

CITY OF WEST CARROLLTON

DAYTON REGION, MONTGOMERY COUNTY

REGULAR AUDIT

JANUARY 1, 1999 – DECEMBER 31, 1999

CITY OF WEST CARROLLTON
MONTGOMERY COUNTY

TABLE OF CONTENTS

<u>TITLE</u>	<u>PAGE</u>
Elected Officials and Administrative Personnel	(i)
Index of Funds	(ii)
Report of Independent Accountants	(iii)
Combined Balance Sheet – All Fund Types and Account Groups - As of December 31, 1999	1-2
Combined Statement of Revenues, Expenditures and Changes In Fund Balances – All Governmental Fund Types and Expendable Trust Funds – For the Year Ended December 31, 1999	3
Combined Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual (Non-GAAP Budgetary Basis) - All Governmental Fund Types and Expendable Trust Funds - For the Year Ended December 31, 1999	4-5
Combined Statement of Revenues, Expenses and Changes in Retained Earnings – Proprietary Fund Type - For the Year Ended December 31, 1999	6
Combined Statement of Cash Flows – Proprietary Fund Type - For the Year Ended December 31, 1999	7
Notes to the Financial Statements	8-26
Report on Compliance and on Internal Control Required by Government Auditing Standards	27-28

CITY OF WEST CARROLLTON
MONTGOMERY COUNTY

300 East Central Avenue
P.O. Box
West Carrollton, Ohio 45449

ELECTED OFFICIALS AND ADMINISTRATIVE PERSONNEL
AS OF DECEMBER 31, 1999

Council Member

<u>NAME</u>	<u>TITLE</u>	<u>TERM OF OFFICE</u>
Maxine Gilman	Mayor	1/1/96 – 12/31/03
William Gordon	Deputy Mayor	1/1/98 – 12/31/01
William Ennis	Council Member	1/1/96 – 12/31/99
John G. Jensen	Council Member	1/1/98 – 12/31/01
Linda M. Lotspaih	Council Member	1/1/98 – 12/31/01
Donald A. Mounce	Council Member	6/23/98 – 12/31/03*
Jeffery W. Sanner	Council Member	1/1/98 – 12/31/01

* Former council member Daryl Garrison resigned effective 4/30/98. Donald Mounce was appointed as his replacement effective 6/23/98.

ADMINISTRATIVE PERSONNEL

<u>NAME</u>	<u>TITLE</u>
G. Tracy Williams	City Manager
Thomas E. Reilly	Finance Director/Clerk of Council
Patrick G. Carney 534 East Dixie Dr West Carrollton, Oh 45449	Law Director

CITY OF WEST CARROLLTON
MONTGOMERY COUNTY
INDEX OF FUNDS

GOVERNMENTAL FUND TYPES

General Fund Class

General Fund

Special Revenue Fund Class

Street Construction, Maintenance and Repair Fund

Law Enforcement and Education Fund

Miami Conservancy District Fund

Recreation Fund

Parks Fund

Law Enforcement Fund

Motor Vehicle License Fund

Special Assessments Fund

Debt Service Fund Class

Bond Retirement Fund

Capital Project Fund Class

One Half Percent Tax Fund

Street Improvement Fund

Civic Center Fund

Parks and Playgrounds Improvement Fund

Alex-Bell Project Fund

Vehicle Replacement Fund

Other Capital Expenditures Fund

City Garage Fund

Federal Grants Fund

PROPRIETARY FUND TYPES

Enterprise Fund Class

Water Fund

Sanitary Sewer Fund

Municipal Swimming Pool Fund

FIDUCIARY FUND TYPES

Trust and Agency Fund Class

Expendable Trust Fund

Police Pension Fund

Bonds Returnable Fund

Inspection Fund

Agency Funds

Mayor's Court Appearance Bond

Mayor's Court Fund

Income Tax Fund

Deferred Compensation Fund

Unclaimed Money Fund



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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Honorable City Council
City of West Carrollton
West Carrollton, Ohio

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

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

A handwritten signature in black ink, appearing to read "Jim Petro", written over a horizontal line.

JIM PETRO
Auditor of State

July 9, 2000



June 14, 2000

Honorable City Council
City of West Carrollton, Ohio

REPORT OF INDEPENDENT ACCOUNTANTS

We have audited the accompanying general purpose financial statements of the City of West Carrollton, Ohio, (the City) as of and for the year ended December 31, 1999. These general purpose financial statements are the responsibility of the management of the City. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

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

In accordance with *Government Auditing Standards*, we have also issued a report dated June 14, 2000 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Plattenburg & Associates, Inc.

Plattenburg & Associates, Inc.
Certified Public Accountants

CITY OF WEST CARROLLTON
MONTGOMERY COUNTY

COMBINED BALANCE SHEET - ALL FUND TYPES
AND ACCOUNT GROUPS

DECEMBER 31, 1989

	GOVERNMENTAL FUND TYPES				PROPRIETARY FUND TYPE		FIDUCIARY FUND TYPE		ACCOUNT GROUPS			TOTAL (MEMORANDUM ONLY)
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	ENTERPRISE	TRUST AND AGENCY	GENERAL	FIXED ASSETS	GENERAL	LONG-TERM OBLIGATIONS		
ASSETS & OTHER DEBITS:												
Pooled Cash & Investments	\$3,376,899	\$163,121	\$54,511	\$1,632,696	\$2,622,256	\$42,518	\$0	\$0	\$0	\$0	\$7,891,941	
Receivables (Net)												
Taxes	402,633	23,903	0	0	0	516,803	0	0	0	0	943,339	
Accounts	6,676	0	0	0	368,641	0	0	0	0	0	375,317	
Special Assessments	0	30,797	550,735	0	0	0	0	0	0	0	581,532	
Accrued Interest	11,985	116	0	3,890	9,446	0	0	0	0	0	25,437	
Inventory at Cost	0	0	0	0	45,296	0	0	0	0	0	45,296	
Due from Other Funds	13,001	0	0	0	0	0	0	0	0	0	13,001	
Prepaid Expenses	1,715	0	0	0	0	0	0	0	0	0	1,715	
Advance to Other Funds	17,796	0	0	0	0	0	0	0	0	0	17,796	
Other Assets	0	0	0	0	0	0	0	0	0	0	0	
Property, Plant & Equipment	0	0	0	0	17,250,745	0	9,042,412	0	0	0	26,293,157	
Less: Accumulated Depreciation	0	0	0	0	(12,614,523)	0	0	0	0	0	(12,614,523)	
Amount Available in Debt Service Funds	0	0	0	0	0	0	0	0	54,511	0	54,511	
Amount to be Provided from Special Assessments	0	0	0	0	0	0	0	0	469,000	0	469,000	
Amount to be Provided for Retirement of General Long-Term Obligations	0	0	0	0	0	0	0	0	706,810	0	706,810	
Total Assets & Other Debits	\$3,830,645	\$217,937	\$605,246	\$1,636,586	\$7,681,861	\$559,321	\$9,042,412	\$1,230,321	\$1,230,321	\$24,804,329		

The notes to the financial statements are an integral part of this statement.

CITY OF WEST CARROLLTON
MONTGOMERY COUNTY

COMBINED BALANCE SHEET - ALL FUND TYPES
AND ACCOUNT GROUPS

DECEMBER 31, 1999

	GOVERNMENTAL FUND TYPES				PROPRIETARY		FIDUCIARY		ACCOUNT GROUPS			TOTAL (MEMORANDUM ONLY)
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	ENTERPRISE	TRUST AND AGENCY	GENERAL ASSETS	FIXED ASSETS	GENERAL OBLIGATIONS	LONG-TERM OBLIGATIONS		
											FUND TYPE	
LIABILITIES:												
Accrued Wages and Benefits	\$184,741	\$11,065	\$0	\$0	\$24,870	\$0	\$0	\$0	\$0	\$0	\$0	\$220,676
Accounts Payable	14,455	1,077	0	1,159	4,490	21,533	0	0	0	0	0	42,714
Accrued Pensions	82,948	9,394	0	0	21,542	0	0	182,897	0	0	0	296,782
Deferred Revenue	433,430	23,903	550,735	0	0	52,513	0	0	0	0	0	1,060,581
Due to Other Funds	0	13,001	0	0	0	0	0	0	0	0	0	13,001
Advance from Other Funds	0	17,796	0	0	0	0	0	0	0	0	0	17,796
Special Assessment Debt with Governmental Commitment	0	0	0	0	0	0	0	0	488,000	0	0	488,000
Vacation and Sick Leave Liabilities	0	0	0	0	77,854	0	0	0	578,424	0	0	656,278
Undistributed Monies	0	0	0	0	0	474,824	0	0	0	0	0	474,824
Total Liabilities	715,575	76,236	550,735	1,159	128,756	548,870	0	1,230,321	0	0	0	3,251,652
FUND EQUITY:												
Investment in General Fixed Assets	0	0	0	0	0	0	9,042,412	0	0	0	0	9,042,412
Contributed Capital	0	0	0	0	6,067,343	0	0	0	0	0	0	6,067,343
Retained Earnings:												
Unreserved	0	0	0	0	1,485,762	0	0	0	0	0	0	1,485,762
Fund Balance:												
Reserved for Encumbrances	43,320	20,502	0	313,334	0	3,659	0	0	0	0	0	381,015
Reserved for Prepaids	1,715	0	0	0	0	0	0	0	0	0	0	1,715
Reserved for Advances	17,796	0	0	0	0	0	0	0	0	0	0	17,796
Reserved for Debt Service	0	0	54,511	0	0	0	0	0	0	0	0	54,511
Unreserved/Indesignated	3,052,239	121,199	0	1,322,093	0	6,592	0	0	0	0	0	4,502,123
Total Fund Equity	3,115,070	141,701	54,511	1,635,427	7,553,105	10,451	9,042,412	0	0	0	0	21,552,677
Total Liabilities and Equity	\$3,830,645	\$217,937	\$605,246	\$1,636,586	\$7,681,861	\$559,321	\$9,042,412	\$1,230,321	\$0	\$0	\$0	\$24,804,329

The notes to the financial statements are an integral part of this statement.

**CITY OF WEST CARROLLTON
MONTGOMERY COUNTY**

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

	GOVERNMENTAL FUND TYPES				FIDUCIARY	TOTALS
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	FUND TYPES EXPENDABLE TRUST	(MEMORANDUM ONLY)
REVENUES:						
Local Taxes	\$4,753,170	\$94,131	\$0	\$1,664,388	\$70,205	\$6,581,894
Special Assessments	0	14,166	65,744	0	0	79,910
Intergovernmental	724,510	442,478	0	0	6,133	1,173,121
Charges for Services	202,653	86,304	0	99,270	0	388,227
Investment Earnings	88,391	2,175	0	8,665	6,950	106,181
Fines & Forfeitures	178,258	6,123	0	0	0	184,381
Other Revenue	148,893	18,345	0	104,776	0	272,014
Total Revenues	6,095,875	663,722	65,744	1,877,099	83,288	8,785,728
EXPENDITURES:						
General Government	1,467,808	0	0	0	0	1,467,808
Security of Persons	3,173,346	21,183	0	0	199,314	3,393,843
Leisure Time Activities	452,108	73,993	0	0	0	526,101
Community Environment	325,816	61,989	0	841,619	28,133	1,257,557
Basic Utility Services	377,562	0	0	0	94	377,656
Capital Outlay	0	0	0	926,872	0	926,872
Transportation	0	486,210	0	0	0	486,210
Debt Service:						
Principal	0	0	30,000	0	0	30,000
Interest & Fiscal Charges	0	0	34,717	0	0	34,717
Other	0	0	0	0	0	0
Total Expenditures	5,796,640	643,375	64,717	1,768,491	227,541	8,500,764
Excess (Deficiency) of Revenue Over Expenditures	299,235	20,347	1,027	108,608	(144,253)	284,964
Other Financing Sources (Uses):						
Transfers-In	22,917	153,281	0	1,678,103	194,281	2,048,582
Transfers-Out	(292,562)	(73,627)	0	(1,682,393)	0	(2,048,582)
Total Other Financing Sources (Uses)	(269,645)	79,654	0	(4,290)	194,281	0
Excess of Revenues & Other Financing Sources Over Expenditures & Other Financing Uses	29,590	100,001	1,027	104,318	50,028	284,964
Fund Balance - Beginning of Year as Restated	3,085,480	41,700	53,484	1,531,109	(39,577)	4,672,196
Fund Balance - End of Year	\$3,115,070	\$141,701	\$54,511	\$1,635,427	\$10,451	\$4,957,160

The notes to the financial statements are an integral part of this statement.

**CITY OF WEST CARROLLTON
MONTGOMERY COUNTY**

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

	GENERAL FUND			SPECIAL REVENUE			DEBT SERVICE		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES									
Local Taxes	4,678,600	4,736,083	57,483	91,000	94,131	3,131	0	0	0
Special Assessments	0	0	0	23,000	14,500	(8,500)	65,744	65,744	0
Charges for Services	223,000	203,502	(19,498)	79,100	86,304	7,204	0	0	0
Intergovernmental	615,800	724,510	108,710	450,500	442,479	(8,021)	0	0	0
Investment Earnings	175,000	192,209	17,209	3,100	2,213	(887)	0	0	0
Fines & Forfeitures	212,200	176,256	(35,942)	3,200	6,123	2,923	0	0	0
Other Revenue	157,900	148,893	(9,007)	5,500	18,345	12,845	0	0	0
Total Revenues	6,082,500	6,183,455	120,955	655,400	664,095	8,695	65,744	65,744	0
EXPENDITURES									
General Government	1,769,530	1,483,533	285,997	0	0	0	0	0	0
Security of Persons	3,300,984	3,154,118	146,878	36,665	21,764	14,921	0	0	0
Leisure Time Activities	516,065	464,762	51,303	80,800	74,117	6,683	0	0	0
Community Environment	359,700	337,922	21,778	61,265	57,337	3,928	0	0	0
Basic Utility	389,375	381,287	8,088	0	0	0	0	0	0
Capital Outlay	0	0	0	0	0	0	0	0	0
Transportation	0	0	0	538,700	495,943	42,757	0	0	0
Debt Service:									
Principal	0	0	0	0	0	0	30,000	30,000	0
Interest & fiscal charges	0	0	0	0	0	0	34,720	34,718	2
Other	0	0	0	0	4,652	(4,652)	0	0	0
Total Expenditures	6,335,664	6,821,620	514,044	717,450	653,813	63,637	64,720	64,718	2
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(273,164)	361,835	634,999	(62,050)	10,282	72,332	1,024	1,026	2
Other Financing Sources (Uses)									
Transfers In	57,000	34,916	(22,084)	122,100	153,281	31,181	0	0	0
Transfers Out	(268,500)	(292,582)	24,082	(93,000)	(85,627)	(7,373)	0	0	0
Total Other Financing Sources (Uses)	(211,500)	(257,666)	(46,148)	29,100	67,654	38,554	0	0	0
Excess/(Deficiency) of Revenues & Other Sources over/(under) Expenditures and Other Uses	(484,664)	104,169	588,853	(32,950)	77,936	110,886	1,024	1,026	2
Fund Balance - 1/1/99	3,027,400	3,027,400	0	61,294	61,294	0	53,484	53,484	0
Fund Balance - 12/31/99	2,542,736	3,131,569	588,853	28,344	139,230	110,886	54,508	54,510	2

The notes to the financial statements are an integral part of this statement.

CAPITAL PROJECTS			EXPENDABLE TRUST			TOTALS (MEMORANDUM ONLY)		
Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
1,680,000	1,664,387	4,387	64,100	70,205	6,105	6,493,700	6,564,806	71,106
0	0	0	0	0	0	88,744	80,244	(8,500)
0	0	0	1,200	6,950	5,750	303,300	298,756	(6,544)
97,579	99,270	1,691	5,500	6,133	633	1,169,379	1,272,392	103,013
50,000	46,512	(4,488)	0	0	0	228,100	239,934	11,834
0	0	0	0	0	0	215,400	184,381	(31,019)
56,250	104,776	48,526	0	0	0	219,650	272,014	52,364
<u>1,863,829</u>	<u>1,913,945</u>	<u>50,116</u>	<u>70,800</u>	<u>83,288</u>	<u>12,488</u>	<u>6,718,273</u>	<u>6,910,527</u>	<u>192,254</u>
0	0	0	0	0	0	1,789,530	1,483,533	285,997
0	0	0	272,000	271,057	943	3,609,679	3,446,937	162,742
0	0	0	0	0	0	596,665	539,879	57,886
853,750	841,619	12,131	14,000	6,695	7,305	1,288,715	1,243,573	45,142
0	0	0	0	0	0	389,375	381,287	8,088
1,817,480	945,809	871,671	0	0	0	1,817,480	945,809	871,671
2,000	85	1,915	0	0	0	540,700	498,028	44,672
0	0	0	0	0	0	30,000	30,000	0
0	0	0	0	0	0	34,720	34,718	2
0	0	0	0	0	0	0	4,652	(4,652)
<u>2,673,230</u>	<u>1,787,513</u>	<u>885,717</u>	<u>286,000</u>	<u>277,752</u>	<u>8,248</u>	<u>10,077,064</u>	<u>6,605,416</u>	<u>1,471,648</u>
(809,401)	126,432	935,833	(215,200)	(194,464)	20,736	(1,358,791)	305,111	1,663,902
2,379,000	1,678,104	(700,896)	202,400	194,281	(8,119)	2,760,500	2,060,582	(699,918)
(2,399,000)	(1,682,393)	(716,607)	0	0	0	(2,780,500)	(2,050,582)	(899,918)
<u>(20,000)</u>	<u>(4,289)</u>	<u>15,711</u>	<u>202,400</u>	<u>194,281</u>	<u>(8,119)</u>	<u>0</u>	<u>0</u>	<u>0</u>
(829,401)	122,143	951,544	(12,800)	(183)	12,617	(1,358,791)	305,111	1,663,902
1,293,737	1,293,737	0	(35,339)	(35,339)	0	4,400,576	4,400,576	0
<u>464,336</u>	<u>1,415,880</u>	<u>951,544</u>	<u>(48,139)</u>	<u>(35,522)</u>	<u>12,617</u>	<u>3,041,785</u>	<u>4,705,687</u>	<u>1,663,902</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF WEST CARROLLTON
MONTGOMERY COUNTY**

**COMBINED STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS
PROPRIETARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1999**

	PROPRIETARY FUND TYPES ENTERPRISE
REVENUES:	
Charges for Services	\$1,751,004
Other Operating Revenues	5,349
	1,756,353
EXPENSES:	
Personal Services	890,336
Contractual Services	356,517
Materials and Supplies	182,283
Utilities	168,454
Depreciation	438,926
Other Expenses	2,726
	2,039,242
Total Expenses	2,039,242
Operating Loss	(282,889)
Nonoperating Revenues:	
Intergovernmental Revenue	164,737
Investment Earnings	64,324
	229,061
Net Loss	(53,828)
Retained Earnings - Beginning of Year	1,539,590
Retained Earnings - End of Year	\$1,485,762

The notes to the financial statements are an integral part of this statement.

**CITY OF WEST CARROLLTON
MONTGOMERY COUNTY**

**COMBINED STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1999**

	PROPRIETARY FUND TYPES ENTERPRISE
Increase in Cash and Cash Equivalents	
Cash Flows from Operating Activities:	
Cash received from charges for services	\$1,736,333
Cash received from other operating services	5,349
Cash payments for personal services	(897,626)
Cash payments for contractual services	(356,576)
Cash payments for material and supplies	(183,997)
Cash payments for utilities	(168,454)
Cash payments for other expenses	(2,728)
Net cash provided by operating activities	<u>132,803</u>
Cash flows from noncapital financing activities:	
Intergovernmental receipts	164,737
Net cash provided by noncapital financing activities	<u>164,737</u>
Cash flows from capital and related financing activities:	
Acquisition of capital assets	(258,703)
Net cash used for capital and related financing activities	<u>(258,703)</u>
Cash flows from investing activities:	
Interest earnings	71,757
Net cash provided by investing activities	<u>71,757</u>
Net increase in cash and cash equivalents	110,594
Cash and cash equivalents at beginning of year	2,511,662
Cash and cash equivalents at end of year	<u><u>\$2,622,256</u></u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating loss	(\$262,889)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	438,926
Increase in accounts receivable	(11,835)
Decrease in accounts payable	(4,109)
Decrease in accrued wages and benefits	(7,290)
Total adjustments	<u>415,692</u>
Net cash provided by operating activities	<u><u>\$132,803</u></u>

The notes to the financial statements are an integral part of this statement.

**CITY OF WEST CARROLLTON
MONTGOMERY COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. DESCRIPTION OF THE ENTITY

The City of West Carrollton is a political body incorporated and established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio.

The City was organized in 1830 and is a home rule municipal corporation under the laws of the State of Ohio. The City operates under a council-manager form of government and provides the following services as authorized by its charter: public safety, public services, recreation, and community development. Educational services are provided by West Carrollton City School District. The District is a separate governmental entity and its financial statements are not included in this audit report.

The Miami Valley Risk Management Association (MVRMA) is a jointly governed organization established as a joint self-insurance pool for the purpose of enabling the subscribing political subdivisions to obtain liability insurance and providing a formalized, jointly administered self-insurance fund for its members. Also, the Miami Valley Fire/EMS Alliance is a jointly governed organization among thirty townships, cities, and other public entities that was formed on April 1, 1995. See Note 12.

The City does not have component units as defined in Governmental Accounting Standards Board (GASB) Statement No. 14, that are required to be included in these financial statements.

B. BASIS OF PRESENTATION

The financial reporting practices of the City conform to generally accepted accounting principles for local governments as prescribed by the Governmental Accounting Standards Board (GASB). The following is a summary of its significant accounting policies:

The accounts of the City are organized on the basis of funds or account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures (expenses). Account groups are a reporting method that accounts for certain assets, liabilities, and funds not already reported directly in the various primary funds. The primary funds are summarized by type in the combined financial statements.

The City uses the following fund types and account groups.

**CITY OF WEST CARROLLTON
MONTGOMERY COUNTY**

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

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

B. **BASIS OF PRESENTATION (Continued)**

GOVERNMENTAL FUNDS

General Fund

The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required by law or contract to be accounted for in another fund.

Special Revenue Funds

The Special Revenue Funds are used to account for revenues derived from specific taxes, grants, or other restricted revenue sources. The uses and limitations of each special revenue fund are specified by City ordinances or federal and state statutes or grant provisions.

Debt Service Funds

These funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest not being financed by the proprietary funds.

Capital Projects Funds

The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities except for those financed by proprietary and trust funds.

PROPRIETARY FUNDS

Enterprise Funds

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

**CITY OF WEST CARROLLTON
MONTGOMERY COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. BASIS OF PRESENTATION (Continued)

FIDUCIARY FUNDS

Trust and Agency Funds

These funds are used to account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. These include Expendable Trust and Agency Funds.

ACCOUNT GROUPS

Account groups are used to establish accounting control and accountability for the City's general fixed assets and general long-term obligations. Because these assets and obligations are long-term, they are neither spendable resources nor require current appropriation.

General Fixed Assets Account Group

This account group includes all fixed assets required for general City purposes, excluding fixed assets of the Proprietary and Fiduciary Fund Types.

General Long-Term Debt Account Group

This account group is used to account for all long-term obligations of the City, except those accounted for in the proprietary and fiduciary funds. This includes the long-term obligations of the City for certain employee benefits and contingent liabilities.

C. BASIS OF ACCOUNTING

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, regardless of the measurement focus applied.

The measurement focus of governmental funds is based upon the determination of changes in fund balance. Governmental funds are accounted for using the modified accrual basis of accounting. Revenues are recognized in the accounting period in which they become available and measurable.

**CITY OF WEST CARROLLTON
MONTGOMERY COUNTY**

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

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

C. BASIS OF ACCOUNTING (Continued)

Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period which, for City purposes, is considered to be 60 days after year-end. Revenues considered susceptible to accrual are income tax withholdings, interest on investments, and current/delinquent property and income taxes. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which is recognized when due. Prepaid expenditures and inventory are recorded in the governmental fund types and charged as expenditures when used. Fund balance is reserved in governmental funds for the amount of prepaid expenditures and inventory, since they do not represent expendable financial resources.

The Proprietary Fund measurement focus is based upon determination of net income, financial position, and changes in financial position. The Proprietary Fund Type is accounted for using the accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned and become measurable; expenses are recognized in the period incurred, if measurable.

With respect to proprietary activities, the City has adopted GASB 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Units That Use Proprietary Fund Accounting*. The City has elected to apply all applicable GASB pronouncements as well as Financial Accounting Standard Board pronouncements and Accounting Principles Board Opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

Expendable Trust funds are accounted for in the same manner as Governmental fund types. The Agency funds are merely "assets equal liabilities," and thus, do not involve the measurement of results of operations. The Agency funds use the modified accrual basis of accounting.

D. BUDGETARY PROCESS

1. **Budget**

A budget of estimated cash receipts and disbursements is submitted to the County Auditor, as Secretary of the County Budget Commission, by July 20 of each year, for the period January 1 to December 31 of the following year.

2. **Estimated Resources**

The County Budget Commission certifies its actions to the City by September 1.

**CITY OF WEST CARROLLTON
MONTGOMERY COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. BUDGETARY PROCESS (Continued)

As part of this certification, the City receives the official certificate of estimated resources, which states the projected receipts of each fund. On or about January 1 this certificate is amended to include any unencumbered balances from the preceding fiscal year.

Prior to December 31, the City must revise its budget so that the total contemplated expenditures from a fund during the ensuing fiscal 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.

3. Appropriations

A temporary appropriation measure to control cash disbursements may be passed on or about January 1 of each year for the period January 1 to March 31. An annual appropriation measure must be passed by April 1 of each year for the period January 1 to December 31. The appropriation measure may be amended or supplemented during the year, as new information becomes available. Appropriations may not exceed estimated resources. Unencumbered appropriations lapse at the end of the fiscal year.

4. Encumbrances

The City is required to use the encumbrance method of accounting by virtue of Ohio law. Under this system, purchase orders, contracts and other commitments for the expenditure of funds are recorded in order to reserve the portion of the applicable appropriation. Unencumbered appropriations lapse at the end of the year.

E. INVENTORY

Inventory is stated at cost using the first-in, first-out method of identification.

F. FIXED ASSETS

Fixed assets used in the governmental fund-type operations are recorded in the General Fixed Assets Account Group. Those fixed assets used in Proprietary Fund Type operations are recorded in the applicable Enterprise Funds. Public domain assets ("infrastructure") such as roads, bridges, land improvements, curbs and gutters, streets and sidewalks are not capitalized in the General Fixed Asset Account Group. Interest incurred during construction is not capitalized on general fixed assets.

The cost of normal repairs and maintenance that do not add value to the asset or materially extend its life are not included in either the general fixed assets account group or capitalized in the proprietary funds.

**CITY OF WEST CARROLLTON
MONTGOMERY COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. FIXED ASSETS (Continued)

General fixed assets and proprietary fund fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value at the date donated. Only fixed assets with a cost in excess of \$1,000 are capitalized.

Major outlays for capital assets and improvements are capitalized in proprietary funds as projects are constructed. Interest incurred during the construction phase of proprietary fund fixed assets is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period.

Depreciation of fixed assets is computed and recorded by the straight-line method over the estimated useful lives of the fixed assets in proprietary funds. Depreciation expense on general fixed assets is not recorded.

The estimated useful lives of the various classes of fixed assets range as follows:

<u>Class</u>	<u>Estimated Useful Life</u>
Utility plant in service	20 years
Buildings and improvements	20 years
Equipment	3 to 15 years

G. INTER-FUND TRANSACTIONS

During the course of normal operations, the City has numerous transactions among funds, most of which are in the form of transfers of resources to provide services, construct assets and service debt. The accompanying financial statements generally reflect such transactions as operating transfers. The classification of amounts recorded as subsidies, advances, or equity contributions is determined by City management.

Quasi-external transactions, transactions that would be accounted for as revenues, expenditures or expenses if they involved a party external to the government, are accounted for as revenues in the receiving fund and expenditures or expenses by the paying fund. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it, that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund, and as reductions of expenditures/expenses in the fund that is reimbursed. All other inter-fund transactions are reported as transfers. Non-recurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other inter-fund transfers are reported as operating transfers.

**CITY OF WEST CARROLLTON
MONTGOMERY COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. FUND BALANCE RESERVES

Reserves indicate portions of fund equity legally segregated for a specific future use and cannot be appropriated for expenditures. The proprietary fund's contributed capital represents equity acquired through capital grants and capital grants and capital contribution from developers, customers, or other funds.

I. POOLED CASH AND INVESTMENTS

Cash and investment balances of the City's funds, except cash held by a trustee or fiscal agent, are pooled and invested in short-term investments in order to provide improved cash management. Investments are stated at fair value. The fair value of investments was determined through the use of published market values. For purposes of the combined statement of cash flows and for presentation on the combined balance sheet, investments with original maturities of three months or less are considered to be cash and cash equivalents.

J. TOTAL COLUMNS ON FINANCIAL STATEMENTS

Total columns on the financial statements 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 changes in financial position in conformity with generally accepted accounting principles, nor is such data comparable to a consolidation. Interfund-type eliminations have not been made in the aggregation of this data.

2. PROPERTY TAX

Real property taxes are levied on assessed values which equal 35% of appraised value. The county auditor reappraises all real property every six years with a triennial update. The last reappraisal was completed for the tax year 1994.

Real property taxes become a lien on all non-exempt real property located in the county on January 1. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31 with the remainder payable by June 20 of the following year. Under certain circumstances, state statutes permit later payment dates to be established.

The tax rate applied to all real property for the fiscal year ended December 31, 1999 was \$2.74 per \$1,000 of assessed valuation. Real property owners' tax bills are reduced by homestead and rollback deductions, when applicable. The amount of these homestead and rollback deductions is reimbursed to the City by the State of Ohio.

Owners of tangible personal property are required to file a list of such property including costs, by April 30 of each year. The property is assessed for tax purposes at varying statutory percentages of

**CITY OF WEST CARROLLTON
MONTGOMERY COUNTY**

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

2. PROPERTY TAX (Continued)

cost. The tax rate applied to tangible personal property for the fiscal year ended December 31, 1999 was \$2.74 per \$1,000 of assessed valuation. The assessed values per category are as follows:

Real Estate	\$172,441,680
Public Utilities	15,850
Public Utilities Personal Property	8,476,550
Tangible Personal Property	<u>70,055,085</u>

Total Valuation	<u>\$250,989,165</u>
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The Montgomery County Treasurer collects property tax on behalf of all taxing districts within the county. The Montgomery County Auditor periodically remits to the taxing districts their portions of the taxes collected.

3. LOCAL INCOME TAX

This locally levied tax of 1.75 percent applied to gross salaries, wages and other personal service compensation earned by residents both in and out of the City and to earnings of nonresidents (except certain transients) earned in the City. It also applied to net income of business organizations conducted within the City. In 1999, tax receipts net of refunds amounted to \$5,825,359 of which \$4,160,972 was recorded in the General Fund and \$1,664,387 was recorded in the One Half Percent Tax Fund for use in various capital improvements.

4. INSURANCE

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. In 1989, the City 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, liability (third party, general, police professional and automobile), 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 will purchase excess and stop-loss insurance. The deductible per occurrence for all types of claims is \$2,500, except Boiler and Machinery which is \$1,000. The joint insurance pool will cover additional claims up to \$250,000, except Police Official Liability in which claims are covered up to \$100,000 after which excess insurance would cover up to \$1,000,000. Excess insurance coverage will cover additional claims up to the limits listed below:

General liability (including law enforcement)	\$ 4,750,000 per occurrence
Automobile liability	\$ 4,750,000 per occurrence
Public officials liability	\$ 4,750,000 per occurrence

**CITY OF WEST CARROLLTON
MONTGOMERY COUNTY**

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

4. INSURANCE (Continued)

Boiler and Machinery	\$ 40,000,000 per occurrence
Property (excluding flood and earthquake)	\$ 201,000,000 per occurrence
Flood and earthquake – property	\$ 100,000,000 per occurrence

The City pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs. The City also pays for ninety percent of the health insurance premium and a term life insurance premium for its full-time employees.

5. EMPLOYEES RETIREMENT SYSTEM

A. Public Employees' Retirement System (PERS)

The employees of the City are covered by either the Public Employees Retirement System of Ohio or the Police and Fireman's Disability Pension Fund which are both cost-sharing, multi-employer defined benefit pension plans. PERS provides basic retirement, disability, and survivor benefits based on eligible service credit to members and beneficiaries. Benefits are established by Chapter 145 of the Ohio Revised Code. The amounts of these funds are not reflected in the accompanying financial statements.

PERS issues a financial report available to the public that includes financial statements and required supplementary information. That report may be obtained by writing to the Public Employees' Retirement System, 277 East Town Street, Columbus, Ohio 43215 or by calling (614) 466-2085.

Plan members, other than those engaged in law enforcement, are required to contribute 8.5 percent of their annual-covered salary to fund pension obligations and the City is required to contribute 13.55 percent. Contributions are authorized by state statute. The contribution rates are determined actuarially. The City's required contributions to PERS for the years ended December 31, 1999, 1998 and 1997, were \$331,379, \$312,040, and \$312,630, respectively. The full amount has been contributed for 1998 and 1997. 78 percent has been contributed for 1999 with the remainder being reported as an accrued liability.

B. Police and Firemen's Disability and Pension Fund

The City also contributes to the Police and Firemen's Disability and Pension Fund of Ohio, a cost sharing, multiple-employer, defined benefit public employee retirement system. This Fund provides retirement and disability benefits to qualified participants. Additionally qualified spouses, children, and dependent parents can receive survivor and death benefits. Benefits are based on eligible service credit and are established by Ohio Revised Code, Chapter 742. A financial report for this report may be obtained by writing to the Police and Firemen's Disability and Pension Fund of Ohio, 140 East Town Street, Columbus, Ohio 43215-5164.

**CITY OF WEST CARROLLTON
MONTGOMERY COUNTY**

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

5. EMPLOYEES RETIREMENT SYSTEM (Continued)

B. Police and Firemen's Disability and Pension Fund (Continued)

Police and firefighters are required to contribute 10 percent of their annual-covered salary to fund pension obligations and the City is required to contribute 19.5 percent for the police and 24 percent for the firefighters. Contributions are authorized by state statute. An actuary, however, is used to determine the actuarial implications of the statutory requirements. The City's required contributions to the Fund for police and firefighters for the year ended December 31, 1999, 1998, and 1997 were \$369,804, \$338,947, and \$308,288, respectively. The full amount has been contributed for 1998 and 1997. Seventy seven percent has been contributed for 1999 with the remainder being reported as an accrued liability.

When the Police and Firemen's Pension and Disability System was established in 1967, each participating entity was assessed for prior pension costs. The City of West Carrollton previously extinguished the balance of this obligation.

6. POST-EMPLOYMENT BENEFITS

A. Public Employees' Retirement System (PERS)

The Public Employees' Retirement System of Ohio provides post-retirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit. Health care coverage for disability and primary survivor recipients is available. A portion of each employer's contribution to PERS is set aside for the funding of post-retirement health care based on authority granted by State Statute. Of the 13.55 percent employer contribution, 4.2 percent is used to fund health care.

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

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

The significant assumption and calculation described below were based on PERS of Ohio's latest unaudited information as of December 31, 1999; there were 118,062 eligible benefit recipients. Expenditures for benefits during 1999 were \$523,559,349. PERS' net assets available for payment of benefits, accrued liability, and unfunded accrued liability were \$9,870 million. These figures are in line with the information from prior audited years.

**CITY OF WEST CARROLLTON
MONTGOMERY COUNTY**

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

6. POST-EMPLOYMENT BENEFITS (Continued)

B. Police and Firemen's Disability and Pension Fund

The Ohio Revised Code provides the authority allowing the Police and Firemen's Disability and Pension Fund's board of trustees to provide health care coverage stating that health care cost paid from the Police and Firemen's Disability and Pension Fund shall be included in the employer's contribution rate. Health care funding and accounting is on a pay-as-you-go basis. The total employer contribution rates are 19.5 percent and 24 percent for police and fire respectively, of which 6.5 percent of covered payroll is applied to the post-employment health care program. 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 number of participants eligible to receive health care benefits as of December 31, 1998 (latest available) was 11,424 for police and 9,186 for firefighters. The City's actual contributions for 1999 that were used to fund post-employment benefits were \$123,268. The PFDPF System of Ohio does not provide separate data on the funded status and funding progress of post-retirement health care benefits. The Fund's total health care expenses for 1998 were \$78,596,790.

7. NON-GAAP BUDGETARY BASIS

The City is reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles. The budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis) - All Governmental Fund Types and Expendable Trust Funds are presented to provide a meaningful comparison of actual results with the budget.

**Excess (Deficiency) of Revenue and Other Financing Sources
Over Expenditures and Other Uses (GAAP Basis)**

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Expendable Trust</u>
GAAP Basis	\$29,590	\$100,001	\$1,027	\$104,318	\$50,028
Revenue Accruals	87,580	373	0	36,846	0
Expenditure Accruals	(24,980)	(10,438)	(1)	(19,022)	(50,211)
Other Financing	<u>11,999</u>	<u>(12,000)</u>	<u>0</u>	<u>1</u>	<u>0</u>
Budgetary Basis	<u>\$104,189</u>	<u>\$77,936</u>	<u>\$1,026</u>	<u>\$122,143</u>	<u>(\$183)</u>

**CITY OF WEST CARROLLTON
MONTGOMERY COUNTY**

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

8. GENERAL LONG-TERM DEBT OBLIGATIONS

	<u>Interest Rate</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Balance 1/1/99</u>	<u>Increase/ (Decrease)</u>	<u>Balance 12/31/99</u>
<i>Special Assessments:</i>						
<i>Street Improvements</i>						
Water Tower Lane	8.625%	12-1-85	12-1-05	\$ 65,000	\$ (10,000)	\$ 55,000
Marina Drive	7.375%	5-1-90	12-1-10	94,000	(5,000)	89,000
Gargrave Road	6.875%	6-1-91	12-1-11	195,000	(10,000)	185,000
Infirmery Road	6.050%	9-1-92	12-1-12	145,000	(5,000)	140,000
Accrued Vacation & Sick Leave Benefits				<u>527,354</u>	<u>51,070</u>	<u>578,424</u>
Total				<u>\$1,026,354</u>	<u>\$ 21,070</u>	<u>\$ 1,047,424</u>

The City records accumulated unpaid vacation and vested sick leave benefits as accrued payroll when earned by employees. For Governmental Funds, the portion of the liability which is not currently due and payable is recorded in the General Long-Term Debt Account Group; for Proprietary Funds, as vacation and sick leave liabilities. Employees earn vacation time at varying rates depending upon length of service.

Special assessment bonds consist of street improvement projects which are payable from the proceeds of tax assessments against individual property owners. These special assessments are obligations of the City payable from proceeds of special assessments.

The City recognizes as a liability, one-half of the accumulated sick leave benefits payable upon retirement, earned by vested employees which exceed certain levels as determined by city policy or union contract and all the accumulated sick leave benefits payable upon retirement for those individuals eligible to retire.

The annual requirements of general governmental revenues to pay principal and interest on the long-term debt at December 31, 1999 are as follows:

<u>Year Ending December 31</u>	<u>Special Assessment Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
2000	30,000	32,496
2001	31,000	30,275
2002	36,000	28,109
2003	42,000	25,511
2004	42,000	22,496
2005	43,000	19,481
2006	33,000	16,393
2007	34,000	14,167
2008-2012	<u>178,000</u>	<u>30,681</u>
Total	<u>\$469,000</u>	<u>\$219,608</u>

**CITY OF WEST CARROLLTON
MONTGOMERY COUNTY**

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

9. FIXED ASSET BALANCES

A summary of balances in general fixed assets is as follows:

Category	Beginning Balance As of 1/1/99	Additions	Deletions	Ending Balance As of 12/31/99
Land	\$1,237,822	\$34,894	0	\$1,272,716
Building and Improvements	3,881,538	191,908	0	4,073,446
Machinery and Equipment	3,586,796	286,711	(177,257)	3,696,250
Total	\$8,706,156	\$513,513	(\$177,257)	\$9,042,412

A summary of balances of the Enterprise Fund fixed assets, which includes the Pool, Water, and Sewer Funds, is as follows:

Category	Cost Balance As of 1/1/99	Additions	Deletions	Accumulated Depreciation	Net Balance As of 12/31/99
Land	\$53,500	0	0	0	\$53,500
Building and Improvements	8,428,251	8,350	0	(4,479,586)	3,957,015
Machinery and Equipment	930,416	73,752	(1,495)	(854,789)	147,884
Infrastructure	7,579,875	178,096	0	(7,280,148)	477,823
Total	\$16,992,042	\$260,198	(1,495)	(\$12,614,523)	\$4,636,222

**CITY OF WEST CARROLLTON
MONTGOMERY COUNTY**

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

10. POOLED CASH AND INVESTMENTS

The City maintains a cash and investment pool used by all funds. Each fund type's portion of this pool is displayed on the Combined Balance sheet as Pooled Cash and Investments.

Legal Requirements: Pursuant to Division (L) of Section 135.01, Ohio Revised Code, any municipal corporation which has adopted a charter under Article XVIII, Ohio Constitution, may, by ordinance, set forth special provisions respecting the deposit or investment of its public monies. The City of West Carrollton adopted ordinances No. 2973, dated April 11, 1995, approving policies and procedures for selecting depositories and making investments.

The Director of Finance may invest on behalf of and in the name of the City in the following instruments at a price not exceeding their fair value:

A. Government Securities

Negotiable direct obligations of the United States or obligations issued by federal agencies the principal and interest of which are unconditionally guaranteed by the United States, or bonds, notes, debentures, or other obligations or securities issued by any federal government agency, whether or not they are guaranteed by the United State.

B. Non-Negotiable Interest Bearing Time Certificates of Deposits and Savings Accounts

Non-Negotiable Interest Bearing Time Certificates of Deposits and savings accounts in banks organized under the laws of this State, National banks organized under the laws of the United States, doing business and situated in this State, and under Federal supervision, savings and loan associations located in this State and organized under Federal law and under Federal supervision, provided that such deposits and savings account are secured by collateral.

C. Repurchase Agreements and Reverse Purchase Agreements

Repurchase agreements of a bank or savings and loan association organized under the laws of the United States or any State thereof and Reverse Repurchase Agreements for negotiable direct obligations of the U.S., Federal agencies, and Federal instrumentalities of the following types:

1. U.S. Treasury bills and notes.
2. Government National Mortgage Association (GNMA).
3. Federal Farm Credit Bank obligations.
4. Federal Home Loan Bank obligations.

D. Money Market Funds

Money market funds whose portfolios consist of those instruments of governmental securities.

**CITY OF WEST CARROLLTON
MONTGOMERY COUNTY**

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

10. POOLED CASH AND INVESTMENTS (Continued)

E. Now Accounts

Now Accounts, Super Now Accounts or any other similar account authorized by the Federal Reserve's Depository Institutions' Deregulation Committee.

F. STAR Ohio

The investment pool developed and managed by the Treasurer of the State of Ohio for the benefit of the State's subdivisions.

The Governmental Accounting Standards Board (GASB Statement No. 3) has established credit risk categories for deposits and investments as follows:

Category 1

-Investments that are insured or registered, or securities held by the City or its agent in the City's name.

-Deposits that are insured or collateralized with securities held by the City or its agent in the City's name.

Category 2

-Investments that are uninsured and unregistered with securities held by the counterparty's trust department or agent in the City's name.

-Deposits that are collateralized with securities held by the pledging financial institution's trust department or agent in the City's name.

Category 3

-Investments that are uninsured and unregistered with securities held by the counterparty, or by its trust department or agent but not in the City's name.

-Deposits that are un-collateralized or collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the City's name.

Deposits: At year-end, the carrying amount of the City's cash and deposits was \$435,761 and the bank balance was \$494,523. The amount of the bank balance covered by Federal Depository Insurance was \$200,000 (Category 1) with the remaining \$294,523 being collateralized by the financial institutions' public entity deposit pools (Category 3).

**CITY OF WEST CARROLLTON
MONTGOMERY COUNTY**

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

10. POOLED CASH AND INVESTMENTS (Continued)

Based on the above criteria, the City's deposits and investments at December 31, 1999 are classified as follows:

	Category 2	Category 3	Unclassified	Carrying/ Fair Value
Investments:				
Money Market Funds		\$10,979		\$10,979
STAR Ohio (1)			\$22,431	\$22,431
Star Public Funds Plus		\$21,632		\$21,632
U S Treasury Notes	\$740,364			\$740,364
Government Obligations	\$6,660,774			6,660,774
Total Investments	\$7,401,138	\$32,611	\$22,431	\$7,456,180

(1) The City's deposits in the State Treasury Pool are not categorized because they are not evidenced by securities that exist in physical or book entry form.

11. JOINTLY-GOVERNED ORGANIZATION

The City is a member of the Miami Valley Risk Management Association (MVRMA) which is a jointly governed organization established as a joint insurance pool. As of December 31, 1999, the pool had sixteen members. This organization covers all property, crime, liability, boiler and machinery and public liability insurance. It is intended to provide broad based coverage up to the limits stated in note 4, with increased emphasis on safety and loss prevention and to create an opportunity for other local governments to participate.

MVRMA 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 book of account. Budgeting and financing of MVRMA is subject to the approval of the board. As of December 31, 1999, the participant cities were: Beavercreek, Blue Ash, Indian Hill, Kettering, Maderia, Mason, Miamisburg, Montgomery, Sidney, Springdale, Tipp City, Troy, Vandalia, West Carrollton, Wilmington, and Wyoming.

**CITY OF WEST CARROLLTON
MONTGOMERY COUNTY**

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

11. **JOINTLY- GOVERNED ORGANIZATION (Continued)**

Member contributions are calculated annually to produce a sufficient sum of money within the self-insurance pool to fund administrative expenses of the association and to create adequate reserves for claims and unallocated loss adjustment expenses. West Carrollton's contribution for 1999 was \$91,864.

The City has no explicit and measurable equity interest in MVRMA and no ongoing financial responsibility for MVRMA.

The following is a summary of the MVRMA audited financial statements presented in conformity with generally accepted principles as of and for the year ended December 31, 1999:

Assets	<u>\$ 4,742,119</u>
Liabilities	2,965,412
Fund Equity	<u>1,776,707</u>
Total Liabilities and Fund Equity	<u>\$ 4,742,119</u>
Revenues	2,553,148
Expenses	<u>3,442,721</u>
Net Loss	(889,573)
Retained Earnings – Beginning of Year	<u>2,666,280</u>
Retained Earnings – End of Year	<u>\$ 1,776,707</u>

To obtain additional financial information write to Miami Valley Risk Management Association, Inc., at 4625 Presidential Way, Kettering, Ohio, 45429.

The City also is a member of the Miami/Valley Fire/EMS Alliance. It is a jointly governed organization among thirty townships, cities, and other public entities that formed on April 1, 1995. The jointly governed organization was formed for the purpose of fostering cooperation among the political subdivisions through the establishment of an organization that promotes and recommends matters that result in more efficient methods of delivering fire and emergency services in the region.

**CITY OF WEST CARROLLTON
MONTGOMERY COUNTY**

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

11. JOINTLY- GOVERNED ORGANIZATION (Continued)

The legislative and advisory body is the assembly that is comprised of one delegate from each participating public subdivision. The degree of control exercised by any participating public subdivision is limited to its representation on the assembly, which elects the board of directors.

The board of directors exercises total control over the operation of the Alliance including budgeting, appropriating, contracting, and designating management and significant management control over CareNOW, a billing agent organized to manage health care costs. The five member board of directors consists of: one full-time and one volunteer fire department representative; two representatives from combined fire departments; and one representative from the City of Dayton fire department. Revenues are generated from Federal and State funding and an annual fee of \$ 0.24 per capita charged to participating subdivisions. The City paid \$3,409 to the Miami Valley Fire/EMS Alliance during 1999. Financial information can be obtained by writing to Glen Alexander, Miami Valley Fire/EMS Alliance, 444 W. Third Street, Suite 13-204, Dayton, Ohio 45402.

12. ENTERPRISE FUND SEGMENT INFORMATION

Significant financial data for the service provided by the City which are intended to be financed by user charges for the year ending December 31, 1999 are as follows:

	<u>Water</u>	<u>Sewer</u>	<u>Pool</u>	<u>Total</u>
Operating Revenue	\$739,004	\$861,547	\$155,802	\$1,756,353
Operating Expenses	885,143	976,338	177,761	2,039,242
Depreciation	104,208	289,520	45,198	438,926
Operating Income (Loss)	(146,139)	(114,791)	(21,959)	(282,889)
Intergovernmental Revenue	164,737	0	0	164,737
Investment Earnings	31,150	31,054	2,120	64,324
Net Income (Loss)	49,748	(83,737)	(19,839)	(53,828)
Total Assets	2,546,841	4,393,123	741,897	7,681,861
Net Working Capital	1,258,669	1,699,188	36,880	2,994,737
Total Equity	2,457,038	4,355,547	740,520	7,553,105
Asset Additions	221,065	29,288	8,350	258,703

**CITY OF WEST CARROLLTON
MONTGOMERY COUNTY**

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

13. DUE TO/ FROM OTHER FUNDS

As of December 31, 1999, inter-fund receivables and payables resulting from various inter-fund transactions were as follows:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 13,001	
Special Revenue Fund: Special Assessments Fund		\$ 13,001
	<u>Advance To Other Funds</u>	<u>Advance From Other Funds</u>
General Fund	\$ 17,796	
Special Revenue Funds: Special Assessment Fund		\$ 17,796

14. LEGAL COMPLIANCE

Pursuant to Section 117.11 (A), Revised Code, the Auditors, Plattenburg and Associates, Inc., performed tests of compliance with various provisions of local, state and/or federal laws, as appropriate. The Auditor's report is included in a separate part of this presentation.

15. RESTATEMENT OF PRIOR YEAR BALANCES

Due to an error, an adjustment was made to correct the prior year fund balance.

The restatement to the opening fund balance is as follows:

<u>Fund Type</u>	<u>Previously Stated Balance At 12/31/98</u>	<u>Adjustment</u>	<u>Restated Balance At 1/1/99</u>
Expendable Trust	(\$67,218)	\$27,641	(\$39,577)



**Report on compliance and on internal control over financial reporting
based on an audit of financial statements performed in accordance with
*Government Auditing Standards***

June 14, 2000

Honorable City Council
City of West Carrollton, Ohio

We have audited the general purpose financial statements of the City of West Carrollton, Ohio (the City), as of and for the year ended December 31, 1999, and have issued our report thereon dated June 14, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance required to be reported under *Government Auditing Standards*.

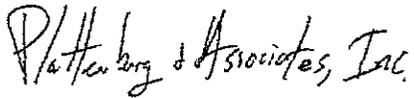
Internal Control Over Financial Reporting

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.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be

material weaknesses. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

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

A handwritten signature in cursive script that reads "Plattenburg & Associates, Inc.".

Plattenburg & Associates, Inc.
Certified Public Accountants



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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

CITY OF WEST CARROLLTON
MONTGOMERY COUNTY

CLERK'S CERTIFICATION

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

By: Susan Babbitt

Date: JUL 27 2000