

**Village of West Millgrove
Wood County**

**Fiscal Emergency
Termination Analysis**

Village of West Millgrove
Fiscal Emergency Termination

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CERTIFICATION

Pursuant to a request to the Auditor of State by the Financial Planning and Supervision Commission of the Village of West Millgrove to terminate the Commission, the Auditor of State has determined that the Village of West Millgrove has met the conditions set forth in Section 118.27(A)(1), (2), (3), and (4), Revised Code. Therefore, the existence of the West Millgrove Financial Planning and Supervision Commission and its role in the operation of the Village of West Millgrove is terminated as of June 1, 2000.

Accordingly, on behalf of the Auditor of State, a report is hereby submitted and filed with James P. Carr, Mayor of the Village of West Millgrove; Tim Kimble, President Pro Tempore of Council; Joseph T. Deters, Treasurer of State; J. Kenneth Blackwell, Secretary of State; Bob Taft, Governor; Thomas W. Johnson, Director of the Office of Budget and Management, and Michael Sibbersen, Secretary of the Wood County Budget Commission.

JIM PETRO
Auditor of State

June 1, 2000

Report on Termination of the West Millgrove Financial Planning and Supervision Commission

At the request of the Financial Planning and Supervision Commission of the Village of West Millgrove (the Commission), Wood County, Ohio, as provided by Section 118.27(B), of the Ohio Revised Code, the Auditor of State has performed an analysis in order to determine whether the Commission and its functions under Chapter 118 of the Ohio Revised Code, should be terminated.

Guidelines for performing such an analysis are set forth in Section 118.27(A), Revised Code, which states that:

“A Financial Planning and Supervision Commission with respect to a municipality... and its functions under this chapter, shall continue in existence until such time as a determination is made pursuant to division (B) of this section that the municipality... has done all of the following: (1) Planned, and is in the process of good faith implementation of, an effective financial accounting and reporting system in accordance with section 118.10 of the Revised Code, and it is reasonably expected that such implementation will be completed within two years; (2) Corrected and eliminated or has planned and is in the process of good faith implementation of correcting and eliminating all the fiscal emergency conditions determined pursuant to section 118.04 of the Ohio Revised Code, and no new emergency conditions have occurred...; (3) Met the objectives of the financial plan described in section 118.06 of the Ohio Revised Code; and (4) the municipal corporation... has prepared a financial forecast for a five-year period in accordance with the standards issued by the Auditor of State...”

Results of our work under section 118.27(A), Ohio Revised Code, are as follows:

Pages three through five of our report indicate that the Village has effectively implemented or is in the process of implementing corrections to its financial accounting system in accordance with section 118.10(A) of the Ohio Revised Code.

All fiscal emergency conditions have been corrected and eliminated and no new fiscal emergency conditions exist under section 118.04, of the Ohio Revised Code. This analysis can be found beginning on page 5.

We have reviewed the objectives of the financial plan and determined that the Village has met the objectives in accordance with section 118.06, of the Ohio Revised Code. Specific conclusions can be found on page 9.

We examined and issued a non-adverse report on the five-year forecast issued by the Village. The forecast can be found in Appendix A.

Based on this analysis, the Auditor of State’s Office has determined that the Financial Planning and Supervision Commission and its functions may be terminated.

It is understood that this report’s determination is for the use of the Financial Planning and Supervision Commission of the Village of West Millgrove, the Auditor of State of Ohio, the Governor of Ohio, the Mayor of the Village West Millgrove, and others as designated by the Auditor of State, and is not to be used for any other purpose. Our procedures and findings follow.

Section 1. Financial Accounting and Reporting System

The Auditor of State issued a “Preliminary Report” pursuant to section 118.10(A) of the Ohio Revised Code, which assessed the methods, files and reports of the Village of West Millgrove. This report reviewed the accounting system in place at the time the fiscal emergency was declared and identified its deficiencies. As part of the termination process, we read the Auditor of State’s “Preliminary Report,” and through inquiry of the Village officials and observation of the Village records, determined that all issues specified in the “Preliminary Report” have been addressed. The issues addressed in the Auditor of State’s “Preliminary Report” and our findings are as follows:

A. Budgetary System

1. An annual appropriation measure is adopted for all funds at the program, activity and major object code level and is limited, by fund, to the estimated resources of the fund;
2. Property tax estimates and levy information are provided to the county budget commission;
3. The year-end cash fund balances and encumbrances reported to the budget commission agree with the financial ledgers;
4. Expenditures are limited to the amounts appropriated; and
5. An amended certificate of estimated resources is obtained when required.

B. Chart of Fund and Account Codes

1. Fund codes classify and identify the fund types and individual funds of the Village;
2. Receipt and expenditure codes allow transactions to be summarized by major revenue sources or expenditure programs; and
3. Expenditure object codes are consistently used throughout the various program and activity codes.

C. Accounting Ledgers

1. The ledgers report ongoing and timely information about the estimated and actual revenues, disbursements and encumbrances, the appropriation authority, available cash balances for each fund, and the total treasury balance; and
2. Information captured for each transaction within the ledgers allows for it to be trailed throughout the ledgers and back to the document that originated the transaction.

D. Receipt Transactions

1. Receipts are recorded in a cash journal and in a receipt’s ledger;
2. Receipts are deposited in a timely manner; and
3. Receipts are pre-numbered and include relevant information about each transaction.

In process of implementation:

1. Deposit slips need to reference the receipt numbers; and
2. Receipts are filed numerically and include supporting documentation.

E. Purchasing Process

1. Pre-numbered purchase orders document authorizations and the goods and/or services to be acquired;
2. Purchase orders are certified by the Clerk-Treasurer as to availability of funds and sufficient appropriations; and
3. Fiscal Officer certifications are encumbered.

In process of implementation:

A purchasing manual documenting the procedures and required authorizations is being developed.

Village of West Millgrove, Wood County

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F. Cash Disbursements

1. Invoiced items, quantities, and prices are compared to the purchase order;
2. Vouchers reflect the appropriate information, including proper supporting documentation and the fiscal officer certification;
3. Warrants are prepared based upon the voucher and are signed by the fiscal officer; and
4. Vouchers are filed numerically.

In process of implementation:

The fiscal officer needs to collect information from its vendors in order to issue the Internal Revenue Service form 1099.

G. Payroll Processing

1. Employees are compensated monthly at the rates approved by the appointing authority;
2. Permanent records are maintained reflecting the hours worked, payroll deductions, and the gross and net pay, by pay period and year;
3. Employees are paid by a check signed by the fiscal officer; and
4. Personnel files are maintained for each employee.

In process of implementation:

The payment of employee withholdings and the related employer obligations by the required dates.

H. Inventory of Fixed Assets

In process of implementation:

An inventory of the fixed assets of the Village describing each item, cost, serial number and/or model number, location, and date of purchase.

I. Cash Management and Investing

1. Bank reconciliations are performed monthly; and
2. Reconciling factors are identified and documented.

J. Financial Reporting

1. Annual financial reports are made available to the public and are filed with the Auditor of State within 60 days of year-end; and
2. A cash fund summary is presented to Council monthly.

K. Recording Official Proceedings

1. Councils' votes are recorded in the minutes; and
2. Minutes of the prior meeting are read and approved at the next meeting.

In process of implementation:

Council's discussions need to be summarized in the minutes in a clear and concise manner.

The items in the process of implementation have been discussed with proper Village personnel, and we have determined that the proper changes will be implemented over time.

In summary, the Village has corrected or is in the process of correcting the significant accounting deficiencies identified in the Auditor of State's "Preliminary Report."

Section 2. Correction of Fiscal Emergency Conditions and Current Existence of Fiscal Emergency Conditions

Condition 1 - Default on Any Debt Obligation

Section 118.03(A)(1), Revised Code, defines a fiscal emergency condition as, “The existence, at the time of the determination by the Auditor of State under section 118.04 of the Revised Code, of a default on any debt obligation for more than thirty days.”

We reviewed the outstanding indebtedness of the Village as of February 29, 2000. There were no outstanding debts. The Village had a loan with Mid American National Bank and Trust, dated February 28, 1995, in the amount of \$9,115.25. The loan was paid in full on January 25, 1999.

Conclusion: A fiscal emergency condition does not exist under section 118.03(A)(1) of the Ohio Revised Code, as of February 29, 2000. The Village has not defaulted on any debt obligations.

Condition 2 - Payment of All Payroll

Section 118.03(A)(2), of the Ohio Revised Code, defines a fiscal emergency condition as, “The existence, at the time of the determination by the Auditor of State under section 118.04 of the Revised Code, of a failure for lack of cash in the funds to make payment of all payroll to employees of the municipal corporation... in the amounts and at the times required by law, ordinances, resolutions, or agreements, which failure of payment has continued:

- (a) For more than 30 days after such time for payment, or
- (b) Beyond a period of extension, or beyond the expiration of 90 days from the original time for payment, whichever first occurs, if the time for payment has been extended for more than 30 days by the written consent of at least two thirds of the employees affected by such failure to pay, acting individually or by their duly authorized representatives. The failure of one county office, board, or commission to meet payroll does not in itself constitute a fiscal emergency.”

We obtained the Village’s payroll ledger to identify gross salary amounts, deductions, and net payments made to the employees of the Village. We also reviewed the Council minutes and ordinances to determine pay rates, frequency of payrolls, and whether any extensions for the payment of payrolls exist. The net payroll amounts were verified to warrants that cleared the bank.

Conclusion: A fiscal emergency condition does not exist under section 118.03(A)(2) of the Ohio Revised Code, as of February 29, 2000. The Village has met its payroll obligation to the employees.

Condition 3 - Increase in Minimum Tax Levy

Section 118.03(A)(3), of the Ohio Revised Code, defines a fiscal emergency condition as, “An increase, by action of the county budget commission pursuant to division (D) of section 5705.31 of the Revised Code, in the minimum levy of the municipal corporation... for the current or next fiscal year which results in a reduction in the minimum levies for one or more other subdivisions or taxing districts.”

Village of West Millgrove, Wood County

Fiscal Emergency Termination Analysis

We confirmed with the Wood County Budget Commission whether there had been an increase, pursuant to division (D) of section 5705.31 of the Ohio Revised Code, in the minimum levy of the Village of West Millgrove, for the year 2000 which resulted in a reduction in the minimum levies for one or more other subdivisions or taxing districts.

Conclusion: A fiscal emergency condition does not exist under section 118.03(A)(3) of the Ohio Revised Code, as of February 29, 2000. The confirmation from the Wood County Budget Commission indicated that the commission had not taken any action to increase the minimum levy of the Village and no other subdivision's millage was reduced for the year 2000.

Condition 4 - Past Due Accounts Payable

Section 118.03(A)(4) of the Revised Code, defines a fiscal emergency condition as, "The existence of a condition in which all accounts that, at the end of its preceding fiscal year, were due and payable from the general fund and that either had been due and payable at least thirty days at the end of the fiscal year or to which a penalty has been added for failure to pay by the end of the fiscal year, including, but not limited to, final judgments, fringe benefit payments due and payable, and amounts due and payable to persons and other governmental entities and including any interest and penalties thereon, less the year end balance in the general fund, exceeded one-sixth of the general fund budget for the year, or in which all accounts that, at the end of its preceding fiscal year, were due and payable from all funds of the municipal corporation... and that either had been due and payable for at least thirty days as at the end of the fiscal year or to which a penalty has been added for failure to pay by the end of the fiscal year, less the year-end balance in the general fund and in respective special funds lawfully available to pay such accounts, exceeded one-sixth of the available revenues during the preceding fiscal year, excluding nonrecurring receipts, of the general fund and of all special funds from which such accounts lawfully are payable."

We prepared a schedule of accounts payable as of December 31, 1999, that were due and payable from the general fund, and that had been due and payable for at least thirty days or to which a penalty had been added for failure to pay as of December 31, 1999, including, but not limited to, final judgments, fringe benefit payments due and payable, and amounts due and payable to persons and other governmental entities including any interest and penalties. From this amount we subtracted the year-end fund balance available in the general fund to pay such outstanding bills. Since the general fund balance available exceeded the accounts payable, we did not have to determine if the accounts payable in excess of the available fund balance exceeded one-sixth of the available revenues during 1999.

Schedule I

General Fund Accounts Payable Over 30 Days Past Due
Ohio Revised Code Section 118.03(A)(4)
As of December 31, 1999

| | Payables Over 30 Days Past Due | General Fund Balance Available | General Fund Balance In Excess of Accounts Payable |
|--------------|---|---|--|
| General Fund | \$0 | \$13,660 | \$13,660 |

Village of West Millgrove, Wood County

Fiscal Emergency Termination Analysis

From the invoices provided to us, a schedule of accounts payable was prepared (as defined above) for all funds which were at least thirty days past due or to which a penalty was added as of December 31, 1999. From this amount we subtracted the year-end fund balance available to pay such outstanding bills. Since the fund balance available exceeded the accounts payable, we did not have to determine if the accounts payable in excess of the available fund balance exceeded one-sixth of the available revenues during 1999, excluding non-recurring receipts, of the general fund and of all special funds from which such accounts are lawfully payable.

Schedule II

Accounts Payable From All Funds Over 30 Days Past Due
Ohio Revised Code Section 118.03(A)(4)
As of December 31, 1999

| | Payables Over 30 Days Past Due | Fund Balance Available | Fund Balance In Excess Of Accounts Payable |
|-------------------------------|---|------------------------------|--|
| General Fund | \$0 | \$13,660 | \$13,660 |
| Street Maintenance and Repair | 0 | 14,819 | 14,819 |
| State Highway Fund | 0 | 1,824 | 1,824 |
| Street Lighting Fund | 0 | 2,787 | 2,787 |

Conclusion: Schedules I and II indicate that as of December 31, 1999, a fiscal emergency condition does not exist under section 118.03(A)(4) of the Ohio Revised Code. There were no payables over 30 days past due.

Condition 5 - Deficit Fund Balances

Section 118.03(A)(5) of the Revised Code, defines a fiscal emergency condition as, "The existence of a condition in which the aggregate of deficit amounts of all deficit funds at the end of its preceding fiscal year, less the total of any year-end balance in the general fund and in any special fund that may be transferred as provided in section 5705.14 of the Revised Code to meet such deficit, exceeded one-sixth of the total of the general fund budget for that year and the receipts to those deficit funds during that year other than from transfers from the general fund."

We computed the fund balance of each fund as of December 31, 1999, by subtracting all accounts payable and encumbrances from the year-end cash balance of each fund. No deficit fund balances existed.

Schedule III

Deficit Fund Balances
Ohio Revised Code Section 118.03(A)(5)
As of December 31, 1999

| | Cash Fund Balance | Encumbrances | Fund Balance (Deficit) |
|-------------------------------|-------------------------|--------------|------------------------------|
| General Fund | \$16,368 | \$2,708 | \$13,660 |
| Street Maintenance and Repair | 14,819 | 0 | 14,819 |
| State Highway Fund | 1,824 | 0 | 1,824 |
| Street Lighting Fund | 2,787 | 0 | 2,787 |

Conclusion: Schedule III indicates that a fiscal emergency condition does not exist under section 118.03(A)(5) of the Ohio Revised Code. There were no deficit funds as of December 31, 1999.

Village of West Millgrove, Wood County

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Condition 6 - Treasury Balances

Section 118.03(A)(6) of the Revised Code, defines a fiscal emergency condition as, "The existence of a condition in which, at the end of the preceding fiscal year, moneys and marketable investments in or held for the unsegregated treasury of the municipal corporation... minus outstanding checks and warrants, were less in amount than the aggregate of the positive balances of the general fund and those special funds the purposes of which the unsegregated treasury is held to meet, and such deficit exceeded one-sixth of the total amount received into the unsegregated treasury during the preceding fiscal year."

We verified the Village's reconciled bank balance to its cash book balance as of December 31, 1999. From the treasury balance we subtracted the aggregate of all positive cash fund balances, the purpose of which the unsegregated treasury is held to meet to determine the treasury deficit. Since the treasury balance equaled the aggregate of all positive fund cash balances, we did not have to determine if the deficiency exceeded one sixth of the amount received into the unsegregated treasury.

Schedule IV

| Treasury Balances | |
|--|-------------------|
| Ohio Revised Code Section 118.03(A)(6) | |
| As of December 31, 1999 | |
| Bank (Cash) Balance: | |
| Key Bank Account #2210900040 | \$37,948 |
| Adjustments for: | |
| Bank Adjustments | (635) |
| Outstanding Checks | <u>(1,515)</u> |
| Total Treasury Balance | <u>35,798</u> |
| Less: Positive Cash Fund Balances | |
| General Fund | 16,368 |
| Street Maintenance and Repair Fund | 14,819 |
| State Highway Fund | 1,824 |
| Street Lighting Fund | <u>2,787</u> |
| Total Positive Cash Fund Balances | <u>35,798</u> |
| Treasury Deficiency | <u><u>\$0</u></u> |

Conclusion: Schedule IV indicates that a fiscal emergency condition does not exist under section 118.03(A)(6) of the Ohio Revised Code as of December 31, 1999. The treasury balance less the positive fund cash balances was \$0; therefore, no further calculations were needed.

Section 3 - Financial Plan Objectives

We obtained a copy of the financial plan of the Village and determined whether the objectives of the plan have been met. Those objectives identified in the financial plan include the following:

- 1) Eliminate the fiscal emergency conditions which were determined by the Auditor of State, pursuant to section 118.04 of the Revised Code;
- 2) Repayment of the advance from the street maintenance and repair fund to the general fund;
- 3) Balance the budgets, avoid future deficits in any fund, and maintain current payments of payroll, fringe benefits, and all accounts payable;
- 4) Develop an effective financial accounting and reporting system; and
- 5) Prepare a financial forecast for a five-year period in accordance with the standards issued by the Auditor of State.

All objectives of the financial plan have been met.

Section 4 - Financial Forecast

Financial forecasting is an important management tool to assist the Village in making sound financial decisions for avoiding fiscal crises in the future. A five-year forecast is required under 118.27 (A)(4) of the Revised Code. After examining the financial forecast, the Auditor of State rendered a non-adverse report. The financial forecast is contained in Appendix A.

Disclaimer

Because the preceding procedures were not sufficient to constitute an audit made in accordance with generally accepted auditing standards, we do not express an opinion on any of the specific accounts and fund balances referred to above. Had we performed additional procedures or had we made an audit of the financial statements in accordance with generally accepted auditing standards, other matters might have come to our attention that would have been reported herein.

Appendix A

**Village of West Millgrove
Wood County, Ohio**

**Financial Forecast
For the Years Ending December 31, 2000 through 2004**

Village of West Millgrove
Financial Forecast

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Member of Council
Village of West Millgrove
West Millgrove, Ohio

Based upon the requirement set forth in Section 118.27 (A)(4) of the Revised Code, the Local Government Services Division of the Auditor of State's Office has examined the accompanying forecasted statements of revenues, expenditures and changes in fund balances of the various funds of the Village of West Millgrove, which encompass the five years ending December 31, 2004. These statements are presented on the cash basis of accounting used by the Village of West Millgrove rather than on generally accepted accounting principles. The Village of West Millgrove's management is responsible for the forecast. Our responsibility is to determine whether the Village has met the criteria that allows for the fiscal emergency to be terminated.

Based on our examination of the accompanying forecast, there is nothing in the forecast nor has anything come to our attention that indicates the fiscal emergency should not be terminated. However, some assumptions inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, the actual results of operations during the forecast period will vary from the forecast, and the variations may be material.

This report is intended solely for the use of the Village of West Millgrove and the Financial Planning and Supervision Commission of West Millgrove and should not be used for any other purpose. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

JIM PETRO
Auditor of State

April 13, 2000

Village of West Millgrove
Statement of Revenues, Expenditures, and Changes in Fund Balance - Cash Basis
For the Years Ended December 31, 1997 through 1999, Actual, and ending December 31, 2000 Through 2004, Estimated

General Fund

| | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 |
|---|---------------|----------------|-----------------|----------------|----------------|----------------|----------------|-----------------|
| Revenues | | | | | | | | |
| Local Taxes | \$4,600 | \$8,300 | \$9,600 | \$10,400 | \$10,400 | \$10,400 | \$10,900 | \$10,900 |
| Intergovernmental | 10,000 | 7,000 | 7,400 | 8,000 | 7,700 | 8,000 | 8,300 | 8,500 |
| Charges for Services | 800 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Fines and Forfeitures | 7,700 | 21,000 | 39,700 | 40,000 | 42,000 | 44,000 | 46,000 | 48,000 |
| Interest | 100 | 100 | 0 | 100 | 100 | 100 | 100 | 100 |
| Miscellaneous | 3,100 | 7,600 | 200 | 0 | 0 | 0 | 0 | 0 |
| Total Revenues | 26,300 | 44,000 | 56,900 | 58,500 | 60,200 | 62,500 | 65,300 | 67,500 |
| Expenditures | | | | | | | | |
| Security of Persons and Property | | | | | | | | |
| Police Law Enforcement | 6,200 | 7,700 | 13,100 | 20,800 | 20,700 | 23,100 | 22,600 | 24,100 |
| Civil Defense | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| Total Security of Persons and Property | 6,300 | 7,800 | 13,200 | 20,900 | 20,800 | 23,200 | 22,700 | 24,200 |
| Public Health and Walfar | | | | | | | | |
| County Health Department | 0 | 0 | 100 | 100 | 100 | 100 | 100 | 100 |
| Leisure Time Activities | | | | | | | | |
| Provide and Maintain Park | 100 | 1,400 | 800 | 1,500 | 1,600 | 1,700 | 1,800 | 2,000 |
| General Government | | | | | | | | |
| Mayor | 2,900 | 1,600 | 2,000 | 3,300 | 3,400 | 3,600 | 3,900 | 3,900 |
| Legislative Activities | 1,000 | 700 | 800 | 900 | 900 | 900 | 1,000 | 1,000 |
| Mayor's Court | 500 | 2,800 | 4,900 | 6,800 | 7,100 | 7,400 | 8,100 | 8,200 |
| Clerk - Treasurer | 4,300 | 5,000 | 5,700 | 8,600 | 9,200 | 9,500 | 9,800 | 10,100 |
| Lands and Buildings | 0 | 1,200 | 700 | 2,200 | 1,000 | 1,200 | 1,200 | 1,200 |
| County Auditor/Treasurer Fees | 0 | 600 | 100 | 800 | 300 | 300 | 600 | 300 |
| Auditor of State Fees | 0 | 3,500 | 13,700 | 2,000 | 6,500 | 0 | 7,000 | 0 |
| Solicitor | 0 | 4,100 | 3,400 | 3,500 | 3,000 | 3,000 | 3,000 | 3,000 |
| Other General Government | 5,200 | 5,000 | 4,000 | 2,400 | 2,500 | 2,500 | 2,600 | 2,600 |
| Total General Government | 13,900 | 24,500 | 35,300 | 30,500 | 33,900 | 28,400 | 37,200 | 30,300 |
| Capital Outlay | 4,400 | 6,800 | 2,700 | 9,700 | 2,000 | 2,000 | 1,000 | 1,000 |
| Debt Service | | | | | | | | |
| Principal Retirement | 1,200 | 1,100 | 300 | 0 | 0 | 0 | 0 | 0 |
| Interest and Fiscal Charges | 200 | 100 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Debt Service | 1,400 | 1,200 | 300 | 0 | 0 | 0 | 0 | 0 |
| Total Expenditures | 26,100 | 41,700 | 52,400 | 62,700 | 58,400 | 55,400 | 62,800 | 57,600 |
| Excess of Revenues Over (Under) Expenditures | 200 | 2,300 | 4,500 | (4,200) | 1,800 | 7,100 | 2,500 | 9,900 |
| Other Financing Sources (Uses) | | | | | | | | |
| Transfers in | 0 | 0 | 17,600 | 0 | 0 | 0 | 0 | 0 |
| Transfers out | 0 | 0 | 0 | (5,800) | (4,000) | (3,000) | (3,000) | (3,000) |
| Advances out | 0 | 0 | (8,300) | 0 | 0 | 0 | 0 | 0 |
| Total Other Financing Sources (Uses) | 0 | 0 | 9,300 | (5,800) | (4,000) | (3,000) | (3,000) | (3,000) |
| Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses) | 200 | 2,300 | 13,800 | (10,000) | (2,200) | 4,100 | (500) | 6,900 |
| Fund Balance Beginning of Year | 0 | 200 | 2,500 | 16,300 | 6,300 | 4,100 | 8,200 | 7,700 |
| Fund Balance End of Year | \$200 | \$2,500 | \$16,300 | \$6,300 | \$4,100 | \$8,200 | \$7,700 | \$14,600 |

Village of West Millgrove

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Cash Basis

For the Years Ended December 31, 1997 Through 1999, Actual, and Ending December 31, 2000 Through 2004, Estimated

Street Maintenance and Repair Fund

| | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 |
|---|----------------|----------------|-----------------|-----------------|----------------|----------------|----------------|----------------|
| Revenues | | | | | | | | |
| Intergovernmental | \$6,000 | \$5,900 | \$7,100 | \$7,000 | \$7,000 | \$7,000 | \$7,000 | \$7,000 |
| Other Revenues | 0 | 0 | 0 | 0 | 100 | 100 | 100 | 100 |
| Total Revenues | 6,000 | 5,900 | 7,100 | 7,000 | 7,100 | 7,100 | 7,100 | 7,100 |
| Expenditures | | | | | | | | |
| Transportation | | | | | | | | |
| Street Maintenance and Repair | 600 | 1,500 | 5,200 | 5,800 | 6,300 | 6,300 | 7,500 | 7,500 |
| Capital Outlay | 1,300 | 0 | 2,100 | 5,300 | 2,500 | 2,000 | 2,000 | 2,000 |
| Debt Service | | | | | | | | |
| Principal Retirement | 1,200 | 1,300 | 300 | 0 | 0 | 0 | 0 | 0 |
| Interest and Fiscal Charges | 0 | 100 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Expenditures | 3,100 | 2,900 | 7,600 | 11,100 | 8,800 | 8,300 | 9,500 | 9,500 |
| Excess of Revenues Over (Under) Expenditures | 2,900 | 3,000 | (500) | (4,100) | (1,700) | (1,200) | (2,400) | (2,400) |
| Other Financing Sources (Uses) | | | | | | | | |
| Advances in | 0 | 0 | 8,300 | 0 | 0 | 0 | 0 | 0 |
| Total Other Financing Sources (Uses) | 0 | 0 | 8,300 | 0 | 0 | 0 | 0 | 0 |
| Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses) | 2,900 | 3,000 | 7,800 | (4,100) | (1,700) | (1,200) | (2,400) | (2,400) |
| Fund Balance Beginning of Year | 1,100 | 4,000 | 7,000 | 14,800 | 10,700 | 9,000 | 7,800 | 5,400 |
| Fund Balance End of Year | \$4,000 | \$7,000 | \$14,800 | \$10,700 | \$9,000 | \$7,800 | \$5,400 | \$3,000 |

Village of West Millgrove

Statement of Revenues, Expenditures, and Changes in Fund Balance - Cash Basis

For the Years Ended December 31, 1997 Through 1999, Actual, and Ending December 31, 2000 Through 2004, Estimated

State Highway Fund

| | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 |
|---------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|
| Revenues | | | | | | | | |
| Intergovernmental | \$500 | \$400 | \$600 | \$600 | \$600 | \$600 | \$600 | \$600 |
| Total Revenues | 500 | 400 | 600 | 600 | 600 | 600 | 600 | 600 |
| Expenditures | | | | | | | | |
| Transportation | | | | | | | | |
| Street Maintenance and Repair | 300 | 1,200 | 0 | 600 | 700 | 700 | 800 | 800 |
| Capital Outlay | 300 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Debt Service | | | | | | | | |
| Principal Retirement | 0 | 0 | 100 | 0 | 0 | 0 | 0 | 0 |
| Total Expenditures | 600 | 1,200 | 100 | 600 | 700 | 700 | 800 | 800 |
| Excess of Revenues Over (Under) | | | | | | | | |
| Expenditures | (100) | (800) | 500 | 0 | (100) | (100) | (200) | (200) |
| Fund Balance Beginning of Year | 2,200 | 2,100 | 1,300 | 1,800 | 1,800 | 1,700 | 1,600 | 1,400 |
| Fund Balance End of Year | \$2,100 | \$1,300 | \$1,800 | \$1,800 | \$1,700 | \$1,600 | \$1,400 | \$1,200 |

Village of West Millgrove
Statement of Revenues, Expenditures, and Changes in Fund Balance - Cash Basis
For the Years Ended December 31, 1997 Through 1999, Actual, and Ending December 31, 2000 Through 2004, Estimated

Street Lighting Fund

| | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 |
|--|---------|---------|---------|---------|---------|---------|---------|---------|
| Revenues | | | | | | | | |
| Special Assessments | \$2,400 | \$2,300 | \$2,600 | \$2,500 | \$2,550 | \$2,600 | \$2,650 | \$2,700 |
| Total Revenues | 2,400 | 2,300 | 2,600 | 2,500 | 2,550 | 2,600 | 2,650 | 2,700 |
| Expenditures | | | | | | | | |
| Security of Persons and Property | | | | | | | | |
| Street Lighting | 2,200 | 2,200 | 2,300 | 2,500 | 2,600 | 2,600 | 2,700 | 2,700 |
| Total Expenditures | 2,200 | 2,200 | 2,300 | 2,500 | 2,600 | 2,600 | 2,700 | 2,700 |
| Excess of Revenues Over (Under) | | | | | | | | |
| Expenditures | 200 | 100 | 300 | 0 | (50) | 0 | (50) | 0 |
| Excess of Revenues and Other Financing | | | | | | | | |
| Sources Over (Under) Expenditures and | | | | | | | | |
| Other Financing (Uses) | 200 | 100 | 300 | 0 | (50) | 0 | (50) | 0 |
| Fund Balance Beginning of Year | 2,200 | 2,400 | 2,500 | 2,800 | 2,800 | 2,750 | 2,750 | 2,700 |
| Fund Balance End of Year | \$2,400 | \$2,500 | \$2,800 | \$2,800 | \$2,750 | \$2,750 | \$2,700 | \$2,700 |

Village of West Millgrove
Statement of Revenues, Expenditures, and Changes in Fund Balance - Cash Basis
For the Years Ended December 31, 1997 Through 1999, Actual, and Ending December 31, 2000 Through 2004, Estimated

Police Car Replacement Fund

| | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 |
|---|------|------|------|---------|---------|---------|---------|---------|
| <u>Revenues</u> | | | | | | | | |
| Total Revenues | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| <u>Expenditures</u> | | | | | | | | |
| Capital Outlay | 0 | 0 | 0 | 0 | 9,800 | 0 | 0 | 9,000 |
| Total Expenditures | 0 | 0 | 0 | 0 | 9,800 | 0 | 0 | 9,000 |
| Excess of Revenues Over (Under) Expenditures | 0 | 0 | 0 | 0 | (9,800) | 0 | 0 | (9,000) |
| <u>Other Financing Sources (Uses)</u> | | | | | | | | |
| Transfers in | 0 | 0 | 0 | 5,800 | 4,000 | 3,000 | 3,000 | 3,000 |
| Total Other Financing Sources (Uses) | 0 | 0 | 0 | 5,800 | 4,000 | 3,000 | 3,000 | 3,000 |
| Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses) | 0 | 0 | 0 | 5,800 | (5,800) | 3,000 | 3,000 | (6,000) |
| Fund Balance Beginning of Year | 0 | 0 | 0 | 0 | 5,800 | 0 | 3,000 | 6,000 |
| Fund Balance End of Year | \$0 | \$0 | \$0 | \$5,800 | \$0 | \$3,000 | \$6,000 | \$0 |

Village of West Millgrove, Ohio
Summary of Significant Forecast Assumptions and Accounting Policies
For the Years Ending December 31, 2000 through 2004

Note 1 - Nature of Presentation

The accompanying financial forecast includes a statement of revenues, expenditures, and changes in fund balance for each fund of the Village of West Millgrove (the Village), Ohio. The funds included in this financial forecast are:

General Fund
Street Maintenance and Repair Fund
State Highway Fund
Street Lighting Fund
Police Car Replacement Fund

This financial forecast presents, to the best of the Village of West Millgrove's knowledge and belief, the expected revenues and expenditures and changes in fund balance of the various funds of the Village for the forecast period. Accordingly, the forecast reflects the Village's judgment, as of April 13, 2000, the date of the forecast, the expected conditions, and its expected course of action. The assumptions disclosed herein are those that management believe are significant to the forecast. There will usually be differences between the forecasted and actual results because events and circumstances frequently do not occur as expected, and those differences may be material.

Note 2 - Summary of Significant Accounting Policies

A. - Basis of Accounting

This financial forecast has been prepared on a basis of cash receipts and disbursements which is expected to be used in the historical financial statements covering the forecast period and is the same basis used to prepare the historical financial statements for the years ended December 1997 through 1999. Under this basis of accounting, revenues are recognized when received rather than when earned, and expenditures are recognized when paid rather than when the obligation is incurred. A general fixed asset and long-term debt group of accounts are not maintained by the Village under the cash basis of accounting. By virtue of Ohio law, the Village is required to maintain the encumbrance method of accounting and to make appropriations for all funds. The appropriations are made by the Village Council to the fund, program/activity, and major object level of accounts and are restricted for such purpose until amended by the Village Council.

B. - Fund Accounting

The Village maintains its accounting in accordance with the principles of "fund accounting". Fund accounting is a concept developed to meet the needs of governmental entities in which legal or other restraints require the recording of specific receipts and disbursements. The transactions of each fund are reflected in a self-balancing group of accounts, an accounting entity which stands separate from the activities reported in other funds. The restrictions associated with each class of funds used by the Village are as follows:

Governmental Funds

General Fund

The general fund is the operating fund of the Village 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 Village for any purpose provided it is disbursed or transferred in accordance with Ohio law.

Village of West Millgrove, Ohio
Summary of Significant Forecast Assumptions and Accounting Policies
For the Years Ending December 31, 2000 through 2004

Note 2 - Summary of Significant Accounting Policies (Continued)

Special Revenue Funds

To account for the proceeds of specific revenue sources (other than expendable trusts or those for major capital projects) that are legally restricted to disbursements for specified purposes.

Capital Project Funds

To account for financial resources used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

C. - Budgetary Process

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations ordinance, all of which are prepared on the cash basis of accounting. All funds of the Village are legally required to be budgeted and appropriated.

Tax Budget - A tax budget of estimated cash receipts and disbursements is submitted to the Wood Auditor, as secretary of the County Budget Commission, by July 20th each year, for the succeeding fiscal year.

Estimated Resources - The county budget commission certifies its actions to the Village by September 1. As part of this certification, the Village receives the official certificate of estimated resources which presents the estimated beginning of year fund balance and the projected receipts of each fund. On or about January 1, the certificate is amended to include any unencumbered fund balances from the preceding year. Prior to January 1, the Village must revise its budget so that 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 annual appropriation measure.

Appropriations - By March 31, an annual appropriation ordinance must be legally enacted by the Village. Prior to the passage of the annual appropriation measure, the Village may pass a temporary appropriation measure to control the level of expenditures for all funds. The appropriation ordinance, by fund, must be within the estimated resources as certified by the county budget commission. The Village may pass supplemental appropriations so long as the total appropriations by fund do not exceed the amounts set forth in the most recent amended certificate of estimated resources.

Encumbrances - The Village uses the encumbrance method of accounting. Under this system, purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve a portion of the applicable appropriation.

D. - Property, Plant and Equipment

Fixed assets acquired or constructed for general governmental services are recorded as expenditures. Depreciation is not recorded for these fixed assets as the purpose of the financial statements for the general governmental services is to report the expenditure of resources, not costs.

Village of West Millgrove, Ohio
 Summary of Significant Forecast Assumptions and Accounting Policies
 For the Years Ending December 31, 2000 through 2004

Note 3 - Significant Revenue Assumptions

A. - General Fund

Local Taxes - Local taxes include real, public utility, and personal property tax revenues. All property taxes are collected by Wood County and are distributed to the Village. Real and public utility property tax settlements occur in March and August and the personal property tax settlements occur in May and October.

All property tax revenues are based on property valuations and levy rates. The county is required to reappraise property every six years and update the valuations every three years between the reappraisals. The most recent reappraisal was completed in 1999 and will effect the taxes collected in 2000. In addition, a three year update is anticipated in 2002 which will effect those taxes collected in 2003.

The general fund receives taxes from two voted five mill, five year, operating levies and a 2.4 mill general operating levy authorized by State law. The Village anticipates the five mill levies to be renewed by the voters in the last year of collection. Information about the operating levies is presented below:

| <u>Levy Type</u> | <u>Millage</u> | <u>Year of Voter Approval</u> | <u>First Year of Collection</u> | <u>Last Year of Collection</u> |
|------------------|----------------|---------------------------------------|---|--|
| Operating | 5 Mills | 1997 | 1998 | 2002 |
| Operating | 5 Mills | 1999 | 2000 | 2004 |
| General | 2.4 Mills | n/a | n/a | n/a |

The property tax revenues for 2000 are based on estimates provided by the county auditor which are reflected on the amended certificate of estimated resources. This estimate includes the effect of the reappraisal and a new five mill, five year operating levy approved in November 1999. In 2003 property taxes are anticipated to increase five percent because of the three year update and a five year, five mill, replacement levy.

The amount forecasted for property taxes is net of the credits for rollback and homestead. Rollback and homestead revenues are calculated by the county auditor and are funded by the State. Rollback and homestead revenues are included in the forecasted amounts for intergovernmental revenues.

Intergovernmental - Intergovernmental revenues include local government monies, local government revenue assistance revenues, and property tax allocations for rollback and homestead. The local government and local government revenue assistance monies are distributed monthly by the State to the Village via the county auditor. The local government and local governmental revenue assistance monies are anticipated to increase 3.5 percent each year of the forecast period. The property tax allocations for rollbacks and homestead are received from the State and are anticipated to remain consistent each year of the forecast.

Fines and Forfeitures - Fines and forfeitures represent the Village's share of the fines and court costs collected by the West Millgrove Mayor's Court. The Village anticipates this revenue to increase \$2,000 each year of the forecast. The increase is based on an increase in the number of citations issued each year, an increase in the fines and court costs in 2001 and 2003, and an increase in the number of hours worked by the police department.

Interest - The Village anticipates converting its checking to an interest bearing account in 2000.

Village of West Millgrove, Ohio
Summary of Significant Forecast Assumptions and Accounting Policies
For the Years Ending December 31, 2000 through 2004

Note 3 - Significant Revenue Assumptions (Continued)

Transfer In - In 1999, the Village obtained court approval to transfer the remaining balance from a permanent improvement fund to the general fund. No transfers in are anticipated during the forecast period.

B. - Street Maintenance and Repair and State Highway Funds

Intergovernmental - Intergovernmental revenue includes gasoline excise taxes, municipal cents per gallon taxes, motor vehicle and permissive motor vehicle license fees. These revenues are collected and distributed by the State directly to the Village or via the county auditor. Historically, except for 1999, these revenues remained approximately the same each year. For the forecast period, the revenues are anticipated to remain approximately the same as 1999.

C. - Street Lighting Assessment Fund

Special Assessments - The Village assesses the cost of street lighting to the citizens. The special assessment revenue is equal to the estimated cost of the street lighting each year. The Village will certify the amount of the special assessments to be collected for 2001 and beyond by August 2000.

D. - Police Car Replacement Fund

Transfers - In - The Village anticipates transferring monies from the general fund to be used for the purchase of a police cruiser and related equipment (See Note 4E).

Note 4 - Significant Expenditure Assumptions

A. - General Fund

Police Law Enforcement - The Police Department is staffed by a part-time police chief and part-time police officers. Compensation is paid on an hourly basis with up to 40 hours per month for the police chief and 60 hours per month for the officers at a maximum rate of \$9.50 and \$8.00, per hour, respectively. Historically, the Police Department has worked 60 to 80 hours per month. In addition to the wages, the Village is required to contribute 13.55 percent of the gross wages to Public Employees Retirement System and 1.45 percent for Medicare. The Village is also required to provide workers' compensation benefits. The increase in hours for the Police Department is estimated to increase the salary and benefits by \$4,200 over 1999. For the period of 2001 through 2004, an increase of 3 percent in the maximum hourly rate is forecasted.

Other operating expenditures of the Police Department include contractual services and materials and supplies. The contractual services include communications (telephone, cell phones, and pagers), training, liability insurance, and payments for the LEADS system. Supplies and materials include the printing of tickets, vehicle maintenance, fuel, and miscellaneous supplies. The contractual service type expenditures are anticipated to increase \$1,700 in 2000 and then remain consistent for the remainder of the forecast period. The increase includes the police liability insurance in the amount of \$900 which was paid out of the other general government activity in prior years.

Materials and supplies include an increase in the amount of \$1,100 for a new exhaust system and tires for the police car and office supplies. These same expenditures are anticipated again in 2002 and 2004. In addition, fuel costs are anticipated to increase \$400 from 1999 and remain consistent for the remainder of the forecast period. Office supplies are also anticipated to increase \$200.

Village of West Millgrove, Ohio
Summary of Significant Forecast Assumptions and Accounting Policies
For the Years Ending December 31, 2000 through 2004

Note 4 - Significant Expenditure Assumptions (Continued)

Civil Defense - Civil defense is an annual payment to the Wood County Emergency Management Agency, which is not expected to increase during the forecast period.

County Health Department - The Village is apportioned part of the costs associated with the Wood County Health Department. The payments are deducted from the real property tax settlements each year. The payment to the County Health Department is not expected to increase during the forecast period.

Provide and Maintain Parks - The Village maintains one park. The primary expenditure is the mowing of the park between the months of April and November. Starting in 2001 these expenditures are anticipated to increase \$100 each year.

Mayor - In 1999, the Village Council increased the Mayor's salary from \$600 to \$1,200, per year, beginning January 1, 2000. Other expenditures of the Mayor's office include travel reimbursements, telephone services, fidelity bond premiums, membership dues, and supplies and materials. A small increase in these expenditures is anticipated during the forecast period. In prior years, the Mayor has not requested mileage reimbursements.

Legislative Activities - Legislative activities include salaries and related expenditures for council members and the annual cost of the bond for the President Pro Tempore. The salary of each Council members is set at \$120 per year. These expenditures are anticipated to remain consistent during the forecast period.

Mayor's Court - The Mayor's Court hears and determines cases involving violations of Village ordinances and all traffic violations occurring within the Village. The Village contracts for the services of a magistrate who presides over the court and a prosecutor at a cost of \$175, per session. Other expenditures of the Mayor's Court includes clerical wages of approximately four hours a week, postage, bank fees in the amount of \$900 for credit card payments of fines and court costs, and supplies and materials. Also included in the forecast is \$500 for prosecutor services at the Fostoria Municipal Court. The forecast anticipates an increase each year for the services of the magistrate and prosecutor services and bank fees. In prior years, no significant charges for bank fees and the Fostoria Municipal Court were incurred.

Clerk-Treasurer - The Clerk-Treasurer maintains the financial records of the Village. Effective April 1, 2000, the start of a new term for the Clerk-Treasurer, the salary of the Clerk-Treasurer is \$1,200 per year. In 2000, an assistant clerk will be hired at a cost of \$8.00, per hour, for up to 10 hours per week. In prior years, the Clerk-Treasurer and assistant clerk were paid \$5.15, per hour, for the number of hours worked. Other expenditures include postage, travel reimbursement, training services, advertising, UAN fees, fidelity bond premiums, membership fees, and supplies and materials. In general, these costs are anticipated to increase each year.

Land and Buildings - The land and buildings activity accounts for the costs of utilities such as electricity and natural gas, and general supplies used in the buildings. In 2000, the Village incurred \$750 for a survey of the Village Hall/Fire Department property.

County Auditor and Treasurer Fees - County auditor and treasurer fees are assessed for the collection of property tax revenues. These fees are deducted from the property tax settlements made during the year. In 2003, election costs are anticipated with the request for a 5 mill, 5 year, replacement levy.

Village of West Millgrove, Ohio
 Summary of Significant Forecast Assumptions and Accounting Policies
 For the Years Ending December 31, 2000 through 2004

Note 4 - Significant Expenditure Assumptions (Continued)

Auditor of State Fees - The Village is required to have an audit every two years. Audits are anticipated in 2001 and 2003, with estimated costs of \$6,500 and \$7,000, respectively. In 1998, the Village entered into an agreement which required a payment of \$500, per month, until the balance of the past audit charges were paid in full. In 2000, the Village will have paid the remaining \$2,000 due for these audit charges. Also included in 1999 was approximately \$6,000 in audit costs for the years 1997 and 1998.

Solicitor - The Village contracts with an attorney for legal counsel and the preparation of ordinances. The cost of legal counsel is estimated to be \$3,000 per year.

Other - General Government - Other general government expenditures include the general liability and property insurance of the Village. For 2000, the Village and the Volunteer Fire Department have agreed to be insured by the same provider in order to gain about a \$300 savings in the annual premiums. In prior years, the Village incurred additional charges of approximately \$500 because of its inability to pay the premiums on an annual basis.

Beginning in 2000, insurance premiums in the amount of \$900 for police law enforcement activities are allocated to the Police Department.

Capital Outlay - The Village anticipates capital outlay expenditures for the forecast period as follows:

| <u>Object Code/Capital Items</u> | <u>2000</u> | <u>2001</u> | <u>2002</u> | <u>2003</u> | <u>2004</u> |
|--|----------------|----------------|----------------|----------------|----------------|
| 510 Land and Land Improvements | | | | | |
| Paving Village Parking Lot | \$2,450 | \$0 | \$0 | \$0 | \$0 |
| 520 Equipment | | | | | |
| Portable Basketball Hoop | 500 | 0 | 0 | 0 | 0 |
| Police Radios | 800 | 0 | 0 | 0 | 0 |
| 530 Buildings and Other Structures | | | | | |
| Door Replacements | 2,750 | 1,000 | 0 | 0 | 0 |
| 540 Machinery, Equipment and Furniture | | | | | |
| Computer Work Station | 1,200 | 0 | 0 | 0 | 0 |
| Copier | 0 | 0 | 1,000 | 0 | 0 |
| 590 Other Capital Outlay | | | | | |
| Christmas Street Lights | 2,000 | 1,000 | 1,000 | 1,000 | 1,000 |
| Total 500 Capital Outlay | <u>\$9,700</u> | <u>\$2,000</u> | <u>\$2,000</u> | <u>\$1,000</u> | <u>\$1,000</u> |

Debt Service - In 1999, the Village paid its one outstanding loan in full.

Transfers - Out - In 1999, the Village created a police car replacement fund to accumulate resources, annually, for the purchase of a police cruiser and related equipment every three years. The amount transferred in 2000 represents the amount that was to be transferred in 1999 and the amount for 2000. For 2001 through 2004, the Village anticipates a transfer in the amount of \$3,000 annually.

Advances - Out - In 1999, the Village paid the outstanding advance from the street maintenance and repair fund to the general fund that was made in 1996.

Village of West Millgrove, Ohio
Summary of Significant Forecast Assumptions and Accounting Policies
For the Years Ending December 31, 2000 through 2004

Note 4 - Significant Expenditure Assumptions (Continued)

B. - Street Maintenance and Repair Fund

Street Maintenance and Repair - The forecasted expenditures for street maintenance and repair include mowing and snow removal services. These services are anticipated to increase throughout the forecast period; however, the Village has not incurred any expenditures because of mild winters and the inability to find a willing contractor to plow the streets. An amount for materials and supplies has also been forecasted with no significant increases.

The Village has applied for an Issue II Grant for the storm drainage improvements and the widening of two streets within the Village limits. The Village's share of the project is estimated to be \$5,300 in the year 2000. In future years, expenditures are forecasted for small street paving projects.

C. - State Highway Improvement Fund

Street Maintenance and Repair - The forecasted expenditures for street maintenance and repair include mowing along State Route 199.

D. - Street Lighting Assessment Fund

Security of Persons and Property - The street lighting expenditures are anticipated to increase because of the installation of Christmas lights within the Village.

E. - Police Car Replacement Capital Projects Fund

Capital Outlay - The Village anticipates replacing the police cruiser every three years with a used State Highway Patrol vehicle. The estimated acquisition cost of the vehicle and related equipment is \$9,800 in 2001 and \$9,000 in 2004. Additional equipment is anticipated in 2001 because of the inability to transfer existing equipment to a new model vehicle; however, the new equipment is anticipated to be transferable to the next vehicle acquired in 2004.