,809	1,963,623	-	-
Restricted Assets:				
Cash and Cash Equivalents	-	-	-	-
Property, Plant & Equipment	-	-	-	-
Construction in Progress	-	-	-	-
Accumulated Depreciation	-	-	-	-
Other Debits:				
Amount to be Provided for Payment for Compensated Absences	-	-	-	-
Amount to be Provided for General Obligation Debt	-	-	-	-
Amount to be Provided for Police and Fire Pension	-	-	-	-
Total Assets and Other Debits	<u>\$ 4,765,591</u>	<u>\$ 8,665,359</u>	<u>\$ -</u>	<u>\$ 3,914</u>
Liabilities, Fund Equity and Other Credits:				
Liabilities:				
Accounts Payable	\$ 53,427	\$ 87,111	\$ -	\$ -
Accrued Wages and Benefits	132,399	173,097	-	-
Compensated Absences Payable	82,541	42,934	-	-
Due to Other Funds	14,693	-	-	-
Deferred Revenue	845,707	3,055,853	-	-
Accrued Interest Payable	-	-	-	-
Bond Anticipation Notes Payable	-	3,715,000	-	-
General Obligation Bonds Payable	-	-	-	-
Mortgage Revenue Bonds Payable	-	-	-	-
Unamortized Bond Issue Costs	-	-	-	-
Deferred Amount on Refunding	-	-	-	-
Estimated Liability for Landfill Closure & Postclosure Care	-	-	-	-
Police & Fire Pension Payable	-	-	-	-
Total Liabilities	<u>1,128,767</u>	<u>7,073,995</u>	<u>-</u>	<u>-</u>
Fund Equity and Other Credits:				
Fund Equity:				
Investments in General Fixed Assets	-	-	-	-
Contributed Capital	-	-	-	-
Retained Earnings:				
Reserved for:				
Debt Service	-	-	-	-
Replacement & Improvement	-	-	-	-
EDA Grant-Caesar Creek Project	-	-	-	-
Unreserved	-	-	-	-
Fund Balance:				
Reserved for:				
Encumbrances	117,667	97,334	-	-
Revolving Loan	-	449,060	-	-
Nonexpendable Trust Funds	-	-	-	-
Unreserved	3,519,157	1,044,970	-	3,914
Total Fund Equity and Other Credits	<u>3,636,824</u>	<u>1,591,364</u>	<u>-</u>	<u>3,914</u>
Total Liabilities, Fund Equity and Other Credits	<u>\$ 4,765,591</u>	<u>\$ 8,665,359</u>	<u>\$ -</u>	<u>\$ 3,914</u>

See accompanying notes to the general purpose financial statements.

Proprietary Fund Types	Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)
		General Fixed Assets	General Long-Term Debt	
Enterprise	Trust & Agency			
\$ 4,698,019	\$ 39,270	\$ -	\$ -	\$ 12,562,696
-	22,553	-	-	22,553
-	-	-	-	2,513,114
224,694	-	-	-	310,377
3,422	-	-	-	153,011
-	-	-	-	449,060
-	-	-	-	5,333
-	-	-	-	37,246
-	-	-	-	2,369,432
1,287,046	-	-	-	1,287,046
46,314,291	-	11,190,239	-	57,504,530
3,730,878	-	-	-	3,730,878
(14,122,062)	-	-	-	(14,122,062)
-	-	-	447,209	447,209
-	-	-	3,196,351	3,196,351
-	-	-	114,532	114,532
<u>\$ 42,136,288</u>	<u>\$ 61,823</u>	<u>\$ 11,190,239</u>	<u>\$ 3,758,092</u>	<u>\$ 70,581,306</u>
\$ 22,585	\$ -	\$ -	\$ -	\$ 163,123
120,250	-	-	101,351	527,097
169,362	-	-	447,209	742,046
-	22,553	-	-	37,246
-	-	-	-	3,901,560
100,365	-	-	-	100,365
500,000	-	-	-	4,215,000
210,000	-	-	3,095,000	3,305,000
19,115,000	-	-	-	19,115,000
(511,603)	-	-	-	(511,603)
(235,496)	-	-	-	(235,496)
1,095,367	-	-	-	1,095,367
-	-	-	114,532	114,532
<u>20,585,830</u>	<u>22,553</u>	<u>-</u>	<u>3,758,092</u>	<u>32,569,237</u>
-	-	11,190,239	-	11,190,239
8,552,264	-	-	-	8,552,264
512,098	-	-	-	512,098
500,726	-	-	-	500,726
253,262	-	-	-	253,262
11,732,108	-	-	-	11,732,108
-	-	-	-	215,001
-	-	-	-	449,060
-	35,000	-	-	35,000
-	4,270	-	-	4,572,311
<u>21,550,458</u>	<u>39,270</u>	<u>11,190,239</u>	<u>-</u>	<u>38,012,069</u>
<u>\$ 42,136,288</u>	<u>\$ 61,823</u>	<u>\$ 11,190,239</u>	<u>\$ 3,758,092</u>	<u>\$ 70,581,306</u>

CITY OF WILMINGTON, OHIO
 Combined Statement of Revenues, Expenditures, and Changes in Fund
 Balances - All Governmental Fund Types
 For the Year Ended December 31, 2001

	GOVERNMENTAL FUND TYPES				TOTALS
	General	Special Revenue	Debt Service	Capital Projects	(Memorandum Only)
REVENUES:					
Taxes	\$ 4,184,429	\$ 1,569,209	\$ -	\$ -	\$ 5,753,638
Special Revenues	56,167	-	-	-	56,167
Licenses and Permits	65,818	-	-	-	65,818
Intergovernmental	968,181	2,454,135	-	-	3,422,316
Charges for Services	279,445	163,466	-	-	442,911
Investment Income	374,014	217,293	-	-	591,307
Fees, Fines and Forfeitures	610,211	162,359	-	-	772,570
Other Revenue	440,200	106,223	-	500	546,923
Total Revenues	6,978,465	4,672,685	-	500	11,651,650
EXPENDITURES:					
Current:					
Security of Persons & Property	475,398	3,308,975	-	-	3,784,373
Public Health & Welfare Services	-	184,992	-	-	184,992
Leisure Time Activities	-	386,912	-	-	386,912
Community Environment	-	70,861	-	-	70,861
Transportation	-	2,821,434	-	-	2,821,434
General Government	3,281,259	29,650	-	-	3,310,909
Capital Outlay	29,979	2,018,256	-	-	2,048,235
Debt Service:					
Principal Retirement	-	1,529	115,000	-	116,529
Interest and Fiscal Charges	-	4,916	190,955	-	195,871
Total Expenditures	3,786,636	8,827,525	305,955	-	12,920,116
Excess (Deficit) of Revenues Over/ (Under) Expenditures	3,191,829	(4,154,840)	(305,955)	500	(1,268,466)
OTHER FINANCING SOURCES (USES):					
Operating Transfers-In	-	2,694,221	305,955	-	3,000,176
Operating Transfers-Out	(3,000,176)	-	-	-	(3,000,176)
Total Other Financing Sources (Uses)	(3,000,176)	2,694,221	305,955	-	-
Excess (Deficit) Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	191,653	(1,460,619)	-	500	(1,268,466)
Fund Balance, Beginning of Year	3,445,171	3,051,983	-	3,414	6,500,568
Fund Balance, End of Year	\$ 3,636,824	\$ 1,591,364	\$ -	\$ 3,914	\$ 5,232,102

See accompanying notes to the general notes to the financial statements.

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CITY OF WILMINGTON, 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, 2001

	GENERAL FUND			SPECIAL REVENUE FUNDS		
	Revised Budget	Actual	Variance Favorable/ (Unfavorable)	Revised Budget	Actual	Variance Favorable/ (Unfavorable)
REVENUES:						
Taxes	\$ 4,150,393	4,198,436	48,043	1,513,460	1,525,367	11,907
Special Assessments	56,167	56,167	-	-	-	-
Licenses and Permits	65,288	65,818	530	-	-	-
Intergovernmental	962,920	962,920	-	2,177,924	2,147,925	(29,999)
Charges for Services	279,445	279,445	-	161,932	164,534	2,602
Investment Income	346,079	347,430	1,351	168,524	178,322	9,798
Fees, Fines and Forfeitures	664,615	664,970	355	165,781	165,821	40
Other Revenue	389,568	389,829	261	216,004	218,290	2,286
Total Revenues	6,914,475	6,965,015	50,540	4,403,625	4,400,259	(3,366)
EXPENDITURES:						
Current:						
General Government	3,877,056	3,672,306	204,750	17,233	7,701	9,532
Security of Persons & Property	512,699	463,235	49,464	40,400	29,879	10,521
Public Health & Welfare Services	-	-	-	4,289,878	3,524,432	765,446
Leisure Time Activities	-	-	-	496,536	473,029	23,507
Transportation	-	-	-	3,056,671	2,867,816	188,855
Capital Outlay	81,500	25,600	55,900	3,755,740	2,013,256	1,742,484
Debt Service:						
Principal Retirement	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
Total Expenditures	4,471,255	4,161,141	310,114	11,656,458	8,916,113	2,740,345
Excess (Deficit) Revenues Over/ (Under) Expenditures	2,443,220	2,803,874	360,654	(7,252,833)	(4,515,854)	2,736,979
OTHER FINANCING SOURCES (USES):						
Proceeds of Notes	-	-	-	3,715,000	3,715,000	-
Operating Transfers-In	-	-	-	2,694,221	2,694,221	-
Operating Transfers-Out	(2,980,251)	(2,694,221)	286,030	-	-	-
Total Other Financing Sources (Uses)	(2,980,251)	(2,694,221)	286,030	6,409,221	6,409,221	-
Excess (Deficit) Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	(537,031)	109,653	646,684	(843,612)	1,893,367	2,736,979
Fund Balance, Beginning of Year	2,757,942	2,757,942	-	2,270,298	2,270,298	-
Prior Year Encumbrances Appropriated	57,680	57,680	-	518,149	518,149	-
Fund Balances, End of Year	\$ 2,278,591	2,925,275	646,684	1,944,835	4,681,814	2,736,979

See accompanying notes to the general purpose financial statements.

DEBT SERVICE FUNDS			CAPITAL PROJECTS FUNDS		
Revised Budget	Actual	Variance Favorable/ (Unfavorable)	Revised Budget	Actual	Variance Favorable/ (Unfavorable)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
500,000	500,000	-	500	500	-
500,000	500,000	-	500	500	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	1,400	-	1,400
-	-	-	-	-	-
-	-	-	-	-	-
1,405,423	1,405,423	-	-	-	-
-	-	-	-	-	-
1,405,423	1,405,423	-	1,400	-	1,400
(905,423)	(905,423)	-	(900)	500	1,400
-	-	-	-	-	-
905,423	905,423	-	-	-	-
-	-	-	-	-	-
905,423	905,423	-	-	-	-
-	-	-	(900)	500	1,400
-	-	-	3,414	3,414	-
-	-	-	-	-	-
-	-	-	2,514	3,914	1,400

CITY OF WILMINGTON, OHIO

Combined Statement of Revenues, Expenses, and Changes in Retained
Earnings/Fund Balance - Proprietary Fund Type and Non-Expendable Trust Fund
For the Year Ended December 31, 2001

	Proprietary Fund Type	Fiduciary Fund Type	Totals
	Enterprise	Non-Expendable Trust	(Memorandum Only)
Operating Revenues:			
Charges for Services	\$ 5,931,676	\$ -	\$ 5,931,676
Investment Income	-	2,068	2,068
Total Operating Revenue	<u>5,931,676</u>	<u>2,068</u>	<u>5,933,744</u>
Operating Expenses:			
Personal Services	2,197,294	-	2,197,294
Contractual Services	1,317,458	-	1,317,458
Materials & Services	1,013,581	4,325	1,017,906
Depreciation	1,325,972	-	1,325,972
Other Operating Expenses	223	-	223
Total Operating Expenses	<u>5,854,528</u>	<u>4,325</u>	<u>5,858,853</u>
Operating Income (Loss)	<u>77,148</u>	<u>(2,257)</u>	<u>74,891</u>
Non-Operating Revenues (Expenses):			
Interest income	276,578	-	276,578
Loss on Disposal of Fixed Assets	(70,402)	-	(70,402)
Interest and Fiscal Charges	(1,143,152)	-	(1,143,152)
Total Non-Operating Revenues (Expenses)	<u>(936,976)</u>	<u>-</u>	<u>(936,976)</u>
Net Loss	<u>(859,828)</u>	<u>(2,257)</u>	<u>(862,085)</u>
Depreciation on Contributed Capital Assets	253,540	-	253,540
Retained Earnings/Fund Balance, Beginning of Year	<u>13,604,482</u>	<u>41,527</u>	<u>13,646,009</u>
Retained Earnings/Fund Balance, End of Year	<u>\$ 12,998,194</u>	<u>\$ 39,270</u>	<u>\$ 13,037,464</u>

See accompanying notes to the general purpose financial statements.

CITY OF WILMINGTON

Combined Statement of Cash Flows -
Proprietary Fund Type and Non-Expendable Trust Fund
For the Year Ended December 31, 2001

	Proprietary Fund Type	Fiduciary Fund Type	Totals
	Enterprise	Non-Expendable Trust	(Memorandum Only)
Cash Flows from Operating Activities:			
Operating Income (Loss)	\$ 77,148	\$ (2,257)	\$ 74,891
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			-
Depreciation	1,325,972	-	1,325,972
Landfill Closure and Postclosure Cost	(411,699)	-	(411,699)
Changes in Assets & Liabilities:			-
(Increase)Decrease in Accounts Receivable	21,828	-	21,828
(Increase)Decrease in Special Assessment Receivable	(3,422)	-	(3,422)
Increase(Decrease) in Accounts Payable	(87,593)	-	(87,593)
Increase(Decrease) in Accrued Wages & Benefits	64,793	-	64,793
Increase(Decrease) in Compensated Absences Payable	23,680	-	23,680
Increase(Decrease) in Accrued Interest	(10,416)	-	(10,416)
Net Cash Provided (Used) by Operating Activities	<u>1,000,291</u>	<u>(2,257)</u>	<u>998,034</u>
Cash Flows from Investing Activities:			
Interest	<u>276,578</u>	-	<u>276,578</u>
Net Cash Provided by Investing Activities	<u>276,578</u>	-	<u>276,578</u>
Cash Flows form Capital and Related Financing Activities:			
Capital expenditures	(434,220)	-	(434,220)
Loss on Disposal of Fixed Assets	70,402	-	70,402
Proceeds From Bond Anticipation Note	500,000	-	500,000
Bond Anticipation Note Payment	(1,000,000)	-	(1,000,000)
General Obligation Bond Principal Payment	(30,000)	-	(30,000)
Mortgage Revenue Bond Principal Payment	(285,000)	-	(285,000)
Interest & Fiscal Charges	(1,150,539)	-	(1,150,539)
Net Cash Used by Capital and Related Financing Activities	<u>(2,329,357)</u>	<u>-</u>	<u>(2,329,357)</u>
Decrease in Cash and Cash Equivalents	(1,052,488)	(2,257)	(1,054,745)
Cash and Cash Equivalents, Beginning of Year	<u>7,037,553</u>	<u>41,527</u>	<u>7,079,080</u>
Cash and Cash Equivalents, End of Year	<u>\$ 5,985,065</u>	<u>\$ 39,270</u>	<u>\$ 6,024,335</u>
Reconciliation of Equity in Pooled Cash and Cash Equivalents per Combined Balance Sheet to Cash and Cash Equivalents, End of Year, per Statement of Cash Flows:			
Equity in Pooled Cash and Cash Equivalents, per Balance Sheet	\$ 4,698,019	\$ 39,270	\$ 4,737,289
Plus: Restricted Cash and Cash Equivalents	<u>1,287,046</u>	<u>-</u>	<u>1,287,046</u>
Cash and Cash Equivalents, End of Year, per Statement of Cash Flows	<u>\$ 5,985,065</u>	<u>\$ 39,270</u>	<u>\$ 6,024,335</u>

See accompanying notes to the general purpose financial statements.

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CITY OF WILMINGTON, OHIO
Notes To The General Purpose Financial Statements
For The Year Ended December 31, 2001

NOTE 1 – REPORTING ENTITY AND BASIS OF PRESENTATION

The City of Wilmington (the "City") is a political body incorporated and established for the purpose of exercising the rights and privileges conveyed to it by constitutions and laws of the State of Ohio. Wilmington, the county seat, is the only City in Clinton County. It is the major commercial and marketing center in the primarily agricultural county. The City was incorporated into a Village in 1828 and was reorganized as a City in 1921 under the general plan of the General (now revised) Code of Ohio. The City operates under the council-mayor form of government.

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 that are not legally separate. They provide various services including police and fire protection, parks and recreation, planning zoning, street maintenance and repair, community development, public health and welfare, water, sewer, electric and refuse collection. The City Council has direct responsibility for these activities.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing 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. The City currently has no component units.

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

The Clinton County General Health District is a jointly governed organization that provides health services within the County. The Board of Health, which consists of a representative from each of the participating governments, oversees the operation of the District. The City does not have any financial interest in, or responsibility for, the Health District. The County Commissioners serve as the taxing authority, and the County Auditor and Treasurer serve as fiscal officers.

The Miami Valley Risk Management Association, Inc. (MVRMA, Inc.), also a jointly governed organization, was established as a joint self-insurance pool for the purpose of enabling subscribing political subdivisions to obtain liability insurance and provide for a formalized, jointly administered self-insurance fund for its members. The members formed a not-for-profit corporation known as MVRMA, Inc. for the purpose of administering the Pool. The subscribing members of the self-insurance pool include the Cities of Beavercreek, Blue Ash, Indian Hill, Kettering, Maderia, Mason, Miamisburg, Montgomery, Sidney, Springdale, Tipp City, Troy, Vandalia, West Carrollton, Wilmington and Wyoming. The City has no explicit and measurable equity interest in MVRMA and no ongoing financial responsibility for MVRMA and, accordingly, is not included in the financial reporting entity. See Note 16.

CITY OF WILMINGTON, OHIO
Notes To The General Purpose Financial Statements
For The Year Ended December 31, 2001

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, 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 for 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 laws of Ohio.

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

Debt Service Fund – This fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs; and for the payment of interest on general obligation notes payable, as required by Ohio law.

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 and trust funds).

Proprietary Fund Type

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 is the City's proprietary fund type:

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

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Notes To The General Purpose Financial Statements
For The Year Ended December 31, 2001

financed primarily through user charges or where it has been decided that a periodic determination of revenues earned, expense incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Fiduciary Funds

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

Account Groups

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

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

General Long-Term Obligations Account Group – This account group is used to account for all unmatured general long-term indebtedness of the City that is not a specific liability of the proprietary funds.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Measurement Focus and Basis of Accounting

The accounting and reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types 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 and the non-expendable trust fund are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations of these funds are included on the balance sheet. Proprietary fund type and the non-expendable trust fund's operating statements present increases (e.g. revenues) and decreases (e.g. expenses) in net total assets. Proprietary fund's fund equity (i.e. net total assets) is segregated in contributed capital and retained earnings components.

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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.

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. The available period for the City is sixty days after year-end.

Non-exchange transactions, in which the City receives value without directly giving equal value in return, includes income tax, property tax, grants, entitlements and donations. On an accrual basis, revenue from income tax is recognized in the fiscal year in which the tax imposed takes place and revenue from property tax is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the City must provide local resources, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available: income tax, hotel/motel taxes, state-levied locally shared taxes (including local government assistance, gasoline tax and vehicle license tax), intergovernmental grants, fines and forfeitures, and investment earnings.

The City reports deferred revenues in its combined balance sheet. Deferred revenues arise when 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 and income tax, state-levied shared taxes (including local government assistance, gasoline tax, homestead/rollback and vehicle license tax), intergovernmental grants measurable as of December 31, 2001, whose availability is indeterminate and which are not intended to finance current period obligations, have been recorded as a receivable and deferred revenue.

Under the modified accrual basis, expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt, which is recognized when due, and certain compensated absences which are recognized when the obligations are expected to be liquidated with expendable available financial resources. Allocations of cost, such as depreciation and amortization, are not recognized under the modified accrual basis.

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 receivables are recognized as revenue at year-end.

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Under the guidelines of GASB Statement No. 20, the City applies Financial Accounting Standards Board Statements and interpretations issued on or before November 30, 1989 to its proprietary activities provided they do not conflict or contradict GASB pronouncements.

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 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 appropriation cannot exceed estimated resources, as certified. All funds, other than agency funds, are legally required to be budgeted and appropriated. The primary level of budgetary control is at the object level within each department for each fund. Budgetary modification may be made only by ordinance of the City Council.

Estimated Resources

The County Budget Commission determines if the budget substantiates a need to levy all or part of previously authorized taxes and revises estimated revenues. The commission certifies its actions to the City by September 1. As part of this certification, the City receives the official certificate of estimated resources, which states the projected revenue of each fund. Prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the appropriation ordinance. On or about January 1, the certificate of estimated resources is amended to include unencumbered fund balances at December 31 of the preceding year. The certificate may be further amended during the year if the fiscal officer determines that the revenue collected is greater or less than the current estimates. The amounts reported on the budgetary statement reflect the amounts in the final amended official certificate of estimated resources issued during 2001.

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 controls expenditures at the fund, departmental, and object level and may be amended or supplemented only by council during the year as required. During the year, two supplemental appropriation measures were legally passed. The budget figures, which appear in the statements of budgetary comparison, represent the final appropriation amounts, including all amendments and modifications.

CITY OF WILMINGTON, OHIO
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For The Year Ended December 31, 2001

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 reservation of fund balance for the 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 need not be reappropriated.

Cash and Investments

The provisions of the Ohio Revised Code restrict investment procedures. Cash balances of the City's funds, except cash held by a trustee or fiscal agent, are pooled for investment purposes. During fiscal year 2001, investments were limited to U.S. treasury notes, money market mutual funds, repurchase agreements and non-negotiable certificates of deposit. Except for nonparticipating investments, investments are reported at fair market value, which is based on quoted market prices. Nonparticipating investments such as repurchase agreements and certificates of deposit are reported at cost. See Note 5, Equity in Pooled Cash and Investments. For purposes of the combined statement of cash flows, the proprietary fund types' and non-expendable trust fund's portion of pooled cash and cash equivalents is considered a cash equivalent because the City is able to withdraw resources from these funds without prior notice or penalty.

Restricted Assets

Restricted assets in the enterprise funds represent cash and cash equivalents and investments set aside to satisfy bond indentured requirements and for the payment of contractors. Reserved retained earnings reflect the restricted assets funded from enterprise operations.

Fixed Assets and Depreciation

The accounting and reporting treatment applied to fixed assets is determined by its ultimate use. General Fixed Assets are long-lived assets of the City as a whole. When purchased, such assets are recorded as expenditures in the governmental funds type and capitalized (recorded and accounted for) in the General Fixed Asset Account Group.

Infrastructure fixed assets such as streets, storm sewers and drains, and traffic signals and signs are not capitalized by the City and are not reported as part of the General Fixed Asset Group.

The fixed asset values were initially determined at December 31, 1987 by identifying historical costs when such information was available. In cases where information supporting original costs was not practicably determinable, estimated historical costs were developed. For certain fixed assets, the

CITY OF WILMINGTON, OHIO
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estimates were arrived at by indexing estimated current costs back to the estimated year of acquisition. Donated fixed assets are capitalized at estimated fair value on the date donated. During the initial development of the fixed asset records, it was not practical to determine the source of the fixed asset financing.

Fixed assets utilized in the proprietary funds are capitalized in the respective Enterprise Funds. The valuation bases for the proprietary fund fixed assets are the same as those used for the general fixed assets. Donated fixed assets are capitalized at estimated fair value on the date donated.

The City has elected not to record depreciation in the General Fixed Asset Account Group.

Depreciation for the Proprietary Fund is determined by allocating the cost of fixed assets over the estimated useful lives of the assets on a straight-line basis. The estimated useful lives are as follows:

Machinery and Equipment	6 – 30 years
Buildings and Improvements	45 years
Improvements other than Buildings	20 years
Sewer Lines	30 years
Water Lines	30 years

Long-Term Obligations

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

<u>Obligation</u>	<u>Fund</u>
Mortgage Revenue Bonds	Sewer and Water
General Obligation Bonds	Water and General
Police Pension Liability	Police Pension
Firemen's Pension Liability	Fire Pension

Interfund Transactions

During the course of normal operations, the City has numerous transactions between funds. The most significant of these transactions are operating transfers.

Compensated Absences

The City records a liability for vacation time and sick leave when the obligation is attributable to services previously rendered, the obligation is probable and the amount of the obligations can be reasonably determined. For Governmental Funds, the current portion of unpaid leave is reported as an expenditure in the fund from which the individuals earning the leave are paid, with a corresponding liability reflected in the account "accrued benefits payable". In the proprietary funds, compensated absences are expensed when earned. The entire amount of unpaid compensated absences is reported as a fund liability.

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 that are not subject to repayment.

CITY OF WILMINGTON, OHIO
Notes To The General Purpose Financial Statements
For The Year Ended December 31, 2001

Because the City, prior to 1988, had not prepared its financial statements in accordance with generally accepted accounting principals, the exact amount of contributed capital pertaining to years prior to 1988 cannot be determined. Only those amounts that could be specifically identified have been classified as contributed capital in the accompanying general purpose financial statements.

Total Columns on General Purpose Financial Statements

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

NOTE 3 – BUDGET TO GAAP RECONCILIATION

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

The Combined Statement of Revenues, Expenditures and Changes in Fund Balances, Budget and Actual (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 or earned (GAAP basis).
2. Expenditures 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 (budget basis) rather than as a reservation of fund balance for governmental fund (GAAP basis).
4. Proceeds from and principal payments on short-term note obligations are reported on the operating statement (budget basis) rather than as balance sheet transactions (GAAP basis).

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the governmental funds.

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Excess of Revenues and Other Financing Sources Over/(Under)
Expenditures and Other Financing Uses –
Governmental Fund Types

	General Fund	Special Revenue Funds	Debt Service Funds	Capital Projects Funds
GAAP Basis	\$ 191,653	\$ (1,460,619)	\$ 0	\$ 500
Revenue Accruals	(13,450)	(272,426)	500,000	-
Expenditure Accruals	(374,505)	(88,588)	(1,099,468)	-
Other Financing Sources (Uses)	<u>305,955</u>	<u>3,715,000</u>	<u>599,468</u>	<u>-</u>
Budget Basis	<u>\$ 109,653</u>	<u>\$ 1,893,367</u>	<u>\$ 0</u>	<u>\$ 500</u>

NOTE 4 – ACCOUNTABILITY

The CDBG – FY 1999 Fund, CDBG – FY 2000 Fund, and the Fire Fund within the Special Revenue Fund Type had deficit fund balances of \$16,850, \$2,000 and \$6,654 due mainly to accruals and short term notes being recorded in the funds.

NOTE 5 – DEPOSITS AND INVESTMENTS

The City maintains a cash and investment pool used by all funds except the Trustee-held Water and Sewer Funds, and Agency Funds. Each fund type's portion of this pool is displayed on the combined balance sheet as "Equity in Pooled Cash and Investments".

The investment and deposit of City monies are governed by the provisions of the Codified Ordinances of the City and the Ohio Revised Code. In accordance with these provisions, only banks located in Ohio and domestic building and loan associations are eligible to hold public deposits. The provisions also permit the City to invest its monies in certificates of deposit, savings accounts, money market accounts, the State Treasurer's investment pool (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 for a period not exceeding thirty days.

Public depositories must give security for all public funds on deposit. 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 105 percent of the total value of public monies on deposit at the institution.

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. State law does not require that security for public deposits and investments are maintained in the name of the City.

CITY OF WILMINGTON, OHIO
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Deposits

At year-end, the carrying amount of the City's deposits was \$13,343,284 and the bank balance was \$13,628,660. Of the bank balance, \$300,000 was covered by FDIC and the remaining amount 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 City to a successful claim by the Federal Deposit Insurance Corporation.

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.

	Category 2	Carrying Value	Fair Value
US Treasury/Equivalents	\$ -	\$ 529,011	\$ 529,011

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

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

	Cash and Cash Equivalents/Deposits	Investments
GASB Statement No. 9	\$ 13,872,295	\$ -
Investments:		
Repurchase Agreement	(529,011)	529,011
GASB Statement No. 3	\$ 13,343,284	\$ 529,011

Cash on Hand

The City's petty cash funds totaled \$1,200 on December 31, 2001.

NOTES 6 – TAXES

Property Taxes

Property Taxes include amounts levied against all real and public utility property, and tangible personal property, which is used in business, located in the City. Real property taxes are collected in the year subsequent to the year in which they are levied. Tangible personal property taxes are levied and attached

CITY OF WILMINGTON, OHIO
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as a lien on January 1 of the current year. Real property taxes are payable annually or semi-annually. The first payment is due December 31, with the remainder payable by June 20. Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, the first payment is due April 30 with the remainder payable by September 20.

The County Treasurer collects property taxes on behalf of all taxing districts in Clinton County including the City of Wilmington. The County Auditor periodically remits to the City its portion of taxes collected.

Assessed values are established by the state statues at 35 percent of appraised market value for real property and 25 percent for tangible personal property. A reappraisal of all property is required to be completed no less than every six years, with triennial updates. The last reappraisal took place in 1999. The assessed value upon which the 2000 levy was based was \$233,901,345. This amount constitutes \$163,626,230 in real property assessed value, \$6,534,230 in public utility assessed value, and \$63,740,885 in tangible personal property assessed value. The tax rate applicable to 2001 was \$7.35 per \$1000 of assessed valuation.

Income Taxes

The City increased its municipal income tax from .8 percent to 1.0 percent effective January 1, 1991. The tax is levied on all salaries, wages, commissions and other compensation, and net profits earned within the City, as well as incomes of residents earned outside of the City. In the later case, the City allows a credit of 100% of the tax to another municipality to a maximum of the total amount assessed.

Employers within the City are required to withhold income tax on employee compensation and remit the tax to the City either monthly or quarterly, as required. Corporations and other individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually. The General Fund receives all income tax proceeds.

NOTE 7 - FIXED ASSETS

Changes in general fixed assets during the year ended December 31, 2001 were as follows:

<u>Class</u>	<u>Balance January 1, 2001</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance December 31, 2001</u>
Land and buildings	\$ 5,577,108	\$ -	\$ -	\$ 5,577,108
Improvements other than buildings	331,351	-	-	331,351
Machinery and equipment	1,866,491	2,032,893	(481,299)	3,418,085
Office furniture and fixtures	223,461	-	-	223,461
Vehicles	1,640,234	-	-	1,640,234
Totals	\$ 9,638,645	\$2,032,893	\$ (481,299)	\$ 11,190,239

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Changes in fixed assets recorded in the enterprise funds were as follows:

<u>Class</u>	<u>Balance January 1, 2001</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance December 31, 2001</u>
Land and buildings	\$ 10,424,737	\$ 12,155,069	\$ -	\$ 22,579,806
Improvements other than buildings	19,397,995	-	-	19,397,995
Machinery and equipment	3,447,903	107,527	(208,779)	3,346,651
Office furniture and fixtures	46,301	-	(1,108)	45,193
Vehicles	924,026	139,543	(118,923)	944,646
Construction in Progress	15,698,796	187,151	(12,155,069)	3,730,878
Totals	\$ 49,939,758	\$ 12,589,290	\$ 12,483,879	\$ 50,045,169

NOTE 8 – DEFINED BENEFIT PENSION PLANS

Both the 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”. Substantially all City employees are covered by one of the two cost-sharing multiple-employer defined benefit pension plans, namely, the 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

The City of Wilmington participates in the Public Employees Retirement System of Ohio (PERS), a cost-sharing multiple-employer defined benefit pension plan. PERS provides 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. PERS issues a publicly available stand-alone financial report. 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 employee contribution rates are 8.5% for employees other than law enforcement. The 2001 employer contribution rate for local government employers was 13.55% of covered payroll. The City’s contributions, representing 100% of employer contribution’s for the periods ending December 31 2001, 2000, and 1999 were \$598,771, \$435,037, and \$503,069, respectively.

Police and Firemen’s Disability and Pension Fund

The City of Wilmington contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple-employer defined pension plan. OP&F provides retirement and disability benefits, cost-of-living adjustments, and death benefits to plan member and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial statements and required supplementary

CITY OF WILMINGTON, OHIO
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For The Year Ended December 31, 2001

information for the plan. Interested parties may obtain a copy by making a written request to 140 East Town Street, Columbus, Ohio 43215-5164.

Plan members are required to contribute 10.0% of their annual covered salary, while employers are required to contribute 19.5% and 24.0% respectively for police officers and firefighters. The City's contributions to OP&F for the years ending December 31, 2001, 2000 and 1999 were \$359,103, \$333,876 and \$267,381, respectively, equal to the required contribution for each year.

NOTE 9 – POSTEMPLOYMENT BENEFITS

Public Employees Retirement System

The Public Employees Retirement System (PERS) of Ohio provides postretirement 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. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. A portion of each employer's contribution to PERS is set aside for the funding of post retirement health care. The Ohio Revised Code provides statutory authority for employer contributions. For local government employer units the rate was 13.55% of covered payroll; 4.30% was the portion that was used to fund health care for the year.

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

Actuarial Review: The following assumptions and calculations were based on the System's latest Actuarial Review as of December 31, 2000.

Funding Method: An entry age normal actuarial cost method of valuation is used in determining the present value of OPEB. The difference between assumed and actual experience (actuarial gains and losses) becomes part of the unfunded actuarial accrued liability.

Assets Valuation Method: All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach, assets are adjusted annually to reflect 25% of unrealized market appreciation or depreciation on investment assets.

Investment Return: The investment assumption rate for 2000 was 7.75%.

Active Employee Total Payroll: An annual increase of 4.75% compounded annually, is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. Additionally, annual pay increases, over and above the 4.75% base increase, were assumed to range from 0.54% to 5.1%.

Health Care: Health care costs were assumed to increase 4.75% annually.

The OPEBs are advance-funded on an actuarially determined basis. The number of active contributing participants was 411,076. The portion of City's contributions that were used to fund postemployment benefits was \$189,990. \$11,735.9 million represents the actuarial value of the Retirement System's net assets available for OPEB at December 31, 2000. The actuarially accrued liability and the unfunded

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actuarial accrued liability, based on the actuarial cost method used, were \$14,364.6 million and \$2,628.7 million, respectively.

Police and Firemen's Disability and Pension Fund

The Ohio Police and Fire Pension Fund provides postretirement health care coverage to any person who receives or is eligible to receive a monthly benefit check or is a spouse or eligible dependent child of such persons. An eligible dependent child is any child under the age of eighteen whether or not he is attending school or under twenty-two if attending full-time or on a 2/3 basis. The health care coverage provided by the retirement system is considered an Other Post-employment Benefit (OPEB) as described in GASB Statement No. 12. 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 fund shall be included in the employer's contribution rate. The total police employer contribution is 19.5 percent of covered payroll and the total firemen's employer contribution rate is 24 percent 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 7.25% and 7.5% of covered payroll in 2000 and 2001, respectively. The allocation is 7.75% in 2002. 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.

The statewide number of participants eligible to receive health care benefits as of December 31, 2000, the date of the last actuarial valuation available, were 12,853 for Police and 10,037 for Firefighters. The City's annual contribution for 2001 that were used to fund postemployment benefits was \$69,610 for Police and \$55,807 for Firefighters. The fund's total health care expenses for the year ending December 31, 2000 was \$106,160,054, which was net of members contributions of \$5,657,431.

NOTE 10 - OTHER EMPLOYEE BENEFITS

Compensated Absences

Each full-time employee is entitled, for each completed 80 hours of service, to four and six-tenths hours of sick leave. Fire personnel earn 6.4 hours of sick leave bi-weekly. Part-time employees accrue sick leave on a proportional basis to the hours paid each pay period. Sick leave accruals may be increased by no more than 15 days a year to a maximum of 1200 hours in "Sick Leave Bank II".

Upon qualifying for eligibility to receive retirement benefits, each full-time City employee shall be entitled to receive payment for sick leave accumulated in the amount to three-fourths the number of hours of such accumulated sick leave in "Sick Leave Bank I" and one-fourth the number of hours of such person's daily pay on the date of retirement. At December 31, 2001, the estimated total absences payable of the City was \$742,046.

Vacation leave is granted in varying amounts, depending upon years of service and must be used within the year it is granted.

CITY OF WILMINGTON, OHIO
Notes To The General Purpose Financial Statements
For The Year Ended December 31, 2001

NOTE 11 – LONG-TERM OBLIGATIONS

Long-term obligations at December 31, 2001 were as follows:

	Balance December 31, 2000	Increase	Decrease	Balance December 31, 2001
<u>ENTERPRISE FUNDS</u>				
<u>General Obligation Bonds:</u>				
1983 – 9.5% Waterworks	\$ 240,000	\$ -	\$ 30,000	\$ 210,000
<u>Mortgage Revenue Bonds:</u>				
1996 – 3.3 to 5.3% Sewer	3,215,000	-	120,000	3,095,000
1998 – 4.35 to 5.25% Waterworks	9,995,000	-	-	9,995,000
1996 – 3.9 to 6.0% Waterworks	6,190,000	-	165,000	6,025,000
Total Enterprise Funds	<u>19,640,000</u>	<u>-</u>	<u>315,000</u>	<u>19,325,000</u>
<u>OTHER GENERAL OBLIGATION DEBT:</u>				
1992 – 5.10 to 6.05% Municipal Bldg.	3,210,000	-	115,000	3,095,000
Compensated Absences	425,263	21,946	-	447,209
Accrued Wage and Benefit	-	101,351	-	101,351
Police and Fire Pension	116,061	-	1,529	114,532
TOTALS	<u>\$ 23,391,324</u>	<u>\$ 123,297</u>	<u>\$ 431,529</u>	<u>\$ 23,083,092</u>

Outstanding general obligation bonds consist of waterworks improvement issues. General obligation bonds are direct obligations of the City for which its full faith, credit and resources are pledged and are payable from taxes levied on all taxable property in the government. It is the City's intent, however, to continue to use revenue from the Enterprise Fund to pay its debt.

Mortgage revenue bonds are for waterworks improvement and sewer bond refunding. Property and revenue of the City's utility system have been pledged to repay these debts.

Police and Fire Pension obligations are being met from non-voted property taxes.

Principal and interest requirements to retire long-term obligations outstanding at December 31, 2001, including interest payments of \$18,586,799 are as follows:

CITY OF WILMINGTON, OHIO
Notes To The General Purpose Financial Statements
For The Year Ended December 31, 2001

	General Obligation Bonds	Mortgage Revenue Bonds	Police and Fire Pension
2002	\$ 353,965	\$ 1,303,904	\$ 6,445
2003	354,688	1,300,165	6,445
2004	349,800	1,398,364	6,445
2005	349,503	1,398,168	6,445
2006	343,065	1,396,626	6,445
2007-2011	1,600,380	6,962,883	32,225
2012-2016	1,537,928	6,962,923	32,225
2017-2021	307,545	6,140,202	32,225
2022-2035	-	8,946,692	86,713
Totals	<u>\$ 5,196,874</u>	<u>\$ 35,809,927</u>	<u>\$ 215,613</u>

The Enterprise Funds' related bond indentures have certain restrictive covenants and principally require that bond reserve funds be maintained and charges for fees to customers be in sufficient amounts, as defined, to satisfy the obligations under the indenture agreements. In addition, special provisions exist regarding covenant violations, redemption of principal, and maintenance of properties in good condition.

In prior years, the City has defeased various bond issues by creating separate irrevocable trust funds. New debt has been issued and the proceeds have been used to purchase U.S. government securities that were placed in the trust funds. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and therefore removed as a liability from the City's long-term debt obligations. As of December 31, 2001, the amount of defeased debt outstanding amounted to \$ 450,000.

NOTE 12 – SHORT-TERM OBLIGATIONS

A summary of the short-term note transactions for the year ended December 31, 2001 follows:

Issue	Balance December 31, 2000	Increase	Decrease	Balance December 31, 2001
2001 – 3.64% Fire Department Equipment and Land Purchase BAN	\$ -	\$ 3,715,000	\$ -	\$ 3,715,000
2000 – 4.77% Landfill Improvement BAN	1,000,000	-	1,000,000	-
2001 – 2.81% Landfill Improvement BAN	-	500,000	-	500,000
Total	<u>\$ 1,000,000</u>	<u>\$ 4,215,000</u>	<u>\$ 1,000,000</u>	<u>\$ 4,215,000</u>

On February 21, 2001, the City issued a 3.64% Bond Anticipation Note for the Fire Department for equipment and land purchase maturing on January 15, 2002.

CITY OF WILMINGTON, OHIO
Notes To The General Purpose Financial Statements
For The Year Ended December 31, 2001

NOTE 13 – SEGMENT INFORMATION

The City's enterprise funds account for the provision of water, sewer and sanitation services. Key financial information for the year ended December 31, 2001 for each enterprise fund is as follows:

	Water Fund	Sewer Fund	Waste Fund	Total
Operating revenues	\$ 2,509,128	\$ 1,379,105	\$ 2,043,443	\$ 5,931,676
Operating expenses before depreciation & amortization	1,570,000	1,260,035	1,698,521	4,528,556
Depreciation & amortization	<u>793,928</u>	<u>372,413</u>	<u>159,631</u>	<u>1,325,972</u>
Operating income (loss)	<u>145,200</u>	<u>(253,343)</u>	<u>185,291</u>	<u>77,148</u>
Net non-operating revenue(expense)	<u>(780,653)</u>	<u>(112,329)</u>	<u>(43,994)</u>	<u>(936,976)</u>
Net income (loss)	<u>(635,453)</u>	<u>(365,672)</u>	<u>141,297</u>	<u>(859,828)</u>
Additions to property, plant and equipment	<u>239,063</u>	<u>54,015</u>	<u>141,143</u>	<u>434,221</u>
Net working capital	<u>2,881,921</u>	<u>2,491,877</u>	<u>426,821</u>	<u>5,800,619</u>
Total assets	<u>26,944,849</u>	<u>11,352,314</u>	<u>3,839,125</u>	<u>42,136,288</u>
Bonds and other long-term liabilities:				
Mortgage/Revenue bonds	16,020,000	3,095,000	-	19,115,000
General obligation bonds	210,000	-	-	210,000
Bond anticipation notes	-	-	500,000	500,000
Landfill closure liability	-	-	1,095,367	1,095,367
Unamortized Bond Issue Cost	(442,532)	(69,071)	-	(511,603)
Deferred amount on Refunding	<u>-</u>	<u>(235,496)</u>	<u>-</u>	<u>(235,496)</u>
Total bonds/long-term liabilities	<u>15,787,468</u>	<u>2,790,433</u>	<u>1,595,367</u>	<u>20,173,268</u>
Total Equity (Deficit)	<u>11,004,782</u>	<u>8,402,748</u>	<u>2,142,928</u>	<u>21,550,458</u>
Encumbrances Outstanding at December 31, 2001	<u>\$ 34,824</u>	<u>\$ 52,384</u>	<u>\$ 225,746</u>	<u>\$ 311,954</u>

CITY OF WILMINGTON, OHIO
Notes To The General Purpose Financial Statements
For The Year Ended December 31, 2001

NOTE 14 – CONTRIBUTED CAPITAL

The following is a summary of contributed capital for the year ended December 31, 2001.

<u>Source</u>	<u>Water Fund</u>	<u>Sanitary Sewer Fund</u>	<u>Total</u>
Contributed Capital – January 1, 2001	\$ 5,072,501	\$ 3,733,303	\$ 8,805,804
Depreciation on Contributed Capital Assets	<u>(123,350)</u>	<u>(130,190)</u>	<u>(253,540)</u>
Contributed Capital – December 31, 2001	\$ <u>4,949,151</u>	\$ <u>3,603,113</u>	\$ <u>8,552,264</u>

NOTE 15 – RISK MANAGEMENT

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

The City pays an annual premium to MVRMA, Inc. for this coverage. The agreement provides that the MVRMA, Inc. will be self-sustaining through member premiums and the purchase of excess and stop-loss insurance. The deductible per occurrence for all types of claims is \$2,500. Pool coverage is \$2,501 to \$250,000. Excess insurance coverage is \$250,001 to the limits stated below.

General Liability	\$10,500,000 per occurrence
Automobile Liability	\$10,500,000 per occurrence
Public Officials Liability	\$500,000 per occurrence (\$10,000,000 aggregate per city)
Boiler and Machinery	\$477,066,039 blanket limit
Property	\$477,066,039 blanket limit
Flood and Earthquake	\$100,000,000 annual aggregate

There were no significant reductions in insurance coverage during the year in any category of risk. Settled claims have not exceeded insurance coverage in any of the past three years.

NOTE 16 – JOINTLY GOVERNED ORGANIZATION

The City is a member of Miami Valley Risk Management Association, Inc. (MVRMA, Inc.), which is a joint insurance pool. As of December 31, 2001 the pool has sixteen members. The jointly governed organization covers all property, crime, liability, boiler and machinery, and public officials liability insurance. It is intended to provide broad based coverage up to the limits stated in Note 14 with increased emphasis on safety and loss prevention and to create an opportunity for other local governments to participate.

CITY OF WILMINGTON, OHIO
Notes To The General Purpose Financial Statements
For The Year Ended December 31, 2001

MVRMA, Inc. is a corporation governed by a sixteen member board of trustees, consisting of a representative appointed by each of the member cities. The board of trustees elects the officers of the corporation, with each trustee having a single vote. The board is responsible for its own financial matters and the corporation maintains its own books of account. Budgeting and financing of MVRMA, Inc. is subject to the approval of the board.

As of December 31, 2001 the participants cities and their percentage shares based on the pool contribution factors are: Beavercreek 8.15 percent, Blue Ash 6.66 percent, Indian Hill 3.18 percent, Kettering 17.28 percent, Maderia 2.01 percent, Mason 2.61 percent, Miamisburg 12.33 percent, Montgomery 3.48 percent, Sidney 10.83 percent, Springdale 6.31 percent, Tipp City 1.76 percent, Troy 7.95 percent, Vandalia 5.28 percent, West Carrollton 5.49 percent, Wilmington 4.24 percent and Wyoming 2.44 percent.

Member contributions are calculated to annually produce a sufficient sum of money within the self-insurance pool to fund administrative expenses of MVRMA, Inc. and to create adequate reserves for claims and unallocated loss adjustment expenses.

Under the terms of membership, should annual member contributions not be sufficient to fund ultimate losses, establish adequate reserves and cover administrative expenses, the board of trustees may require supplemental contributions. Supplementary contributions may be assessed whenever claims or expenses need to be paid which are attributable to any membership year during which the event or claim occurred. During 2001 there were no special assessments paid.

The following is a summary of the financial statements presented in conformity with generally accepted accounting principles as of and for the year ended December 31, 2000 (the latest information available).

Assets	\$ 5,228,483
Liabilities	3,606,375
Fund Equity	1,622,108
 Total Liabilities and Fund Equity	 \$ 5,228,483

NOTE 17 – CONTINGENT LIABILITIES

Litigation

The City is a defendant in various lawsuits and subject to various claims over which litigation has not yet commenced. Although the outcomes of these matters is not presently determinable, in the opinion of management and the law director, the resolution of these matters will not have a material adverse effect on the financial condition of the City.

CITY OF WILMINGTON, OHIO
Notes To The General Purpose Financial Statements
For The Year Ended December 31, 2001

NOTE 18 - LANDFILL CLOSURE AND POST-CLOSURE CARE COST

State and federal laws and regulations require that the City place a final cover on its landfill when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure.

Although closure and post-closure care costs will be paid only near or after the date that the landfill stops accepting waste, the City is required by generally accepted accounting principles to report a portion of these closure and post-closure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date.

The City is required by state and federal laws and regulations to provide financial assurance to finance closure and post-closure care. The \$1,095,367 reported as landfill closure and post-closure care liability at December 31, 2001, represents the cumulative amount reported to date based on the use of 84.7% of the estimated capacity of the landfill. The sum of current final closure, post-closure and/or corrective measures cost estimates is \$1,293,270. The Ohio Environmental Protection Agency has established certain rules applicable to the City, requiring that the permittee of a Solid Waste Disposal Facility provide that funds will be available when needed for final closure and/or post-closure care of the facility. The City has elected to provide a letter from the Chief Financial Officer, as specified in paragraph (F) of Rule 3745-27-15 or in paragraph (F) of Rule 3745-27-16 of the Ohio Administrative Code as the mechanism to demonstrate the City's Financial Assurance as specified in Chapter 3745-27 of the Ohio Administrative Code. The estimated remaining landfill life in years is 9.0 years.

NOTE 19 - CHANGE IN ACCOUNTING PRINCIPLES

For fiscal year 2001, the City has implemented Governmental Accounting Standards Board (GASB) Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions" and GASB Statement No. 36, "Recipient Reporting for Certain Nonexchange Revenues."

The implementation of these two accounting principles had no effect on the opening fund balances in any of the City's governmental fund types.

**CITY OF WILMINGTON
CLINTON COUNTY**

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2001**

<u>Federal Grantor/Pass Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Program Number</u>	<u>Disbursements</u>
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
<i>Passed Through Ohio Department of Development:</i>			
Community Development Block Grant	14.228	A-F-98-201-1	\$7,000
Community Development Block Grant	14.228	A-F-99-201-1	300
Community Development Block Grant	14.228	A-F-00-201-1	40,000
Total Community Development Block Grant			<u>47,300</u>
Small Cities Emergency Shelter Grant	14.231	A-L-00-201-1	39,800
Small Cities Emergency Shelter Grant	14.231	A-L-01-201-1	15,000
Total Small Cities Emergency Shelter Grant			<u>54,800</u>
Total U.S. Department of Housing and Urban Development			<u>102,100</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
<i>Passed Through Ohio Department of Transportation:</i>			
Urban Mass Transit Capital Grant - 2000	20.509	RPT-0014-019-002	58,011
Urban Mass Transit Operating Grant - 2001	20.509	RPT-4014-020-011	231,626
Urban Mass Transit Capital Grant - 2001	20.509	RPT-0014-020-012	43,925
Urban Mass Transit Capital Grant - 2001	20.509	RPT-0014-020-013	70,236
Total U.S. Department of Transportation			<u>403,798</u>
Total			<u><u>\$505,898</u></u>

The accompanying notes to this schedule are an integral part of this schedule.

**CITY OF WILMINGTON
CLINTON COUNTY**

**NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR YEAR ENDED DECEMBER 31, 2001**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The City of Wilmington administers a loan program with funds provided by the U.S. Department of Housing and Urban Development through the Ohio Department of Development under the Urban Development Action Grant (UDAG) Program. The purpose of this program is to stimulate economic activity that will strengthen the economics, employment, and tax base in the City. As of December 31, 2001, the total amount of loans outstanding was \$449,060.



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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON
INTERNAL CONTROL REQUIRED BY GOVERNMENT AUDITING STANDARDS**

City of Wilmington
Clinton County
69 North South Street
Wilmington, Ohio 45177

To the City Council:

We have audited the financial statements of the City of Wilmington, Clinton County, Ohio (the City), as of and for the year ended December 31, 2001, and have issued our report thereon dated July 18, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the City of Wilmington's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of 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 City in a separate letter dated July 18, 2002.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. 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 other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the City in a separate letter dated July 18, 2002.

This report is intended for the information and use of the City's elected officials, management, 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.

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is fluid and cursive, with a large loop at the end.

Jim Petro
Auditor of State

July 18, 2002



STATE OF OHIO
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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO MAJOR FEDERAL PROGRAMS AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

City of Wilmington
Clinton County
69 North South Street
Wilmington, Ohio 45177

Compliance

We have audited the compliance of the City of Wilmington, Clinton County, Ohio (the City), 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, 2001. The City of Wilmington's major federal programs 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 its major federal program is the responsibility of the City of Wilmington's management. Our responsibility is to express an opinion on the City of Wilmington's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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, *Audits 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 occurred with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program. An audit includes examining, on a test basis, evidence about the City of Wilmington'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 Wilmington's compliance with those requirements.

In our opinion, the City of Wilmington 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, 2001.

Internal Control Over Compliance

The management of the City of Wilmington 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 Wilmington's internal control over compliance with requirements that could have a direct and material effect on a 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 a major federal program 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 City's elected officials, management, 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.

A handwritten signature in black ink, appearing to read "Jim Petro", with a large, stylized flourish at the end.

Jim Petro
Auditor of State

July 18, 2002

**CITY OF WILMINGTON
CLINTON COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2001**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material non-compliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under § .510?	No
(d)(1)(vii)	Major Programs (list):	Mass Transit CFDA # 20.509
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > \$ 300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

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

None

FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

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CITY OF WILMINGTON
CLINTON COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2001

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
2000-20414-001	The Tax Commissioner failed to take action on employers who had not filed their withholding return.	Yes	



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CITY OF WILMINGTON

CLINTON COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
SEPTEMBER 10, 2002**