

CITY OF ENGLEWOOD, OHIO
REPORT ON THE AUDITED
FINANCIAL STATEMENTS AND SUPPLEMENTAL DATA
DECEMBER 31, 1999

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STATE OF OHIO
OFFICE OF THE AUDITOR
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Mayor, Members of the City
Council and City Manager
City of Englewood
333 West National Road
Englewood, Ohio 45322

We have reviewed the independent auditor's report of the City of Englewood, Montgomery County, prepared by Roth & Company, 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 Englewood is responsible for compliance with these laws and regulations.

JIM PETRO
Auditor of State

August 3, 2000

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City of Englewood, Ohio

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City of Englewood, Ohio
ELECTED AND APPOINTED OFFICIALS

<u>Name</u>	<u>Title</u>	<u>Term of Office</u>
Dr. Michael Bowers	Mayor	7/25/98 to 11/30/03
Patricia Burnside	Vice-Mayor	7/25/98 to 11/30/03
Thomas Franz	Council Member	12/1/95 to 11/30/03
Michael Kline	Council Member	12/1/97 to 11/30/01
James McGraw	Council Member	12/1/95 to 11/30/03
Judy Gerhard	Council Member	12/1/97 to 11/30/01
Jim Campise	Council Member	9/22/98 to 11/30/03
Eric A. Smith	City Manager	Appointed
Robert Fortman	Director of Finance	Appointed
Janine Haer	Director of Personnel/ Assistant Finance Director	Appointed
Karen Soddors	Clerk of Council	Appointed
Michael McNamee	Law Director	Appointed

These officials can be contacted at the following address:

City of Englewood
333 W. National Road
Englewood, Ohio 45322

BONDED OFFICIALS

Each officer and employee of the City of Englewood is covered by a faithful performance blanket bond in the amount of \$10,000 for each occurrence plus an additional \$20,000 indemnity on the City Manager, Director of Finance, Director of Personnel and City Clerk. The surety is the Ohio Government Risk Management Plan.

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ROTH & COMPANY
215 W. National Road
Englewood, Ohio 45322

Report of Independent Certified Public Accountants

Mayor, Members of the City
Council and City Manager
City of Englewood, Ohio

We have audited the accompanying general purpose financial statements of the City of Englewood, Ohio, as of and for the year ended December 31, 1999, as listed in the foregoing table of contents. These general purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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 of Englewood, Ohio, as of December 31, 1999, and the results of its operations and cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated June 19, 2000, on our consideration of City of Englewood's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

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

Roth & Company
Englewood, Ohio
June 19, 2000

City of Englewood, Ohio - Montgomery County

COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS

December 31, 1999

	<u>GOVERNMENTAL FUND TYPES</u>			
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Debt Service</u>
ASSETS AND OTHER DEBITS				
Assets				
Equity in pooled cash, cash equivalents and investments	\$ 1,677,716	\$ 1,147,843	\$ 3,401,953	\$ -
Cash and cash equivalents with fiscal agents	-	-	-	10,916
Receivables				
Taxes	888,801	741,373	-	-
Accounts	-	-	-	-
Special assessments	73,576	-	47,241	-
Accrued interest	191,284	-	-	-
Due from other governments	85,447	53,887	603,561	-
Due from other funds	250,000	-	109,813	-
Supplies inventory	-	24,669	-	-
Fixed assets				
Land	-	-	-	-
Improvements to land other than buildings	-	-	-	-
Buildings	-	-	-	-
Equipment	-	-	-	-
Vehicles	-	-	-	-
Water and Sewer Lines	-	-	-	-
Construction in progress	-	-	-	-
Less: accumulated depreciation	-	-	-	-
Other debits				
Amount to be provided for retirement of general long-term obligations	-	-	-	-
Total assets and other debits	<u>\$ 3,166,824</u>	<u>\$ 1,967,772</u>	<u>\$ 4,162,568</u>	<u>\$ 10,916</u>

<u>PROPRIETARY FUND TYPES</u>		<u>FIDUCIARY FUND TYPE</u>	<u>ACCOUNT GROUPS</u> -		<u>Totals (Memorandum Only) -</u>
<u>Enterprise</u>	<u>Internal Service</u>	<u>Agency</u>	<u>General Fixed Assets</u>	<u>General Long-Term Obligations</u>	
\$ 2,749,713	\$ 526,320	\$ 18,598	\$ -	\$ -	\$ 9,522,143
153	-	-	-	-	11,069
-	-	-	-	-	1,630,174
279,703	-	-	-	-	279,703
7,290	-	-	-	-	128,107
-	-	-	-	-	191,284
-	4,707	-	-	-	747,602
-	-	-	-	-	359,813
164,865	21,267	-	-	-	210,801
33,510	130,849	-	3,046,073	-	3,210,432
1,750	169,800	-	1,971,539	-	2,143,089
5,101,454	2,673,334	-	1,862,824	-	9,637,612
1,317,640	203,099	-	1,468,340	-	2,989,079
81,490	19,350	-	1,948,701	-	2,049,541
18,309,982	-	-	-	-	18,309,982
412,058	-	-	-	-	412,058
<8,813,690>	<1,226,936>	-	-	-	<10,040,626>
-	-	-	-	255,204	255,204
<u>\$19,645,918</u>	<u>\$ 2,521,790</u>	<u>\$ 18,598</u>	<u>\$10,297,477</u>	<u>\$ 255,204</u>	<u>\$42,047,067</u>

City of Englewood, Ohio - Montgomery County

COMBINED BALANCE SHEET (CONTINUED)
ALL FUND TYPES AND ACCOUNT GROUPS

December 31, 1999

	<u>GOVERNMENTAL FUND TYPES</u>			
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Debt Service</u>
LIABILITIES, FUND EQUITY AND OTHER CREDITS				
Liabilities				
Accounts payable	\$ 4,985	\$ 23,915	\$ 201,646	\$ -
Accrued salaries payable	6,035	35,052	-	-
Accrued interest payable	-	-	-	-
Due to other governments	19,255	21,425	-	-
Due to other funds	109,813	-	250,000	-
Undistributed money	-	-	-	-
Deferred revenue	645,058	741,373	47,241	-
Compensated absences payable	805	4,309	-	-
Matured bonds payable	-	-	-	10,000
Matured interest payable	-	-	-	916
Revenue bonds payable	-	-	-	-
Notes payable	-	-	-	-
	<u>785,951</u>	<u>826,074</u>	<u>498,887</u>	<u>10,916</u>
Total liabilities				
Fund equity and other credits				
Investment in general fixed assets	-	-	-	-
Contributed capital	-	-	-	-
Retained earnings				
Unreserved	-	-	-	-
Fund balances				
Reserved for encumbrances	55,518	360,728	4,399,891	-
Reserved for inventory	-	24,669	-	-
Unreserved				
Undesignated	<u>2,325,355</u>	<u>756,301</u>	<u><736,210></u>	<u>--</u>
Total fund equity and other credits	<u>2,380,873</u>	<u>1,141,698</u>	<u>3,663,681</u>	<u>--</u>
Total liabilities, fund equity and other credits	<u>\$ 3,166,824</u>	<u>\$ 1,967,772</u>	<u>\$ 4,162,568</u>	<u>\$ 10,916</u>

The accompanying notes are an integral part of this statement.

<u>PROPRIETARY FUND TYPES</u>		<u>FIDUCIARY FUND TYPE</u>	<u>ACCOUNT GROUPS</u> -		<u>Totals (Memorandum Only) -</u>
<u>Enterprise</u>	<u>Internal Service</u>	<u>Agency</u>	<u>General Fixed Assets</u>	<u>General Long-Term Obligations</u>	
\$ 66,660	\$ 12,191	\$ -	\$ -	\$ -	\$ 309,397
9,911	2,301	-	-	-	53,299
29,038	-	-	-	-	29,038
9,417	2,112	-	-	56,735	108,944
-	-	-	-	-	359,813
-	-	18,598	-	-	18,598
7,290	-	-	-	-	1,440,962
115,745	23,880	-	-	198,469	343,208
-	-	-	-	-	10,000
153	-	-	-	-	1,069
915,000	-	-	-	-	915,000
<u>1,200,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>--</u>	<u>1,200,000</u>
2,353,214	40,484	18,598	-	255,204	4,789,328
-	-	-	10,297,477	-	10,297,477
16,914,561	750,294	-	-	-	17,664,855
378,143	1,731,012	-	-	-	2,109,155
-	-	-	-	-	4,816,137
-	-	-	-	-	24,669
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,345,446</u>
<u>17,292,704</u>	<u>2,481,306</u>	<u>-</u>	<u>10,297,477</u>	<u>-</u>	<u>37,257,739</u>
<u>\$19,645,918</u>	<u>\$ 2,521,790</u>	<u>\$ 18,598</u>	<u>\$10,297,477</u>	<u>\$ 255,204</u>	<u>\$ 42,047,067</u>

City of Englewood, Ohio - Montgomery County

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES

Year Ended December 31, 1999

	<u>General</u>	<u>Special Revenue</u>
REVENUES		
Income taxes	\$ 3,899,306	\$ -
Property taxes and other taxes	669,513	711,540
Intergovernmental	744,551	957,702
Special assessments	20,457	682
Charges for services	108,329	9,740
Fines, licenses and permits	129,891	20,111
Interest	430,467	-
Other	<u>32,869</u>	<u>10,749</u>
Total revenues	6,035,383	1,710,524
EXPENDITURES		
Current		
Security of persons and property	-	2,788,067
Public health services	2,473	-
Leisure time activities	84,265	102,620
Community environment	359,218	-
Transportation	-	1,095,549
General government	618,136	-
Capital outlay	<u>-</u>	<u>247,140</u>
Total expenditures	<u>1,064,092</u>	<u>4,233,376</u>
Excess <deficiency> of revenues over expenditures	4,971,291	<2,522,852>

<u>Capital Projects</u>	<u>Debt Service</u>	<u>Totals (Memorandum Only) .</u>
\$ -	\$ -	\$ 3,899,306
-	-	1,381,053
1,377,367	-	3,079,620
24,574	-	45,713
-	-	118,069
-	-	150,002
-	-	430,467
<u>17,180</u>	<u>-</u>	<u>60,798</u>
1,419,121	-	9,165,028
-	-	2,788,067
-	-	2,473
-	-	186,885
-	-	359,218
-	-	1,095,549
220,183	-	838,319
<u>2,483,863</u>	<u>-</u>	<u>2,731,003</u>
<u>2,704,046</u>	<u>-</u>	<u>8,001,514</u>
<1,284,925>	-	1,163,514

City of Englewood, Ohio - Montgomery County
 COMBINED STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 ALL GOVERNMENTAL FUND TYPES (CONTINUED)

Year Ended December 31, 1999

	<u>General</u>	<u>Special Revenue</u>
OTHER FINANCING SOURCES <USES>		
Proceeds from sale of fixed assets \$	81,744	\$ 4,475
Operating transfers - in	-	3,374,773
Operating transfers - out	<u><5,037,262></u>	<u><284,773></u>
Total other financing sources <uses>	<u><4,955,518></u>	<u>3,094,475</u>
Excess of revenues and other financing sources over <under> expenditures and other financing uses	15,773	571,623
Fund balances, January 1, 1999	2,365,100	570,743
Decrease in reserve for inventory	-	<668>
Residual Equity Transfer-out	<u>-</u>	<u>--</u>
Fund balances, December 31, 1999	<u>\$ 2,380,873</u>	<u>\$ 1,141,698</u>

The accompanying notes are an integral part of this statement.

<u>Capital Projects</u>	<u>Debt Service</u>	<u>Totals (Memorandum Only) -</u>
\$ 378,539	\$ -	\$ 464,758
3,119,904	-	6,494,677
<u><1,117,390></u>	<u>-</u>	<u><6,439,425></u>
<u>2,381,053</u>	<u>-</u>	<u>520,010</u>
1,096,128	-	1,683,524
2,652,036	-	5,587,879
-	-	
-	-	<668>
<u><84,483></u>	<u>-</u>	<u><84,483></u>
<u>\$ 3,663,681</u>	<u>\$ -</u>	<u>\$ 7,186,252</u>

City of Englewood, Ohio - Montgomery County

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS)
ALL GOVERNMENTAL FUND TYPES

Year Ended December 31, 1999

	GENERAL FUNDS			SPECIAL REVENUE	
	Revised Budget	Actual	Variance Favorable <Unfavorable>	Revised Budget	Actual
REVENUES					
Income taxes	\$ 3,990,000	\$ 3,873,827	\$ <116,173>	\$ -	\$ -
Property taxes and other taxes	637,873	669,375	31,502	964,611	711,540
Intergovernmental	435,980	708,409	272,429	833,528	963,010
Special assessments	16,000	20,457	4,457	79,500	682
Charges for services	105,700	109,513	3,813	15,200	8,871
Fines, licenses and permits	142,300	129,891	<12,409>	31,450	20,111
Interest	395,000	413,346	18,346	-	-
Other	<u>6,317</u>	<u>32,869</u>	<u>26,552</u>	<u>15,028</u>	<u>10,749</u>
Total revenues	5,729,170	5,957,687	228,517	1,939,317	1,714,963
EXPENDITURES					
Security of persons and property	-	-	-	3,031,844	2,908,464
Public health services	13,913	2,473	11,440	-	-
Leisure time activities	145,415	88,415	57,000	116,467	103,202
Community environment	384,090	364,211	19,879	-	-
Basic utility services	33,000	-	33,000	-	-
Transportation	-	-	-	1,330,011	1,161,293
General government	867,715	674,341	193,374	-	-
Capital outlay	-	-	-	548,710	429,806
Debt service					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total expenditures	\$ <u>1,444,133</u>	\$ <u>1,129,440</u>	<u>314,693</u>	<u>5,027,032</u>	<u>4,602,765</u>
EXCESS <DEFICIENCY> OF REVENUES OVER <UNDER> EXPENDITURES	4,285,037	4,828,247	543,210	<3,087,715>	<2,887,802>
OTHER FINANCING SOURCES <USES>					
Proceeds from sale of fixed assets	22,600	81,744	59,144	4,475	4,475
Advances in	-	250,000	250,000	-	-
Operating transfers - in	-	-	-	3,311,500	3,374,773
Advances out	<550,000>	<250,000>	300,000	<250,000>	<250,000>
Operating transfers - out	<u><5,030,500></u>	<u><5,030,000></u>	<u>500</u>	<u><284,900></u>	<u><284,773></u>
Total other financing sources <uses>	<u><5,557,900></u>	<u><4,948,256></u>	<u>609,644</u>	<u>2,781,075</u>	<u>2,844,475</u>
EXCESS <DEFICIENCY> OF REVENUES AND OTHER FINANCING SOURCES OVER <UNDER> EXPENDITURES AND OTHER FINANCING USES	<1,272,863>	<120,009>	1,152,854	<306,640>	<43,327>
FUND BALANCES JANUARY 1, 1999	1,643,528	1,643,528	-	641,292	641,292
RESIDUAL EQUITY TRANSFERS-OUT	-	-	-	-	-
PRIOR YEAR ENCUMBRANCES APPROPRIATED	<u>88,518</u>	<u>88,518</u>	<u>--</u>	<u>165,662</u>	<u>165,662</u>
FUND BALANCES DECEMBER 31, 1999	\$ <u>459,183</u>	\$ <u>1,612,037</u>	\$ <u>152,854</u>	\$ <u>500,314</u>	\$ <u>763,627</u>

The accompanying notes are an integral part of this statement.

CAPITAL PROJECTS FUNDS				DEBT SERVICE FUND		
FUNDS -	Revised Budget	Actual	Variance Favorable <Unfavorable>	Revised Budget	Actual	Variance Favorable <Unfavorable>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<253,071>	-	-	-	-	-	-
129,482	5,054,280	863,143	<4,191,137>	-	-	-
<78,818>	26,200	24,574	<1,626>	-	-	-
<6,329>	-	-	-	-	-	-
<11,339>	-	-	-	-	-	-
-	-	-	-	-	-	-
<4,279>	-	17,180	17,180	-	-	--
<224,354>	5,080,480	904,897	<4,175,583>	-	-	-
123,380	-	-	-	-	-	-
-	-	-	-	-	-	-
13,265	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
168,718	709,916	391,426	318,490	-	-	-
-	7,335,120	7,015,231	319,889	-	-	-
118,904	-	-	-	-	-	-
-	-	-	-	95,000	95,000	-
--	-	-	--	50,421	50,420	1
424,267	8,045,036	7,406,657	638,379	145,421	145,420	1
199,913	<2,964,556>	<6,501,760>	<3,537,204>	<145,421>	<145,420>	1
-	167,500	378,539	211,039	-	-	-
-	250,000	250,000	-	-	-	-
63,273	2,769,000	3,112,642	343,642	145,421	145,420	<1>
-	-	-	-	-	-	-
127	<1,231,000>	<972,642>	258,358	-	--	--
63,400	1,955,500	2,768,539	813,039	145,421	145,420	<1>
263,313	<1,009,056>	<3,733,221>	<2,724,165>	-	-	-
-	1,478,246	1,478,246	-	-	-	-
-	<84,483>	<84,483>	-	-	-	-
--	1,139,874	1,139,874	--	-	-	--
\$ 263,313	\$ 1,524,581	\$ <1,199,584>	\$ <2,724,165>	\$ --	\$ --	\$ --

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City of Englewood, Ohio - Montgomery County

COMBINED STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN RETAINED EARNINGS
ALL PROPRIETARY FUND TYPES

Year Ended December 31, 1999

	<u>Enterprise</u>	<u>Internal Service</u>	<u>Totals (Memorandum Only) -</u>
Operating revenues			
Charges for services, licenses, permits and tap-in fees	\$ 2,721,471	\$ 961,365	\$ 3,682,836
Other	<u>10,855</u>	<u>6,981</u>	<u>17,836</u>
Total operating revenues	2,732,326	968,346	3,700,672
Operating expenses			
Personal services	686,020	181,893	867,913
Contractual services	1,144,474	183,134	1,327,608
Materials and supplies	92,272	133,833	226,105
Claims	-	384,538	384,538
Depreciation	<u>573,800</u>	<u>76,295</u>	<u>650,095</u>
Total operating expenses	<u>2,496,566</u>	<u>959,693</u>	<u>3,456,259</u>
Operating income <loss>	235,760	8,653	244,413
Non-operating revenues <expenses>			
Interest	4,324	-	4,324
Gain <Loss> on disposal of fixed assets	<138>	24,561	24,423
Interest and fiscal charges	<u><62,114></u>	<u>-</u>	<u><62,114></u>
Total non-operating revenues <expenses>	<u><57,928></u>	<u>24,561</u>	<u><33,367></u>
Net income before operating transfers	177,832	33,214	211,046
Operating transfers - in	144,748	-	144,748
operating transfers - out	<u><200,000></u>	<u>-</u>	<u><200,000></u>
Net income	122,580	33,214	155,794
Retained earnings, January 1, 1999	171,080	1,697,798	1,868,878
Residual Equity transfer - in	<u>84,483</u>	<u>-</u>	<u>84,483</u>
Retained earnings, December 31, 1999	<u>\$ 378,143</u>	<u>\$1,731,012</u>	<u>\$ 2,109,155</u>

The accompanying notes are an integral part of this statement.

City of Englewood, Ohio - Montgomery County

COMBINED STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND EQUITY - BUDGET AND ACTUAL (BUDGET BASIS)
ALL PROPRIETARY FUND TYPES

Year Ended December 31, 1999

	<u>ENTERPRISE -</u>	
	<u>Revised Budget</u>	<u>Actual</u>
REVENUES		
Charges for services, licenses, permits and tap-in fees	\$ 2,528,050	\$ 2,717,655
Proceeds from sale of notes	1,000,000	1,200,000
Other	26,300	10,855
Interest	<u>4,500</u>	<u>4,324</u>
Total revenues	3,558,850	3,932,834
EXPENSES		
Personal services	727,070	697,971
Contractual services	1,249,969	1,214,524
Materials and supplies	250,709	144,723
Claims	-	-
Capital outlay	<u>1,412,022</u>	<u>1,146,181</u>
Total expenses	<u>3,639,770</u>	<u>3,203,399</u>
EXCESS OF REVENUES OVER <UNDER> EXPENSES	<80,920>	729,435
Sale of fixed assets	-	-
Advances out	<50,000>	-
Operating transfers - out	<u><345,420></u>	<u><345,420></u>
Total other financing sources <uses>	<u><395,420></u>	<u><345,420></u>
EXCESS OF REVENUES OVER <UNDER> EXPENSES, ADVANCES AND OPERATING TRANSFERS	<476,340>	384,015
FUND EQUITY - JANUARY 1, 1999	1,204,269	1,204,269
RESIDUAL EQUITY TRANSFER- IN	-	84,483
PRIOR YEAR ENCUMBRANCES APPROPRIATED	<u>157,029</u>	<u>157,029</u>
FUND EQUITY - DECEMBER 31, 1999	<u>\$ 884,958</u>	<u>\$ 1,829,796</u>

The accompanying notes are an integral part of this statement.

Variance Favorable <Unfavorable>	INTERNAL SERVICE		-
	Revised Budget	Actual	Variance Favorable <Unfavorable>
\$ 189,605	\$ 952,632	\$ 960,350	\$ 7,718
200,000	-	-	-
<15,445>	4,000	6,981	2,981
<176>	-	-	--
<u>373,984</u>	<u>956,632</u>	<u>967,331</u>	<u>10,699</u>
29,099	164,620	162,014	2,606
35,445	253,093	187,709	65,384
105,986	240,791	169,655	71,136
-	415,000	407,518	7,482
<u>265,841</u>	<u>13,244</u>	<u>10,179</u>	<u>3,065</u>
<u>436,371</u>	<u>1,086,748</u>	<u>937,075</u>	<u>149,673</u>
810,355	<130,116>	30,256	160,372
-	30,549	24,561	<5,988>
50,000	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>--</u>
<u>50,000</u>	<u>30,549</u>	<u>24,561</u>	<u><5,988></u>
860,355	<99,567>	54,817	154,384
-	378,583	378,583	-
84,483	-	-	-
<u>-</u>	<u>49,178</u>	<u>49,178</u>	<u>--</u>
<u>\$ 944,838</u>	<u>\$ 328,194</u>	<u>\$ 482,578</u>	<u>\$ 154,384</u>

City of Englewood, Ohio - Montgomery County

COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES

Year Ended December 31, 1999

	<u>ENTERPRISE</u>	<u>INTERNAL SERVICE</u>	<u>TOTAL (MEMORANDUM ONLY) -</u>
Cash flows from operating activities			
Cash received from customers	\$2,728,510	\$ 38,564	\$2,767,074
Cash received from Quasi - external transactions with other funds	-	928,767	928,767
Cash payments to employees for services and benefits	<697,971>	<162,014>	<859,985>
Cash payments to suppliers for goods and services	<1,231,763>	<311,440>	<1,543,203>
Cash payments for employees medical and life insurance claims	<u> --</u>	<u><407,118></u>	<u><407,118></u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	798,776	86,759	885,535
Cash flows from non-capital financing activities			
Residual Equity Transfer - In	84,483	-	84,483
Operating transfers - out	<u><200,000></u>	<u> -</u>	<u><200,000></u>
NET CASH USED BY NON-CAPITAL FINANCING ACTIVITIES	<115,517>	-	<115,517>
Cash flows from capital and related financing activities			
Acquisition of capital assets	<353,749>	<13,605>	<367,354>
Principal paid on revenue bonds payable	<95,000>	-	<95,000>
Interest paid on revenue bonds payable	<50,420>	-	<50,420>
Proceeds from sale of fixed assets	-	24,561	24,561
Proceeds from sale of Notes	<u>1,200,000</u>	<u> -</u>	<u>1,200,000</u>
NET CASH PROVIDED BY CAPITAL AND RELATED FINANCING ACTIVITIES	700,831	10,956	711,787
Cash flows from investing activities			
Interest - NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>4,324</u>	<u> -</u>	<u>4,324</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,388,414	97,715	1,486,129
CASH AND CASH EQUIVALENTS - JANUARY 1, 1999	<u>1,361,299</u>	<u>428,605</u>	<u>1,789,904</u>
CASH AND CASH EQUIVALENTS - DECEMBER 31, 1999	<u>\$2,749,713</u>	<u>\$ 526,320</u>	<u>\$3,276,033</u>

City of Englewood, Ohio - Montgomery County
 COMBINED STATEMENT OF CASH FLOWS (CONTINUED)
 ALL PROPRIETARY FUND TYPES

Year Ended December 31, 1999

	<u>ENTERPRISE</u>	<u>INTERNAL SERVICE</u>	<u>TOTAL (MEMORANDUM ONLY) -</u>
Reconciliation of operating income <loss> to net cash provided by <used in> operating activities			
Operating income <loss>	\$ 235,760	\$ 8,653	\$ 244,413
Adjustments to reconcile operating income <loss> to net cash provided by <used in> operating activities			
Depreciation	573,800	76,295	650,095
Changes in assets and liabilities			
<Increase> in accounts receivable	<11,370>	-	<11,370>
<Increase> in intergovernmental receivable	-	<1,015>	<1,015>
<Increase> decrease in supplies inventory	<9,560>	841	<8,719>
<Decrease> in intergovernmental payable	<3,462>	<373>	<3,835>
Increase in accounts payable	61,996	4,686	66,682
<Decrease> in contracts payable	<39,899>	<22,580>	<62,479>
Increase in accrued salaries	2,069	656	2,725
Increase <Decrease> in compensated absences payable	<u><10,558></u>	<u>19,596</u>	<u>9,038</u>
Net cash provided by operating activities	\$ <u>798,776</u>	\$ <u>86,759</u>	\$ <u>885,535</u>

Noncash Capital Financing Activities

- 1) Developers contributed \$279,110 in water lines and \$143,945 in sewer lines in 1999.
- 2) Water meters contributed by customers in 1999 were \$7,554.
- 3) Other funds of the City contributed \$5,990 to the water fund for construction of a wellfield.
- 4) Other funds of the City contributed \$25,631 to the sewer fund for equipment.
- 5) The county contributed \$28,839 to the Sewer Fund for the biosolids project through a grant.

The accompanying notes are an integral part of this statement.

City of Englewood, Ohio - Montgomery County

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

December 31, 1999

NOTE A - REPORTING ENTITY AND BASIS OF PRESENTATION

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

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

1. REPORTING ENTITY

The reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements of the City are not misleading.

The primary government consists of all funds and departments which provide various services including police protection, parks and recreation, planning, zoning, street maintenance and repair, community development, water, sewer and refuse collection. Council and the City Manager are directly responsible for these activities.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing body and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Component units may also include organizations for which the City approves the budget, the issuance of debt or the levying of taxes.

City of Englewood, Ohio - Montgomery County

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

December 31, 1999

NOTE A - REPORTING ENTITY AND BASIS OF PRESENTATION (CONTINUED)

1. REPORTING ENTITY (CONTINUED)

The following potential component units have been excluded from the City's financial statements because the City is not financially accountable for them nor are the entities fiscally dependent on the City:

The Northmont Branch Library is a distinct political subdivision of Montgomery County Public Library governed by a board of trustees. The board of trustees possesses its own contracting and budgeting authority, hires and fires personnel and does not depend on the City for operational subsidies. Being a county library, Montgomery County is the taxing authority for the library.

Northmont City School District is a distinct political subdivision of the State of Ohio operated under the direction of an elected school board which possesses its own budgeting and taxing authority and which is not fiscally dependent on the City.

2. BASIS OF PRESENTATION - FUND ACCOUNTING

The City uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain City functions or activities.

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

City of Englewood, Ohio - Montgomery County
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
December 31, 1999

NOTE A - REPORTING ENTITY AND BASIS OF PRESENTATION (CONTINUED)

2. BASIS OF PRESENTATION - FUND ACCOUNTING (CONTINUED)

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

3. GOVERNMENTAL FUND TYPES

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

a. General Funds

These funds are the operating funds of the City and are used to account for all financial resources except those required to be accounted for in another fund. The general fund balances are available to the City for any purpose provided it is expended or transferred according to the general laws of Ohio and the Charter of the City.

b. Special Revenue Funds

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

c. Capital Projects Funds

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

d. Debt Service Fund

This fund is used to account for the accumulation of resources for, and the payment of, general long-term and special assessment debt principal and interest.

City of Englewood, Ohio - Montgomery County

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

December 31, 1999

NOTE A - REPORTING ENTITY AND BASIS OF PRESENTATION (CONTINUED)

4. PROPRIETARY FUND TYPES

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

a. Enterprise Funds

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

b. Internal Service Fund

This fund is used to account for the financing of services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis.

5. FIDUCIARY FUNDS

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

City of Englewood, Ohio - Montgomery County

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

December 31, 1999

NOTE A - REPORTING ENTITY AND BASIS OF PRESENTATION (CONTINUED)

6. ACCOUNT GROUPS

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

a. General Fixed Assets Account Group

To account for all general fixed assets of the City other than those accounted for in proprietary or trust funds.

b. General Long-Term Obligations Account Group

To account for all unmatured general long-term indebtedness of the City that is not a specific liability of the proprietary funds or trust funds, including special assessment debt for which the City is obligated in some manner.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

1. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

City of Englewood, Ohio - Montgomery County

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

December 31, 1999

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (CONTINUED)

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

Pursuant to GASB Statement No. 20: Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting, the City follows GASB guidance as applicable to proprietary funds and Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins issued on or before November 30, 1989 that do not conflict with or contradict GASB pronouncements.

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

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

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

City of Englewood, Ohio - Montgomery County

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

December 31, 1999

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (CONTINUED)

The City reports deferred revenues in its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the measurable and available criteria for recognition in the current period. In the subsequent period, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized. Current and delinquent property taxes measurable as of December 31, 1999, whose availability is indeterminate and which are not intended to finance current period obligations, have been recorded as a receivable and deferred revenue. Levied special assessments are measurable, and have been recorded as a receivable. Since all assessments are due outside the available period, the entire amount has been deferred.

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

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

City of Englewood, Ohio - Montgomery County

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

December 31, 1999

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. BUDGETARY PROCESS

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

3. TAX BUDGET

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

4. ESTIMATED RESOURCES

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

City of Englewood, Ohio - Montgomery County

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

December 31, 1999

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. ESTIMATED RESOURCES (CONTINUED)

The certificate may be further amended during the year if the fiscal officer determines that the revenue collected is greater or less than the current estimates. The amounts reported on the budgetary statements reflect the amounts in the final amended official certificate of estimated resources issued during 1999.

5. APPROPRIATIONS

A temporary appropriation measure to control expenditures may be passed on or about January 1 of each year for the period from January 1 to March 31. The annual appropriation ordinance must be passed by April 1 of each year for the period January 1 to December 31. The appropriation ordinance generally controls the spending authority at the fund, department and object level. The appropriation ordinance may be amended during the year as new information becomes available, provided that total fund appropriations do not exceed current estimated resources, as certified. The allocation of appropriations among departments and objects within a fund may be modified during the year only by an ordinance of Council. During the year several supplemental appropriation measures were legally passed. The budget figures which appear in the statements of budgetary comparisons represent the final appropriation amounts, including all amendments and modifications.

6. ENCUMBRANCES

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

City of Englewood, Ohio - Montgomery County

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

December 31, 1999

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

7. LAPSING OF APPROPRIATIONS

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

8. CASH AND CASH EQUIVALENTS

Cash balances of the City's funds, except cash held by a trustee or fiscal agent, are pooled and invested in investments maturing within 10 years in order to provide improved cash management. Individual fund integrity is maintained through City records. Each fund's interest in the pooled bank account is presented on the balance sheet as "Equity in Pooled Cash, Cash Equivalents, and Investments" on the combined balance sheet. Investments are stated at cost which approximates fair value. For purposes of the combined statement of cash flows and for presentation on the combined balance sheet, investments with original maturities of three months or less and investments of the cash management pool are considered to be cash equivalents. Interest income is distributed to the funds according to charter and statutory requirements. Interest revenue earned during 1999 amounted to \$434,791.

9. INVENTORY OF SUPPLIES

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

City of Englewood, Ohio - Montgomery County

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

December 31, 1999

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

10. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "Due From Other Funds" or "Due to Other Funds" on the balance sheet. Short-term interfund loans are classified as "interfund receivables/ payables".

11. FIXED ASSETS AND DEPRECIATION

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

General Fixed Assets

General fixed assets (fixed assets used in governmental fund type operations) are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. All purchased fixed assets are valued at cost where historical records are available and at estimated historical cost where no historical records exist. Donated fixed assets are valued at their estimated fair market value on the date received.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

City of Englewood, Ohio - Montgomery County

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

December 31, 1999

11. FIXED ASSETS AND DEPRECIATION (CONTINUED)

General Fixed Assets (Continued)

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

Proprietary Fund Fixed Assets

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

Buildings	20-45 years
Land improvements other than buildings	15-20 years
Equipment	5-30 years
Vehicles	3-10 years
Infrastructure:	
Sewer and water lines	50 years

12. COMPENSATED ABSENCES

The City has implemented Governmental Accounting Standards Board Statement No. 16 "Accounting for Compensated Absences". Vacation leave accumulated by employees is accrued as a liability as the benefits are earned when both of these conditions are met:

1. The employees' rights to receive compensation are attributable to services already rendered.
2. It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

City of Englewood, Ohio - Montgomery County

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

December 31, 1999

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

12. COMPENSATED ABSENCES (CONTINUED)

A liability for sick leave is accrued using the vesting method which states that the City will estimate its liability based on sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments as specified by the retirement system as well as other employees who are expected to become eligible in the future to receive such payments. The amount is based on accumulated sick leave and employees' wage rates at year end, taking into consideration any limits specified in the City's termination policy.

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

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

13. LONG-TERM DEBT OBLIGATION

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

City of Englewood, Ohio - Montgomery County

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

December 31, 1999

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

13. LONG-TERM DEBT OBLIGATION (CONTINUED)

Under Ohio Law, a debt retirement fund must be created and used for the payment of all debt principal and interest. Generally accepted accounting principles require the allocation of the debt liability among the special revenue funds, capital project funds and the general long-term obligations account group, with principal and interest payments on matured general obligation long-term debt being reported in the debt service fund. To comply with GAAP reporting requirements, the City's debt retirement fund has been split among the appropriate funds and account group.

Debt Service Fund resources used to pay both principal and interest have also been allocated accordingly. Long-term liabilities are being repaid from the following funds:

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

14. CONTRIBUTED CAPITAL

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

Because the City, prior to 1991, had not prepared its financial statements in accordance with generally accepted accounting principles, the exact amount of contributed capital pertaining to years prior to 1991 cannot be determined. Consequently, only those amounts that have been able to be identified specifically have been classified as contributed capital in the accompanying general purpose financial statements. All other fund equity amounts pertaining to the enterprise funds have been classified as retained earnings.

City of Englewood, Ohio - Montgomery County

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

December 31, 1999

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

15. RESERVATIONS AND DESIGNATION OF FUND EQUITY

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

16. INTERGOVERNMENTAL REVENUES

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

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

17. INTERFUND TRANSACTIONS

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

All other interfund transactions, except quasi-external transaction and reimbursements, are reported as operating transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. The residual equity transfers also include a return of equity from a fund that is being closed.

City of Englewood, Ohio - Montgomery County

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

December 31, 1999

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

18. ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

19. TOTAL COLUMNS ON GENERAL PURPOSE FINANCIAL STATEMENTS

Total columns on the General Purpose 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 cash flows in conformity with generally accepted accounting principles nor is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

NOTE C - BUDGET TO GAAP RECONCILIATION

1. BUDGETARY BASIS OF ACCOUNTING

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

The Combined Statement of Revenues, Expenditures, and Changes in Fund Balances, Budget and Actual (Budget Basis), All Governmental Fund Types and the Combined Statement of Revenues, Expenses and Changes in Fund Equity - Budget and Actual (Budget Basis), All Proprietary Fund Types are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget.

City of Englewood, Ohio - Montgomery County

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

December 31, 1999

NOTE C - BUDGET TO GAAP RECONCILIATION (CONTINUED)

1. BUDGETARY BASIS OF ACCOUNTING (CONTINUED)

The major differences between the budget basis and GAAP basis are that:

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

The adjustments necessary to convert the results of operations for the year on the GAAP basis to the budget basis are as follows:

Excess (Deficiency) of Revenues and
Other Financing Sources Over
Expenditures and Other Financing Uses
Governmental Fund Types

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Capital Projects Funds</u>	<u>Debt Service Fund</u>
GAAP Basis	\$ 15,773	\$ 571,623	\$ 1,096,128	\$ -
Revenue Accruals	<77,696>	4,439	<514,224>	-
Expenditure				
Accruals	<4,845>	15,852	<122,979>	-
Encumbrances	<60,503>	<385,241>	<4,585,622>	-
Debt Principal				
Payments	-	-	-	<95,000>
Debt Interest				
Payments	-	-	-	<50,420>
Advances	-	<250,000>	250,000	-
Transfers	<u>7,262</u>	<u>-</u>	<u>143,476</u>	<u>145,420</u>
Budget Basis	\$ <u><120,009></u>	\$ <u><43,327></u>	\$ <u><3,733,221></u>	\$ <u>--</u>

City of Englewood, Ohio - Montgomery County
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
 December 31, 1999

NOTE C - BUDGET TO GAAP RECONCILIATION (CONTINUED)

1. BUDGETARY BASIS OF ACCOUNTING (CONTINUED)

	Net Income/Excess of Revenues Over <Under> Expenses and Operating Transfers Proprietary Fund Types	
	<u>Enterprise</u>	Internal <u>Service-</u>
GAAP Basis	\$ 122,580	\$ 33,214
Adjustments		
Revenue Accruals	<3,816>	<1,015>
Expense Accruals	<353,392>	43,610
Depreciation	573,800	76,295
Encumbrances	<865,127>	<97,287>
Transfers	<290,168>	-
Note proceeds	1,200,000	-
Loss on sale of fixed assets	<u>138</u>	<u>--</u>
Budget Basis	<u>\$ 384,015</u>	<u>\$ 54,817</u>

NOTE D - STATUTORY COMPLIANCE

Pursuant to Section 117.11B of the Revised Code, we performed tests of compliance with various provisions of local, state and federal laws as deemed appropriate. The auditors' findings and citations, if any, are included in a separate report entitled "Other Auditors' Reports".

NOTE E - DEPOSITS AND INVESTMENTS

1. POLICIES AND PROCEDURES

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

City of Englewood, Ohio - Montgomery County

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

December 31, 1999

NOTE E - DEPOSITS AND INVESTMENTS (CONTINUED)

1. POLICIES AND PROCEDURES (CONTINUED)

The investment and deposit of City monies are governed by the provisions of the Charter and Codified Ordinances of the City and the Ohio Revised Code. In accordance with these provisions, only financial institutions located in Ohio or primary securities dealers as designated by the Federal Reserve Bank of New York or securities brokers that are registered members of the National Association of Security Dealers are eligible to hold public deposits. The provisions also permit the City to invest its monies in certificates of deposit, savings accounts, money market accounts, the State Treasurer's investment pool (STAR OHIO) and obligations of the United States government or certain agencies thereof. The City may also enter into repurchase agreements with any eligible depository. State law does not require that security for public deposits be maintained in the name of the City.

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

Public depositories must give security for all public funds on deposit. These institutions may either specifically collateralize individual accounts in lieu of amounts insured by the Federal Deposit Insurance Corporation (FDIC) or may pledge a pool of government securities the face value of which is at least 110 percent of the total value of public monies on deposit at the institution.

2. DEPOSITS

At year end, the carrying amount of the City's deposits was \$137,867 and the related bank balance was \$457,066. Of the bank balance, \$200,000 was covered by federal deposit insurance and the remaining amounts were uninsured and uncollateralized as defined by GASB Statement No. 3 because the securities held as collateral by the financial institutions or their trust departments or agents were held in an investments and securities pool but not in the financial institution's name. As authorized by state statute, the pledging bank has established an investment and securities pool to collateralize all public deposits.

City of Englewood, Ohio - Montgomery County

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

December 31, 1999

NOTE E - DEPOSITS AND INVESTMENTS (CONTINUED)

3. INVESTMENTS

GASB Statement No. 3 "Deposits with Financial Institutions, Investments and Reverse Repurchase Agreements" requires that the City's investments be classified in categories of risk. Category 1 includes investments that are insured or registered or for which the securities are held by the City. Category 2 includes uninsured and unregistered investment for which the securities are held by the counterparty's trust department or agent in the City's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty or by its trust department but not in the City's name.

	<u>Category 2</u>	<u>Carrying Value</u>	<u>Market Value</u>
Commercial Paper	\$2,471,690	\$2,471,690	\$2,507,772
Certificate of Deposits	634,200	634,200	672,915
Government Securities	<u>6,289,455</u>	<u>6,289,455</u>	<u>6,119,408</u>
Total	<u>\$9,395,345</u>	<u>\$9,395,345</u>	<u>\$9,300,095</u>

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

The gross unrealized loss on government securities is \$95,250 at December 31, 1999.

City of Englewood, Ohio - Montgomery County

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

December 31, 1999

NOTE E - DEPOSITS AND INVESTMENTS (CONTINUED)

3. INVESTMENTS (CONTINUED)

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

	<u>Cash and Cash Equivalents/ Deposits</u>	<u>Investments</u>
GASB Statement 9	\$ 9,533,212	\$ -
Investments:		
Commercial Paper	<2,471,690>	2,471,690
Certificates of Deposit	<634,200>	634,200
Government Securities	<u><6,289,455></u>	<u>6,289,455</u>
GASB Statement 3	<u>\$ 137,867</u>	<u>\$ 9,395,345</u>

NOTE F - PROPERTY TAXES

Property taxes include amounts levied against all real, public utility and tangible personal property located in the City. Taxes collected from real property taxes (other than public utility) in one calendar year are levied in the preceding calendar year on the assessed value as of January 1 of that preceding year, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. All property is required to be revaluated every six years. The last revaluation was completed in 1996. Real property taxes are payable annually or semi-annually. The first payment is due January 20, with the remainder payable by July 20.

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

City of Englewood, Ohio - Montgomery County

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

December 31, 1999

NOTE F - PROPERTY TAXES (CONTINUED)

taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20. Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Certain public utility tangible personal property currently is assessed at 89 percent of its true value; public utility real property is assessed at 35 percent of true value. Public utility property taxes are payable on the same dates as real property taxes described previously.

The County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City of Englewood. The County Auditor periodically remits to the City its portion of the taxes collected. The full tax rate for all City operations for the year ended December 31, 1999, was \$10.59 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 1999 property tax receipts were based are as follows:

Real Property Tax Assessed Valuation	\$ 168,206,320
Public Utility Tangible Personal Property Assessed Valuation	8,532,760
Tangible Personal Property Assessed Valuation	<u>16,970,137</u>
Total	<u>\$ 193,709,217</u>

Property taxes receivable represent real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 1999. Although total property tax collections for the next fiscal year are measurable, amounts to be received during the available period are not subject to reasonable estimation at December 31, nor are they intended to finance 1999 operations. The receivable is therefore offset by a credit to deferred revenue.

City of Englewood, Ohio - Montgomery County

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

December 31, 1999

NOTE G - INCOME TAX

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

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

Income tax proceeds are to be used to pay the cost of administering the tax. All income tax revenue is initially placed in the General Fund. At least twenty eight and one half percent of income tax collected must be transferred to the Capital Improvement Capital Projects Fund to be used for capital improvements. All other income tax proceeds are left in the General Fund with the use of these monies being determined by City Council. Income tax revenue for 1999 was \$3,899,306.

NOTE H - RECEIVABLES

Receivables at December 31, 1999 consisted of taxes, intergovernmental receivables arising from grants, entitlements and shared revenues, special assessments, interest on investments and utility accounts. The special assessment receivable in the enterprise funds relates to a water main project for which there is no outstanding debt. All receivables are considered fully collectible except utility accounts which are estimated to be one percent uncollectible.

<u>Utility Accounts Receivable</u>	<u>Estimated Uncollectible</u>	<u>Net Receivable</u>
\$ 282,443	\$ 2,740	\$ 279,703

City of Englewood, Ohio - Montgomery County
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
 December 31, 1999

NOTE H - RECEIVABLES (CONTINUED)

A summary of intergovernmental receivables follows:

General Fund:

Local Government Assistance	\$	23,872
Inheritance Tax		61,175
Other		400

Total General Fund		85,447
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Special Revenue Funds:

<u>Fire and EMS Fund</u>		
City of Union Shared Services		5,456

<u>Northmont Communications Fund</u>		
Dispatch Service to Other Governments		15,401

<u>Heck Community Center</u>		
Building Rentals		869

<u>Police Fund</u>		
Fines and Forfeitures		1,376

<u>State Highway Fund</u>		
Gas Tax		1,442
Motor Vehicle License Tax		403

<u>Street Maintenance and Repair Fund</u>		
Gas Tax		17,783
Motor Vehicle License Tax		4,973

<u>Permissive Road Tax Fund</u>		
City Permissive Tax		6,184

Total Special Revenue Funds		53,887
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Capital Project Fund:

<u>SR/48 Jefferson, Phase V Fund</u>		
City of Union		67,038
FHWA Grant		536,523

Total Capital Project Fund	\$	603,561
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City of Englewood, Ohio - Montgomery County
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
 December 31, 1999

NOTE H - RECEIVABLES (CONTINUED)

Internal Service Funds:

Government Center Fund

Dayton and Montgomery County Library \$ 4,707

Total Internal Service Funds 4,707

Total All Funds \$ 747,602

By statute, local property taxes are reduced 10%, with additional reductions for the elderly and the disabled. The amount of these reductions, estimated to be approximately \$147,906, will be paid to the City by the State of Ohio in 2000.

NOTE I - FIXED ASSETS

General Fixed Assets

Changes in general fixed assets during the year ended December 31, 1999 were as follows:

	Balance at January 1, <u>1999</u>	<u>Additions</u>	<u>Disposals/ Transfers</u>	Balance at December 31, <u>1999</u> -
Land	\$3,360,815	\$ 21,641	\$ 336,383	\$ 3,046,073
Improvements to land	1,884,999	86,540	-	1,971,539
Buildings	1,795,069	67,755	-	1,862,824
Equipment	1,341,402	158,709	31,771	1,468,340
Vehicles	<u>1,602,083</u>	<u>390,730</u>	<u>44,112</u>	<u>1,948,701</u>
Totals	<u>\$9,984,368</u>	<u>\$ 725,375</u>	<u>\$ 412,266</u>	<u>\$10,297,477</u>

City of Englewood, Ohio - Montgomery County

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

December 31, 1999

NOTE J - DEFINED BENEFIT PENSION PLANS

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

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

Public Employees Retirement System

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

The Ohio Revised Code provides statutory authority for employee and employer contributions. Plan members are required to contribute 8.5% of their annual covered salary and the City is required to contribute 13.55%. The City elected to contribute an additional five percent of the employee's share for a total of 18.55%. The City's contributions to the plan for the years ending December 31, 1997, 1998, and 1999 were \$280,180, \$303,180 and \$311,359.

Police and Firemen's Disability Pension Fund

The City of Englewood contributes to the Police and Firemen's Disability and Pension Fund (PFDPF) a cost-sharing multiple-employer defined benefit pension plan. PFDPF provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries.

City of Englewood, Ohio - Montgomery County

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

December 31, 1999

NOTE J - DEFINED BENEFIT PENSION PLANS (CONTINUED)

Police and Firemen's Disability Pension Fund (Continued)

Authority to establish and amend benefits is provided by state statute per Chapter 742 of the Ohio Revised Code. The Police and Firemen's Disability Pension Fund issues a publicly available financial report that includes financial statements and required supplementary information for the fund. Interested parties may obtain a copy by making a written request to 140 East Town Street, Columbus, Ohio 43215-5164, or by calling (614) 228-2975.

The Ohio Revised Code provides statutory authority for employee and employer contributions. Plan members are required to contribute 10% of their annual covered salary and the City contributed 19.5% for Police employees and 24% of firefighters. The City has elected to contribute an additional five percent of the employee's share for a total of 24.5% for police employees and 29% for fire employees. The City contributions to the plan for the years ended December 31, 1997, 1998, and 1999, were \$173,110, \$186,103 and \$180,020. In 1997 the City initiated a fire department and total contribution for fire employees in 1997 and 1998 and 1999 were \$10,804, \$59,188 and \$61,730 respectively. The unpaid contribution for 1999 is \$56,734 and is recorded as a liability in the general long-term account group.

NOTE K - POSTEMPLOYMENT BENEFITS

1. PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)

The Public Employees Retirement System of Ohio provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is available. A portion of each employer's contribution to PERS is set aside for the funding of postretirement health care based on authority granted by State statute. The employer contribution rate was 13.55 percent of covered payroll; 4.2 percent was the portion that was used to fund health care for the year 1999.

City of Englewood, Ohio - Montgomery County

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

December 31, 1999

NOTE L - POSTEMPLOYMENT BENEFITS (CONTINUED)

1. PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS) (CONTINUED)

Other postemployment 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 City's actual contributions for 1999 which were used to fund postemployment benefits were \$70,496. The actual contribution and the actuarially required contribution amounts are the same. The Retirement System's net assets available for payment of benefits at December 31, 1999 (the latest unaudited information available) was \$9,870,285,641. The number of benefit recipients eligible for other postemployment benefits at December 31, 1999 was 118,062.

2. POLICE AND FIREMEN'S DISABILITY AND PENSION FUND (P&FDPF)

The Police and Firemen's Disability and Pension Fund of Ohio ("System") provides postretirement health care coverage to any person who receives or is eligible to receive a monthly benefit check or is a spouse or eligible dependent child of such persons. An eligible dependent child is any child under the age of eighteen whether or not he is attending school or under twenty-two if attending full-time or on a 2/3 basis. The Ohio Revised Code provides the authority allowing the System's board of trustees to provide health care coverage and states that health care cost paid from the System shall be included in the employer's contribution rate. The total police employer contribution is 19.5 percent of covered payroll and the total firefighter employer contribution rate is 24% of covered payroll of which 6.5 percent was applied to the postemployment health care program. Health care funding and accounting is on a pay-as-you-go basis.

The number of participants in the "System" eligible to receive health care benefits was 11,424 for police and 9,186 for firefighters. The City's actual contributions for 1999 that were used to fund postemployment benefits were \$51,434 for police and \$14,900 for firefighters. The System's total health care expenses for the year ending December 31, 1998 (the latest information available) were \$78,596,790.

City of Englewood, Ohio - Montgomery County
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

December 31, 1999

NOTE L - OTHER EMPLOYEE BENEFITS

1. DEFERRED COMPENSATION PLAN

City employees and elected officials may participate in a statewide deferred compensation plan or a plan offered by Aetna Life Insurance and Annuity Company. Both plans were created in accordance with Internal Revenue Code Section 457.

Participation is on a voluntary payroll deduction basis. The plans permit deferral of compensation until future years. According to the plans, the deferred compensation is not available until termination, retirement, death or an unforeseeable emergency.

In 1998, the City implemented GASB Statement No. 32 "Deferred Compensation Plans." This statement requires the City to not accrue deferred compensation for those plans that have established a trust fund. For the City, both plans offered have established a trust fund by year-end, and the amounts are no longer reported on the City's balance sheet.

2. COMPENSATED ABSENCES

a. Accumulated Unpaid Vacation

City employees earn vacation leave at varying rates based upon length of service. In the case of death or retirement, an employee (or his estate) is paid for his unused vacation leave. The total obligation for vacation accrual for the City as a whole amounted to \$162,833 at December 31, 1999.

b. Accumulated Unpaid Sick Leave

City employees earn sick leave at the rate of one and one-fourth days per month. Upon retirement an employee is paid for one-third of his accumulated sick leave within various limits. The total obligation for sick leave accrual for the City as a whole as of December 31, 1999 was \$180,375.

City of Englewood, Ohio - Montgomery County

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

December 31, 1999

NOTE M - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts, thefts of, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. In 1988, the City joined the Ohio Government Risk Management Plan. This Plan does not operate as a risk pool, but provides conventional insurance protection and reinsures these coverages 100 percent.

The type of coverage and deductible for each is as follows:

<u>Type of Coverage</u>	<u>Per Occurrence</u>	<u>Deductible</u>
Property	\$ 12,571,710	\$ 2,500
General Liability	\$ 5,000,000	\$ -
Wrongful Acts	\$ 5,000,000	\$ 2,500
Auto Liability	\$ 5,000,000	\$ 2,500
Crime	\$ 5,000	\$ -
Inland Marine	\$ 1,394,913	\$ 1,000
Bond	\$ 10,000	\$ -
Law Enforcement	\$ 5,000,000	\$ 2,500
Fire Vehicle	\$ 1,017,312	\$ 2,500
EDP	\$ 213,551	\$ 250

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

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

Effective January 1, 1999, the City has elected to offer employee medical insurance benefits through a plan provided by United Healthcare of Ohio and discontinued its self insured program. The current United Healthcare plan provides a medical plan with a deductible of \$200 for single coverage and \$400 for family coverage. Also, the plan provides dental coverage with a \$25 deductible for single coverage and \$50 deductible for family coverage. Employees are required to share in the costs of their medical plan along with the City. Each month the City contributes \$216.63 for single coverage and \$632.99 for family coverage for each employee. In addition, all employees choosing family coverage must pay \$63.31 per month and \$21.67 for single coverage.

City of Englewood, Ohio - Montgomery County

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

December 31, 1999

NOTE M - RISK MANAGEMENT (CONTINUED)

The claims liability of \$22,580 reported in the fund at December 31, 1998 is based on an estimate provided by the third party administrator and the requirements of Governmental Accounting Standards Board Statement No, 10 which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonable estimated. Changes in the funds claims liability amount in 1998 and 1999 are as follows:

	Balance at <u>January 1,</u>	Current Year <u>Claims</u>	Claim <u>Payments</u>	Balance at <u>December 31,</u>
1998	\$ 44,292	\$ 314,653	\$ 336,365	\$ 22,580
1999	\$ 22,580	\$ 27,394	\$ 49,974	\$ -

NOTE N - LONG-TERM OBLIGATIONS

Long-term obligations at December 31, 1999 are as follows:

General Long-Term Obligations

	Balance January 1, <u>1999</u>	<u>Increase</u>	<u>Decrease</u>	Balance December 31, <u>1999 -</u>
Compensated Absences	\$ 212,995	\$ -	\$ 14,526	\$ 198,469
Intergovernmental Payable	<u>54,026</u>	<u>2,709</u>	<u>-</u>	<u>56,735</u>
Total	\$ <u>267,021</u>	\$ <u>2,709</u>	\$ <u>14,526</u>	\$ <u>255,204</u>

The intergovernmental payable represents the employer's portion of pension for 1999 that was not paid until the following year.

City of Englewood, Ohio - Montgomery County
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

December 31, 1999

NOTE N - LONG-TERM OBLIGATIONS (CONTINUED)

Proprietary Fund Long-Term Obligations - Enterprise Funds

	Balance January 1, <u>1999</u>	<u>Increase</u>	<u>Decrease</u>	Balance December 31, <u>1999</u> -
Revenue Bonds				
4.75% - 1993 Sewer System Improvement	\$ 350,000	\$ -	\$ 35,000	\$ 315,000
5.35% - 1994 Water System Improvement	<u>660,000</u>	<u>-</u>	<u>60,000</u>	<u>600,000</u>
Total - Enterprise Funds	<u>\$1,010,000</u>	<u>\$ -</u>	<u>\$ 95,000</u>	<u>\$ 915,000</u>

As of December 31, 1999, the City's overall legal debt margin (the ability to issue additional amounts of general obligation bonded debt) was \$20,339,468. Principal and interest requirements to retire the City's long-term obligations outstanding at December 31, 1999 are:

<u>Year</u>	<u>Revenue Bonds</u>
2000	\$ 140,547
2001	135,675
2002	130,803
2003	125,930
2004	121,051
2005-09	<u>496,938</u>
Total	<u>\$1,150,944</u>

NOTE O - SHORT-TERM OBLIGATION

During 1999, the City issued bond anticipation notes in the amount of \$1,200,000 in the Water Fund for the purpose of building a water tower. The notes were issued at 4% interest with a one year maturity. The City plans on rolling over the note and paying part of the principal with Water Fund revenues.

City of Englewood, Ohio - Montgomery County
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

December 31, 1999

NOTE P - INTERFUND ASSETS/ LIABILITIES

Individual fund interfund asset and liability balances at December 31, 1999, are as follows:

Due From/To Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Reserve for Capital Improvements	General	\$ 109,813
General	Issue II	<u>250,000</u>
Total		<u>\$ 359,813</u>

NOTE Q - SEGMENT INFORMATION

The City's enterprise funds account for the provision of sewer, solid waste collection and water services. Key financial information for the year ended December 31, 1999, for each enterprise fund is as follows:

	<u>Sewer Fund</u>	<u>Solid Waste Fund</u>	<u>Water Fund</u>	<u>Total</u>
Operating Revenues	\$1,152,821	\$ 570,282	\$1,009,223	\$ 2,732,326
Operating Expenses				
Before Depreciation	744,764	544,115	633,887	1,922,766
Depreciation Expense	<u>297,706</u>	<u>-</u>	<u>276,094</u>	<u>573,800</u>
Operating Income	110,351	26,167	99,242	235,760
Net Non-Operating Expenses	<14,045>	-	<43,883>	<57,928>
Operating Transfer - In	88,871	-	55,877	144,748
Operating Transfer - Out	<u><200,000></u>	<u>-</u>	<u>-</u>	<u><200,000></u>
Net Income <Loss>	\$ <u><14,823></u>	\$ <u>26,167</u>	\$ <u>111,236</u>	\$ <u>122,580</u>
Current Contributed Capital	\$ <u>198,415</u>	\$ <u>-</u>	\$ <u>292,654</u>	\$ <u>491,069</u>
Additions to Property, Plant and Equipment	\$ <u>3,233</u>	\$ <u>-</u>	\$ <u>350,516</u>	\$ <u>353,749</u>

City of Englewood, Ohio - Montgomery County
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

December 31, 1999

NOTE Q - SEGMENT INFORMATION (CONTINUED)

	<u>Sewer Fund</u>	<u>Solid Waste Fund</u>	<u>Water Fund</u>	<u>Total</u>
Net Working Capital	\$ <u>768,964</u>	\$ <u>124,025</u>	\$ <u>891,266</u>	\$ <u>1,784,255</u>
Total Assets	\$ <u>8,304,158</u>	\$ <u>165,165</u>	\$ <u>11,176,595</u>	\$ <u>19,645,918</u>
Other Long-Term Liabilities Payable from Revenue	\$ <u>327,514</u>	\$ <u>-</u>	\$ <u>608,231</u>	\$ <u>935,745</u>
Total Equity	\$ <u>7,920,387</u>	\$ <u>124,025</u>	\$ <u>9,248,292</u>	\$ <u>17,292,704</u>
Encumbrances Outstanding at December 31, 1999	\$ <u>19,770</u>	\$ <u>54,789</u>	\$ <u>845,357</u>	\$ <u>919,916</u>

NOTE R - CONTRIBUTED CAPITAL

During the year contributed capital increased by the following amounts:

Enterprise Funds

<u>Sources</u>	<u>Sewer Fund</u>	<u>Water Fund</u>	<u>Total</u>
Developers	\$ 143,945	\$ 279,110	\$ 423,055
Customers	-	7,554	7,554
Other funds	54,470	5,990	60,460
Contributed Capital at January 1, 1999	<u>7,940,283</u>	<u>8,483,209</u>	<u>16,423,492</u>
Contributed Capital at December 31, 1999	<u>\$ 8,138,698</u>	<u>\$ 8,775,863</u>	<u>\$ 16,914,561</u>

Internal Service Funds

<u>Sources</u>	<u>Government Center Fund</u>	<u>Service Center Fund</u>	<u>Total</u>
Other Funds	\$ -	\$ -	\$ -
Contributed Capital at January 1, 1999	<u>669,208</u>	<u>81,086</u>	<u>750,294</u>
Contributed Capital at December 31, 1999	<u>\$ 669,208</u>	<u>\$ 81,086</u>	<u>\$ 750,294</u>

City of Englewood, Ohio - Montgomery County
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
December 31, 1999

NOTE S - CONTINGENT LIABILITIES

Federal and State Grants

For the period January 1, 1999 to December 31, 1999 the City received federal and state grants for specific purposes that are subject to review and audit by grantor agencies or their designee. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the City believes such disallowance, if any, would be immaterial.

NOTE T - FRANCHISE FEES

The City of Englewood received a five percent franchise fee from Media One. In 1999, the City received a franchise fee in the amount of \$94,938.

NOTE U - COLLECTIVE BARGAINING

The City of Englewood has entered into a collective bargaining agreement with the Ohio Patrolmans Benevolent Association. Sixteen employees are covered under this agreement, which expires on December 31, 1999. The City has a total of 105 employees, which includes part-time employees.

NOTE V - DEFICIT FUND EQUITY

The Sewer enterprise fund has a deficit balance in retained earnings of \$218,311 as of December 31, 1999. Operating revenues are able to cover expenses except depreciation which is not an operational expense, but rather an accounting expense.

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SUPPLEMENTAL INFORMATION

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City of Englewood, Ohio - Montgomery County

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended December 31, 1999

<u>Federal Grantor/ Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Highway Planning and Construction	20.205	MOT-SR48-37.780	\$ 550,065
Passed through State of Ohio Office of the Governor's Highway Safety Representative (OGHSR) Third Grade Safety Belt Program	20.600	Safety Belt	<u>490</u>
Total U.S. Department of Transportaion			550,555
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Office of Community Oriented Policing Services (COPS MORE 98 Award) (note B)	16.710	98CMWX1287	33,272
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
Community Development Block Grant Program (CDBG)	14.22	B-97-UC-39-0004	<u>41,628</u>
Total Expenditures of Federal Awards			\$ <u>625,455</u>

City of Englewood, Ohio - Montgomery County
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
Year Ended December 31, 1999

Notes to Schedule of Expenditures of Federal Awards

NOTE A - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of City of Englewood and is presented on the cash basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE B - COMMUNITY ORIENTED POLICING SERVICES GRANT

In accordance with the terms of the grant the City has expended matching contributions in excess of 25% during the year ended December 31, 1999.

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CITY OF ENGLEWOOD, OHIO

OTHER AUDITORS' REPORTS

FOR THE PERIOD FROM JANUARY 1, 1999 THROUGH
DECEMBER 31, 1999

CITY OF ENGLEWOOD
OTHER AUDITORS' REPORTS
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ROTH & COMPANY
215 W. National Road
Englewood, Ohio 45322

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Mayor, Members of the City
Council and City Manager
City of Englewood, Ohio

We have audited the financial statements of City of Englewood, Ohio, as of and for the year ended December 31, 1999, and have issued our report thereon dated June 19, 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 City of Englewood, Ohio 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, which we have reported to management of City of Englewood, Ohio in a separate letter dated June 19, 2000.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered City of Englewood, Ohio internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of the city council, management and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

Roth & Company
Englewood, Ohio
June 19, 2000

ROTH & COMPANY
215 W. National Road
Englewood, Ohio 45322

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

Mayor, Members of the City
Council and City Manager
City of Englewood, Ohio

Compliance

We have audited the compliance of City of Englewood, Ohio with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended December 31, 1999. City of Englewood, Ohio's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of City of Englewood, Ohio's management. Our responsibility is to express an opinion on City of Englewood, Ohio's compliance based on our audit.

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

In our opinion, City of Englewood, Ohio complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 1999.

Internal Control Over Compliance

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

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information of the city council, management and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

Roth & Company
Englewood, Ohio
June 19, 2000

City of Englewood

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended December 31, 1999

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:
Material weakness(es) identified? _____yes X no
Reportable condition(s) identified not
considered to be material weaknesses? _____yes X none
reported

Noncompliance material to financial
statements noted? _____yes X no

Federal Awards

Internal control over major programs:
Material weakness(es) identified? _____yes X no
Reportable condition(s) identified not
considered to be material
weakness(es)? _____yes X none
reported

Type of auditor's report issued on
compliance for major programs? Unqualified

Any audit findings disclosed that are
required to be reported in accordance
with Circular A-133, Section .510(a)? _____yes X no

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
20.205	Highway Planning & Construction

Dollar threshold used to distinguish
between Type A and Type B programs? \$300,000

Auditee qualified as low-risk auditee? _____yes X no

City of Englewood

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended December 31, 1999

SECTION II - FINANCIAL STATEMENT FINDINGS

This section identifies the reportable conditions, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with paragraphs 5.18 through 5.20 of Government Auditing Standards.

No matters were reported.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

This section identifies the audit findings required to be reported by Circular A-133, Section .510(a).

No matters were reported.

CONCLUSION STATEMENT

December 31, 1999

This Auditor's Report was reviewed with and acknowledged by the following officials on July 18, 2000:

Eric A. Smith - City Manager
Robert Fortman - Finance Director

These officials were informed that they had five days from the date of the post audit conference to respond to, or contest in writing, anything in this report.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
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800-282-0370
Facsimile 614-466-4490

CITY OF ENGLEWOOD

MONTGOMERY COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
SEPTEMBER 12, 2000**