

**VILLAGE OF NEW LEBANON**  
**DAYTON REGION, MONTGOMERY COUNTY**  
**REGULAR AUDIT**  
**JANUARY 1, 1999 – DECEMBER 31, 2000**





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

88 East Broad Street  
P.O. Box 1140  
Columbus, Ohio 43216-1140  
Telephone 614-466-4514  
800-282-0370  
Facsimile 614-466-4490  
[www.auditor.state.oh.us](http://www.auditor.state.oh.us)

Members of Council  
Village of New Lebanon  
198 South Clayton Rd.  
New Lebanon, OH 45345

We have reviewed the independent auditor's report of the Village of New Lebanon, Montgomery County, prepared by Vanderhorst & Manning, for the audit period January 1, 1999 through December 31, 2000. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

JIM PETRO  
Auditor of State

July 5, 2001

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**VILLAGE OF NEW LEBANON  
MONTGOMERY COUNTY**

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**VANDERHORST & MANNING CPAs, LLC  
6105 NORTH DIXIE DRIVE  
DAYTON, OHIO 45414**

**REPORT OF INDEPENDENT ACCOUNTANTS**

Village Council  
Village of New Lebanon  
198 South Clayton Road  
New Lebanon, Ohio 45345

We have audited the accompanying financial statements of the Village of New Lebanon, Montgomery County, Ohio (the Village), as of and for the years ended December 31, 2000 and 1999. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As described Note 1, the Village prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Village of New Lebanon, Montgomery County, as of December 31, 2000 and 1999, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

Village Council  
Village of New Lebanon  
Report of Independent Accountants  
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In accordance with *Government Auditing Standards* we have also issued our report dated June 14, 2001 on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

This report is intended solely for the information and use of the management, Village Council and other officials authorized to receive this report under Section 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

Vanderhorst & Manning CPAs, LLC  
Dayton, Ohio

June 14, 2001



**VILLAGE OF NEW LEBANON  
MONTGOMERY COUNTY**

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2000

	Governmental Fund Types			
	General	Special Revenue	Capital Projects	(Memorandum Only)
<b>Cash Receipts:</b>				
Local Taxes	\$ 54,445	\$ 1,167,144	\$ 0	\$ 1,221,589
Intergovernmental Receipts	179,966	201,533	179,500	560,999
Special Assessments	0	107,592	0	107,592
Charges for Services	21,079	157,479	0	178,558
Fines, Licenses and Permits	9,095	490	0	9,585
Miscellaneous	81,982	56,230	176,465	314,677
Total Cash Receipts	<u>346,567</u>	<u>1,690,468</u>	<u>355,965</u>	<u>2,393,000</u>
<b>Cash Disbursements:</b>				
Current:				
Security of Person and Property	2,571	777,566	0	780,137
Leisure Time Activities	47,561	0	0	47,561
Community Environment	39,436	0	0	39,436
Transportation	0	93,811	0	93,811
General Government	147,632	155,869	0	303,501
Capital Outlay	121,054	144,358	132,828	398,240
Debt Service	462,696	1,344,052	504,671	2,311,419
Total Cash Disbursements	<u>820,950</u>	<u>2,515,656</u>	<u>637,499</u>	<u>3,974,105</u>
Total Receipts Over/(Under) Disbursements	<u>(474,383)</u>	<u>(825,188)</u>	<u>(281,534)</u>	<u>(1,581,105)</u>
Other Financing Receipts/(Disbursements):				
Sale of Notes	297,000	1,243,476	190,000	1,730,476
Sale of Bonds	0	0	0	0
Sale of Fixed Assets	2,619	0	0	2,619
Transfers-in	488,943	219,680	186,005	894,628
Transfers-out	(239,680)	(612,331)	(18,878)	(870,889)
Other Sources	17,859	6,636	0	24,495
Other Uses	0	(6,872)	0	(6,872)
Total Other Financing Receipts/(Disbursements)	<u>566,741</u>	<u>850,589</u>	<u>357,127</u>	<u>1,774,457</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	92,358	25,401	75,593	193,352
<b>Fund Cash Balances, January 1, 2000</b>	<u>464,975</u>	<u>232,166</u>	<u>197,315</u>	<u>894,456</u>
<b>Fund Cash Balances, December 31, 2000</b>	<u>557,333</u>	<u>257,567</u>	<u>272,908</u>	<u>1,087,808</u>
<b>Reserve for Encumbrances, December 31, 2000</b>	<u>\$ 100,991</u>	<u>\$ 49,866</u>	<u>\$ 98,237</u>	<u>\$ 249,094</u>

The Notes to the Financial Statements are an integral part of this statement.

**VILLAGE OF NEW LEBANON  
MONTGOMERY COUNTY**

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES - PROPRIETARY FUND TYPE AND  
SIMILAR FIDUCIARY FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 2000

	<b>PROPRIETARY FUND TYPE <u>Enterprise</u></b>
<b>Operating Cash Receipts:</b>	
Changes for Services	\$ 1,044,295
Miscellaneous	3,450
Total Operating Cash Receipts	<u>1,047,745</u>
<b>Operating Cash Disbursements:</b>	
Personal Services	346,526
Travel Transportation	3,887
Contractual Services	412,910
Supplies and Materials	56,674
Capital Outlay	60,311
Total Operating Cash Disbursements	<u>880,308</u>
Operating Income (Loss)	<u>167,437</u>
Non-Operating Cash Receipts (Disbursements)	
Sale of Notes	1,930,000
Other non-operating revenues	15,338
Total Non-Operating Cash Receipts	<u>1,945,338</u>
Non-Operating Cash Disbursements	
Debt Service	1,956,227
Other Non-Operating Disbursements	107
Total Non-Operating Cash Disbursements	<u>1,956,334</u>
Excess Revenues Over/(Under) Expenses Before Transfers and Advances	156,441
Transfers In	20,000
Transfers Out	<u>(43,739)</u>
Excess of Cash Receipts Over/(Under) Disbursements	132,702
<b>Fund Cash Balances, January 1, 2000</b>	<u>354,673</u>
<b>Fund Cash Balances, December 31, 2000</b>	<u><u>487,375</u></u>
<b>Reserve for Encumbrances, December 31, 2000</b>	<u>\$ 253,587</u>

The Notes to the Financial Statements are an integral part of this statement.

**VILLAGE OF NEW LEBANON  
MONTGOMERY COUNTY**

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 1999

	Governmental Fund Types			Total (Memorandum Only)
	General	Special Revenue	Capital Projects	
<b>Cash Receipts:</b>				
Local Taxes	\$ 48,512	\$ 1,010,820	\$ 0	\$ 1,059,332
Intergovernmental Receipts	222,900	230,759	0	453,659
Special Assessments	0	94,949	0	94,949
Charges for Services	27,490	162,689	0	190,179
Fines, Licenses and Permits	9,408	355	0	9,763
Miscellaneous	67,756	3,350	400,209	471,315
<b>Total Cash Receipts</b>	<u>376,066</u>	<u>1,502,922</u>	<u>400,209</u>	<u>2,279,197</u>
<b>Cash Disbursements:</b>				
Current:				
Security of Person and Property	233,069	523,751	0	756,820
Leisure Time Activities	43,628	250	0	43,878
Community Environment	0	0	0	0
Transportation	0	145,222	0	145,222
General Government	189,028	121,510	0	310,538
Capital Outlay	155,393	80,969	1,683,957	1,920,319
Debt Service	1,235,460	82,298	1,536,039	2,853,797
<b>Total Cash Disbursements</b>	<u>1,856,578</u>	<u>954,000</u>	<u>3,219,996</u>	<u>6,030,574</u>
<b>Total Receipts Over/(Under) Disbursements</b>	<u>(1,480,512)</u>	<u>548,922</u>	<u>(2,819,787)</u>	<u>(3,751,377)</u>
<b>Other Financing Receipts/(Disbursements):</b>				
Sale of Notes	1,087,000	0	1,216,360	2,303,360
Sale of Bonds	0	0	0	0
Sale of Fixed Assets	4,089	1,674	0	5,763
Transfers-in	439,829	90,146	166,043	696,018
Transfers-out	(118,496)	(540,172)	(2,650)	(661,318)
Other Sources	78,751	8,285	9,404	96,440
Other Uses	0	(17,286)	0	(17,286)
<b>Total Other Financing Receipts/(Disbursements)</b>	<u>1,491,173</u>	<u>(457,353)</u>	<u>1,389,157</u>	<u>2,422,977</u>
<b>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements</b>	10,661	91,569	(1,430,630)	(1,328,400)
<b>Fund Cash Balances, January 1, 1999</b>	<u>454,313</u>	<u>140,597</u>	<u>1,627,945</u>	<u>2,222,855</u>
<b>Fund Cash Balances, December 31, 1999</b>	<u>464,974</u>	<u>232,166</u>	<u>197,315</u>	<u>894,455</u>
<b>Reserve for Encumbrances, December 31, 1999</b>	\$ <u>21,107</u>	\$ <u>10,164</u>	\$ <u>0</u>	\$ <u>31,271</u>

The Notes to the Financial Statements are an integral part of this statement.

**VILLAGE OF NEW LEBANON  
MONTGOMERY COUNTY**

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES - PROPRIETARY FUND TYPE AND  
SIMILAR FIDUCIARY FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 1999

	<b>PROPRIETARY FUND TYPE <u>Enterprise</u></b>
<b>Operating Cash Receipts:</b>	
Changes for Services	\$ 1,042,441
Miscellaneous	3,490
Total Operating Cash Receipts	<u>1,045,931</u>
<b>Operating Cash Disbursements:</b>	
Personal Services	325,589
Travel Transportation	2,927
Contractual Services	381,683
Supplies and Materials	48,541
Capital Outlay	109,968
Total Operating Cash Disbursements	<u>868,708</u>
Operating Income (Loss)	<u>177,223</u>
Non-Operating Cash Receipts (Disbursements)	
Proceeds from sale of public debt:	
Sale of Notes	1,070,000
Other non-operating revenues	16,221
Total Non-Operating Cash Receipts	<u>1,086,221</u>
Non-Operating Cash Disbursements:	
Debt Service	1,277,588
Transfers Out	34,700
Other Non-Operating Expenses	282
Total Non-Operating Cash Disbursements	<u>1,312,570</u>
Excess of Receipts Over/(Under) Disbursements	(49,126)
<b>Fund Cash Balances, January 1, 1999</b>	<u>403,799</u>
<b>Fund Cash Balances, December 31, 1999</b>	<u>354,673</u>
<b>Reserve for Encumbrances, December 31, 1999</b>	<u>\$ 43,017</u>

The Notes to the Financial Statements are an integral part of this statement.

**VILLAGE OF NEW LEBANON  
MONTGOMERY COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Village of New Lebanon, Montgomery County, Ohio (the Village) is a body corporate and public established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Village is directed by a publicly-elected six-member Council. The Village provides general governmental services, including water, sewer, refuse service, park operations (leisure time activities), and police services.

The Village's management believes these financial statements present all activities for which the Village's is financially accountable.

**New Lebanon Community Improvement Corporation**

The New Lebanon Community Improvement Corporation (CIC) was formed to advance, encourage, and promote the industrial, economic, commercial, and civic development of the Village of New Lebanon, Ohio, by acting as a designated agency of the Village for the industrial, commercial, distribution, and research development in such political subdivision in accordance with Section 1724.10 of the Ohio Revised Code.

The CIC is governed by a board of trustees consisting of no more than fifteen members. The trustees manage and oversee the operation of the corporation.

For the years ended December 31 2000 and 1999 the CIC had no financial activity and should be considered an advisory committee to the Village. Information can be obtained by contacting E. Karen Grimmatt, Finance Director, Village of New Lebanon, 198 Clayton Rd, New Lebanon Ohio, 45887.

**B. Basis of Accounting**

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when a payment is made rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

**VILLAGE OF NEW LEBANON  
MONTGOMERY COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999**

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

**C. Cash and Investments**

Certificates of deposit are valued at cost. The investment in STAR Ohio (the State Treasurer's investment pool) is valued at amounts reported by the State Treasurer. Mutual funds are recorded at share values reported by the mutual fund.

**D. Fund Accounting**

The Village uses fund accounting to segregate cash and investments that are restricted as to use. The Village classifies its funds into the following types:

**General Fund:**

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

**Special Revenue Funds:**

These funds are used to account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The Village had the following significant Special Revenue Funds:

**Fire Levy Fund** - receives general property taxes and contractual services which are used to provide fire and emergency services to its residents and surrounding communities.

**Police Levy Fund** – receives general property taxes and is used to account for activities pertaining to public safety.

**Capital Project Funds:**

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise or trust funds). The Village had the following significant Capital Project Fund:

**Area District Court Construction Fund** - Received proceeds of revenue bonds. The proceeds are being used to construct a new district court.

**VILLAGE OF NEW LEBANON  
MONTGOMERY COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999**

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

**D. Fund Accounting (Continued)**

**Enterprise Funds:**

These funds account for operations that are similar to private enterprises where management intends that the significant costs of providing certain goods or services will be recovered through user charges. The Village had the following enterprise funds:

**Water Fund** – Receives charges for services from residents to cover the cost of providing this utility.

**Sewer Fund** – Receives charges for services from residents to cover the cost of providing this utility.

**Garbage/Trash** – Receives charges for service from residents and makes payments to contractors.

**E. Budgetary Process**

The Ohio Revised Code requires that each fund (except certain Agency funds) be budgeted annually.

**Appropriations**

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Village Council must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year end.

**Estimate Resources**

Estimated resources include estimates of cash to be received (budgeted receipts) plus the unencumbered cash balance as of January 1. The County Budget Commission must also approve estimated resources.

**Encumbrances**

The Ohio Revised Code requires the Village to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2000 and 1999 budgetary activity appears in Note 3.

**VILLAGE OF NEW LEBANON  
MONTGOMERY COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2000 AND 1999**

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

**F. Property, Plant, and Equipment**

Acquisitions of property, plant, and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

**G. Unpaid Sick Leave**

Employees are entitled to cash payments for unused sick leave uncertain circumstances, such as upon retirement. Unpaid sick leave is not reflected as a liability under the cash basis of accounting used by the Village.

**2 EQUITY IN POOLED CASH AND INVESTMENTS**

The Village maintains a cash and investments pool used by all funds. The Ohio Revised Code prescribes allowable deposits and investments.

The carrying amount of cash and investments at December 31 was as follows:

	<b>2000</b>	<b>1999</b>
Demand Deposits	\$ 356,771	\$ 381,430
Certificates of Deposit	646,743	595,785
Investments	<u>571,669</u>	<u>271,913</u>
Total deposits and investments	<u>\$ 1,575,183</u>	<u>\$ 1,249,128</u>

**Deposits:**

Deposits are either (1) insured by the Federal Depository Insurance Corporation or (2) collateralized by the financial institution's public entity deposit pool

**Investments:**

Public funds are invested in StarOhio.



**VILLAGE OF NEW LEBANON  
MONTGOMERY COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2000 AND 1999**

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**3 BUDGETARY ACTIVITY**

Budgetary activity for the year ending December 31, 2000 and 1999 was as follows:

**2000 Budgeted vs. Actual Receipts**

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 1,153,147	\$ 1,152,988	\$ 159
Special Revenue	3,160,260	3,160,260	0
Capital Projects	731,970	731,970	0
Enterprise Funds	3,013,083	3,013,083	0
Total	<u>\$ 8,058,460</u>	<u>\$ 8,058,301</u>	<u>\$ 159</u>

**2000 Budgeted vs. Actual Budgetary Basis Expenditures**

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 1,314,665	\$ 1,161,621	\$ 153,044
Special Revenue	3,334,789	3,184,725	150,064
Capital Projects	754,615	754,614	1
Enterprise Funds	3,211,499	3,133,968	77,531
Total	<u>\$ 8,615,568</u>	<u>\$ 8,234,928</u>	<u>\$ 380,640</u>

**1999 Budgeted vs. Actual Receipts**

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 1,980,170	\$ 1,985,735	\$ (5,565)
Special Revenue	1,603,027	1,603,027	0
Capital Projects	1,792,016	1,792,016	0
Enterprise Funds	2,132,152	2,132,152	0
Total	<u>\$ 7,507,365</u>	<u>\$ 7,512,930</u>	<u>\$ (5,565)</u>

**1999 Budgeted vs Actual Budgetary Basis Expenditures**

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 2,162,269	\$ 1,996,181	\$ 166,088
Special Revenue	1,584,315	1,521,622	62,693
Capital Projects	3,234,566	3,222,646	11,920
Enterprise Funds	2,329,347	2,224,295	105,052
Total	<u>\$ 9,310,497</u>	<u>\$ 8,964,744</u>	<u>\$ 345,753</u>

**VILLAGE OF NEW LEBANON  
MONTGOMERY COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999**

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**4. PROPERTY TAX**

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the Village Council. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payment, the first half is due December 31. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property located within the Village.

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Village.

**5. DEBT**

Debt outstanding at December 31, 2000 was as follows:

	<b>Principal</b>	<b>Interest Rate</b>
Ohio Water Development Authority Loan	\$ 190,626	8.47%
General Obligation Notes	3,911,836	3.80 to 5.49%
General Revenue Bonds	<u>1,785,000</u>	4.25 to 4.90%
	<u>\$5,887,462</u>	

**VILLAGE OF NEW LEBANON  
MONTGOMERY COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999**

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**5. DEBT** (Continued)

The Ohio Water Development Authority loan relates to a water and sewer plant expansion project that was mandated by the Ohio Environmental Protection Agency. The OWDA has approved loans up to \$620,608 in loans to the Village for this project. The loans principal and interest will be repaid in semiannual installments over a 15 year period. The scheduled payment will be adjusted to reflect any revisions in amount actually borrowed.

The Village issued County Court Facility Revenue Bonds, Series 1998, in 1998 for the cost of constructing and furnishing a building for uses as a court building by Montgomery County District Court I. Interest on the Series 1998 bonds is payable on June and December 1 of each year, commencing June 1999. In conjunction with the bonds issued, the Village entered into a construction and lease agreement with Montgomery County in which the County agreed to lease the project from the Village for a 20 year period. The County agreed to pay a fixed minimum rent for the project at an amount which has been calculated by the Village to be sufficient in time and amount to pay the Bond Services Charges on the Series 1998 bonds when due.

Amortization of the above debt, including interest, is schedule as follows:

<b>Year Ending December 31</b>	<b>OWDA Loan</b>	<b>General Obligation Notes</b>	<b>General Revenue Bonds</b>
2001	\$ 74,598	\$4,123,922	\$ 148,941
2002	74,598	0	151,179
2003	74,598	0	153,204
2004	0	0	150,016
2005	0	0	151,829
Subsequent	<u>0</u>	<u>0</u>	<u>1,954,832</u>
Total	<u>\$223,794</u>	<u>\$4,123,922</u>	<u>\$2,710,001</u>

**VILLAGE OF NEW LEBANON  
MONTGOMERY COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999**

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**6. RETIREMENT SYSTEMS**

The Village's law enforcement officers belong to the Police & Firemen's Disability & Pension Funds (PFDPF). Other full-time employees belong to the Public Employees Retirement System (PERS) of Ohio. PFDPF and PERS are cost-sharing, multiple-employer plans. These plans provide retirement benefits, including postretirement health care, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2000 and 1999, PFDPF members contributed 10% of their gross wages. The Village contributed an amount equal to 19.5% of their gross wages. PERS members contributed 8.5% of their gross salaries. The Village contributed an amount equal to 13.55% of participants' gross salaries through June 30, 2000. For the period July 1, 2000, through December 31, 2000, PERS temporarily reduced the employer's contribution rate to 8.13% of participants' gross salaries. The Village has paid all contributions required through December 31, 2000.

**7. RISK MANAGEMENT**

The Village has obtained commercial insurance for the following risks:

- General liability
- Auto liability and auto physical damage
- Property coverage
- Inland marine coverage
- Law enforcement liability
- Public officials liability

The Village also provides health insurance coverage to full-time employees through a private carrier.

**VANDERHORST & MANNING CPAs, LLC  
6105 NORTH DIXIE DRIVE  
DAYTON, OHIO 45414**

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

Village Council  
Village of New Lebanon  
401 East Elm Street  
New Lebanon, Ohio 45390

We have audited the financial statements of the Village of New Lebanon, Montgomery County (the Village), as of and for the years ended December 2000 and 1999, and have issued our report thereon dated June 14, 2001. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the Village's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted an immaterial instance of noncompliance that we have reported to the management of the Village in a separate letter dated June 14, 2001.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Village's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the specific internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operations that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Village in a separate letter dated June 14, 2001.

Village Council  
Village of New Lebanon  
Report of Independent Accountants on Compliance and on Internal Control Required by  
*Government Auditing Standards*  
Page 2

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

Vanderhorst & Manning CPAs, LLC  
Dayton, Ohio

June 14, 2001



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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

**VILLAGE OF NEW LEBANON**

**MONTGOMERY COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
JULY 24, 2001**