

CITY OF REYNOLDSBURG

FRANKLIN COUNTY

REGULAR AUDIT

JANUARY 1, 2005 – DECEMBER 31, 2005



**Auditor of State
Betty Montgomery**

Mayor and Members of City Council
City of Reynoldsburg
7232 East Main Street
Reynoldsburg, Ohio 43068

We have reviewed the *Independent Auditor's Report* of the City of Reynoldsburg, Franklin County, prepared by Wilson, Shannon & Snow, Inc., for the audit period January 1, 2005 through December 31, 2005. 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 Reynoldsburg is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Betty Montgomery".

BETTY MONTGOMERY
Auditor of State

June 27, 2006

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**CITY OF REYNOLDSBURG
FRANKLIN COUNTY**

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Report on Internal Control over Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards*

City of Reynoldsburg
Franklin County
7232 East Main Street
Reynoldsburg, Ohio 43061

To the City Council:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Reynoldsburg, Franklin County, Ohio (the City) as of and for the year ended December 31, 2005, which collectively comprise the City's basic financial statements and have issued our report thereon dated May 30, 2006, wherein we noted the City adopted Governmental Accounting Standards Board (GASB) Statement No. 40. In addition, as disclosed in Note 2, the City restated net assets and fund balances to reclassify activity between enterprise and governmental funds. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal controls over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level of risk the misstatements caused by error or fraud 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. In a separate letter to the City's management dated May 30, 2006, we reported other matters involving the internal control over financial reporting we did not deem reportable conditions.

Wilson, Shannon & Snow, Inc.

CERTIFIED PUBLIC ACCOUNTANTS
Ten West Locust Street
Newark, Ohio 43055
(740) 345-6611
1-800-523-6611
FAX (740) 345-5635

City of Reynoldsburg
Franklin County
Report on the Internal Control over Financial
Reporting and on Compliance and Other Matters
Required by *Government Auditing Standards*

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, 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 or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the finance committee, management, City Council, and the Auditor of State and is not intended to be and should not be used by anyone other than these specified parties.

Wilson, Shannon & Snow, Inc.

Newark, Ohio
May 30, 2006

**CITY OF REYNOLDSBURG
FRANKLIN COUNTY**

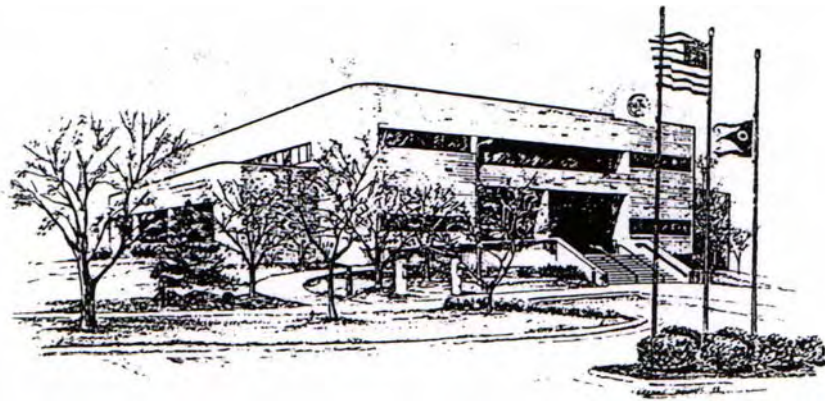
SCHEDULE OF PRIOR AUDIT FINDINGS

DECEMBER 31, 2005

Finding Number	Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <u>Explain:</u>
2004-001	Ohio Rev. Code Sections 135.14(B)(3), 135.08, and 135.09. Prohibited the City's investment in certificates of deposit held by financial institutions not domiciled in Ohio.	Yes	N/A.

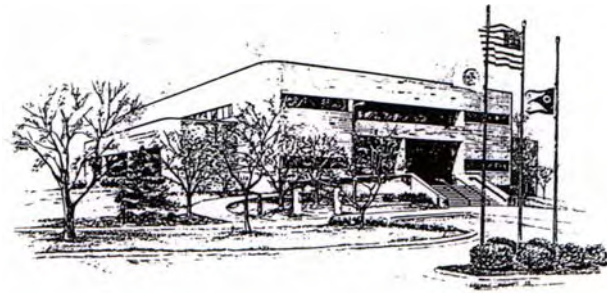
CITY OF REYNOLDSBURG, OHIO

Franklin, Fairfield and Licking Counties, Ohio



COMPREHENSIVE ANNUAL FINANCIAL REPORT

**FOR THE YEAR ENDED
DECEMBER 31, 2005**



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2005

Issued by:
Richard E. Harris
City Auditor



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FRANKLIN, FAIRFIELD AND LICKING COUNTIES, OHIO**

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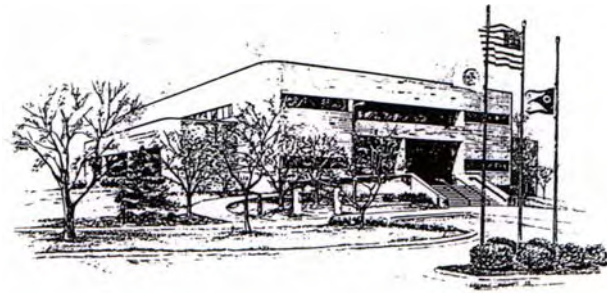
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INTRODUCTORY SECTION





CITY OF REYNOLDSBURG

7232 East Main Street • Reynoldsburg, Ohio 43068
Richard E. Harris, City Auditor

phone (614) 322-6858

fax (614)-322-6857

May 30, 2006

Honorable Citizens of Reynoldsburg
and Members of City Council
Reynoldsburg, Ohio:

I am pleased to present the Comprehensive Annual Financial Report for the City of Reynoldsburg for the year ended December 31, 2005. This report has been prepared in conformity with accounting principles generally accepted in the United State of America (GAAP) and guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA).

INTRODUCTION

While there is no legal requirement for the preparation of this report, it represents a commitment by the City of Reynoldsburg (the "City") to conform to nationally recognized standards of excellence in financial reporting. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of my knowledge and belief, the enclosed data, as presented, is accurate in all material respects, is presented in a manner designed to fairly set forth the financial position and results of operations of the City and includes all disclosures necessary to enable the reader to gain an understanding of the City's financial activity.

Accounting principles generally accepted in the United State of America require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City of Reynoldsburg's MD&A can be found immediately following the report of the independent auditors.

The Report

The Comprehensive Annual Financial Report (CAFR) is designed to assist and guide the reader in understanding its contents. The report is comprised of the following three major sections:

1. The Introductory Section includes this letter of transmittal which presents the City's organization, operational structure and accomplishments; an organizational chart; a list of elected officials; and the GFOA Certificate of Achievement.
2. The Financial Section contains the Independent Auditors' Report, Management's Discussion and Analysis, basic financial statements and notes that provide an overview of the City's financial position and operating results, the combining statements for nonmajor funds and other schedules that provide detailed information relative to the basic financial statements.
3. The Statistical Section presents social, economic and historical data in a multi-year format useful in identifying financial trends and data relative to the fiscal capacity of the City.

Letter of Transmittal

For the Year Ended December 31, 2005

The Reporting Entity

The accompanying basic financial statements comply with the provisions of Governmental Accounting Standards Board (the "GASB") Statement No. 14, *"The Financial Reporting Entity,"* as amended by GASB Statement No. 39, *"Determining Whether Certain Organizations Are Component Units"* in that the financial statements include all the organizations, activities, functions and component units for which the City (the reporting entity) is financially accountable. Financial accountability is defined as the appointment of a voting majority of the component unit's board and either (1) the City's ability to impose its will over the component unit, or (2) the possibility that the component unit will provide financial benefit to or impose a financial burden on the City.

Based on the foregoing, the reporting entity of the City has no component units but includes the following services as authorized by its Charter: police protection, parks and recreation, planning, zoning, street maintenance and other governmental services. Additionally, the City owns the water distribution system, the wastewater collection system and the stormwater collection system, each of which is reported as an enterprise fund. Treatment services for both water and wastewater are provided by the City of Columbus on a contractual basis. The City also reports the solid waste collection and disposal operations as an enterprise fund.

Historical Information

The origin of Reynoldsburg can be traced to 1801 when Thomas Jefferson signed an Act of Congress granting land to Lt. Colonel Bradford to be appropriated for refugees from Canada. The first settler was Thomas Palmer, who came from Massachusetts in 1803. The village of Frenchtown was platted in 1831 on land owned by John D. French. The name was changed in 1839 to Reynoldsburg in honor of John C. Reynolds, the Postmaster and a representative in the Ohio General Assembly. The village was incorporated in 1839 and granted city status in 1960.

Reynoldsburg is noted as "the birthplace of the tomato" because of its famous resident horticulturist Alexander W. Livingston (1821-1898), internationally known for his development of the "Paragon" tomato.

Location

Reynoldsburg is located ten miles east of downtown Columbus and comprises the eastern edge of the Columbus metropolitan area. It was the first Franklin County city to expand into two other counties: Licking County to the east and Fairfield County to the south. Encompassing approximately thirteen square miles, the City lies near the geographic center of the state and is easily accessible from all areas in Ohio. The City is seven miles from Port Columbus International Airport and offers immediate accessibility to interstate highways I-70 and I-270 via three major interchanges. Reynoldsburg is situated 833 feet above sea level and experiences mean temperatures of 71.97 degrees during the summer and 29.8 degrees during the winter.

Form of Government

The City operates under the Charter first adopted by the voters in 1979 and amended by the voters in 1982, 1987, 1992, 1995 and 1997, which provides for a Mayor-Council form of government. The laws of the State of Ohio prevail when conflicts exist between the Charter and the State Constitution and in matters where the Charter is silent. Legislative authority is vested in a seven member Council of whom

CITY OF REYNOLDSBURG, OHIO

***Letter of Transmittal
For the Year Ended December 31, 2005***

three members are elected at-large and four are elected from wards. The presiding officer is the President of Council who is elected at-large. All members are elected to four year terms. The City's chief executive and administrative officer is the Mayor who is elected to that full-time office for a four year term. The Mayor appoints all employees except those of City Council, the City Auditor's office and the City Attorney's office. The City's chief fiscal officer is the City Auditor, who is elected to that full-time office for a four year term. The City's legal officer is the City Attorney, who is elected to that full-time office for a four year term.

ECONOMIC OUTLOOK

Reynoldsburg is essentially a community of service related jobs primarily supporting local and nearby product and service demands. The business community consists of restaurants, food stores, personal services, banks, service stations, financial institutions, insurance, health services, auto repair, real estate, clothing stores, department stores and other miscellaneous retail establishments.

The largest employer in the City is Limited Brands, Inc., consisting of office, shipping, and distribution facilities on a 360 acre site. The Limited Brands Inc. specialty shops/facilities at the Reynoldsburg site are Victoria's Secret Stores, Inc. and the Bath and Bodyworks Division. The national retail clothing company has contributed an average of approximately \$2,500,000 dollars a year in income tax receipts since 1991. Agreement was reached in 2005 to bring Victoria Secret Direct to the Limited Campus in Reynoldsburg. Construction to expand the facility was begun in 2006. When completed this will bring an additional 1,000 jobs to the city. Other large employers located in the City include Reynoldsburg City School District, the State of Ohio Department of Administrative Services, Wal-Mart, Dynalab Inc., the Kroger Company, Sam's Club, and Home Depot.

The City established the Department of Development in late 1997 to provide business and industry with a point of contact within local government. The department is responsible for business attraction, retention, zoning and planning. The department facilitated the following projects in 2005:

<u>Project</u>	<u>Jobs</u>	<u>Estimated Payroll</u>	<u>Construction Costs</u>
H.H. Gregg	30 new	\$300,000	\$350,000
Kroger	103 new	\$800,000	\$1,000,000
Staples	25 new	\$175,000	\$300,000
Taylor Road Elementary	55 new	\$1,300,000	\$2,500,000
Waggoner Road Middle School	63 new	\$1,500,000	\$2,700,000

Construction on the Taylor Square development commenced in 1999. The Taylor Square development is a 208 acre multi-purpose development which has created approximately 1,200 new jobs in the City. The second phase of the Taylor Square retail space is 125,000 square feet. It became fully occupied by May, 2001. Sam's Club constructed a 130,000 square foot store at Taylor Square which became operational in March, 2002. The third phase of Taylor Square was occupied in the spring of 2003 and provided an estimated 125 new jobs. There is 35 additional acres which will be developed in 2006 or 2007, this will finish up this site. In 2005, construction was begun to expand the State of Ohio Agricultural Laboratory, when completed it will bring 35 new jobs to Reynoldsburg. The State of Ohio EPA will also move 50 new jobs into this facility.

***Letter of Transmittal
For the Year Ended December 31, 2005***

The Shops at East Broad Street will start construction in 2006. This will be a 600,000 square foot shopping facility which will be anchored by a large home center. When completed this will create 1200-1500 jobs.

The housing market continues to be strong with several major homebuilders in the area and several high-end condominium projects are in various stages of review and construction.

We began Streetscape Phase 1 on Main Street in 2003. It was completed mid-2004. Streetscape Phase 2 was financed and construction began in summer of 2005. Phase 2 should be completed in the fall of 2006. The elements of the project are designed to stimulate and protect investment.

Unemployment Rates

The great diversity of job opportunities in the Central Ohio area has helped the unemployment rate remain consistently lower than state and national averages. It has been estimated that 80% of Reynoldsburg residents work in Columbus and the surrounding area. Therefore, the City's rate of unemployment is influenced to a great extent by that of the metropolitan area. At the end of 2005 when the state experienced an unemployment rate of 5.9% and the nation an unemployment rate of 5.1% Reynoldsburg experienced an unemployment rate estimated to average 5.1%.

MAJOR INITIATIVES

Capital Improvements

The City continued its conservative posture with respect to spending for capital improvements in 2005. Sources of funds other than General Fund sources financed many of the projects. Projects begun, completed and/or in process in 2005 include—

- 2005 Street Improvement Program
This is a continuing program to repair defective pavement, curbs and gutters in Reynoldsburg. In 2005, \$233,000 was spent for street work.
- Main Street – Brice Road Streetscape, Phase 2
Financing and bidding for Phase 2 of Streetscape which extends from Rose Hill Road to City Hall was completed. Construction on Phase 2, commenced in 2005, is expected to cost approximately \$8,600,000 which was funded by a variety of grants, low interest loans and a bond issue. The project is scheduled for completion in the fall of 2006.
- Main Street – Taylor Road Intersection
To accommodate new traffic patterns expected from a new Kroger being constructed on Taylor Road, the City participated \$250,000 in expanding the intersection. Construction was completed in spring of 2006.

CITY OF REYNOLDSBURG, OHIO

Letter of Transmittal

For the Year Ended December 31, 2005

- **Taylor Road Reconstruction**
Taylor Road between Main Street and Reynoldsburg City limits just South of Windsor Drive will be widened and have sidewalks and storm sewers installed. The project with an estimated cost of \$1,800,000 was funded by a bond issue. This project will be completed in 2007.
- **Main Street / Graham Road Reconstruction**
To alleviate traffic congestion at a major intersection, \$548,000 was spent to widen and add turn lanes to the intersection. The project was completed in 2005.
- **Pleasantview Sanitary Sewer Project**
\$567,196 was spent to take the sanitary sewer system into the Pleasantview subdivision. The project was completed and assessed in 2005.
- **Sidewalk Program**
As part of a long run project to maintain the sidewalk system in the City and to bring the sidewalks up to code, \$844,000 was spent in 2004. The project will be assessed in 2006.
- **Bartlett Road Storm Water Relief Project**
Engineering and funding of \$784,000 was approved to alleviate a problem area in the storm sewer system on Bartlett Road . The project will be completed in 2006.

Employee Relations

The full-time employee profile, excluding the Police Department, is as follows:

Elected Officials	3
Classified Employees	49
Non-Classified Employees	<u>17</u>
Total	69

The police department profile is as follows:

Sworn Officers	53
Dispatchers	7
Others	<u>8</u>
Total	68

City Council consists of the following:

President of Council	1
Ward Councilpersons	4
At-Large Councilpersons	<u>3</u>
Total	8

***Letter of Transmittal
For the Year Ended December 31, 2005***

A collective bargaining agreement between the City of Reynoldsburg and the Fraternal Order of Police, Capital City Lodge #9, which represents 50 sworn officers, is effective January 1, 2004 through December 31, 2006. The contract between the City and the Fraternal Order of Police, Ohio Labor Council, which represents the seven dispatchers, is effective January 1, 2004 through December 31, 2006. All other employees are governed by legislative action of City Council.

FINANCIAL INFORMATION

Internal Control, Budgetary Control and the Accounting System

Development of the City's accounting system included substantial consideration of the adequacy of the internal accounting controls. Internal accounting controls are designed to provide reasonable but not absolute assurance of the following:

1. The City's assets are protected against loss and unauthorized use or disposition.
2. Reliable financial reports for preparing financial statements and providing accountability for assets are maintained.

The concept of reasonable assurance states that internal controls should be evaluated applying the following criteria:

1. The expense associated with providing the internal controls should not exceed the benefits likely to be derived from their implementation.
2. The evaluation of the offsetting costs and benefits involves estimates and judgment by the City administration and the Auditor's Office.

All internal control evaluations occur within this framework. It is the belief of the administrative and financial management personnel that the City's financial controls adequately safeguard existing assets and provide reasonable assurance of the proper recording of financial transactions.

The Auditor's Office is responsible for the auditing and analysis of all purchase orders of the City. Personnel of the Auditor's Office carefully review purchase orders to ensure the availability of monies in the proper funds and accounts prior to the certification and subsequent payment of approved invoices. The City utilizes a fully automated accounting system as well as an automated system of controls for fixed asset accounting and payroll. These systems, coupled with the review and examination performed by the City Auditor's Office, ensure that the financial information generated is both accurate and reliable.

Budgetary control is maintained at the object level for each department within each fund via legislation approved by City Council. The various objects are:

- Personal services
- Contractual Services
- Other Expenditures
- Transfers
- Materials and Supplies
- Capital Outlay
- Debt Service:
 - Principal
 - Interest

Letter of Transmittal

For the Year Ended December 31, 2005

Lower levels within each object are accounted for and reported internally. Such lower levels are referred to as line items of expenditure. Estimated amounts must be encumbered prior to final approval of purchase orders or other contracts to vendors. Encumbrances in excess of the available object level appropriations are not approved unless additional appropriations are authorized. Unencumbered appropriations return (lapse) to the unappropriated balances in the individual funds at the end of each fiscal year, which coincides with the calendar year.

Cash Management

Cash management is a vital component of the City of Reynoldsburg's overall financial strategy. The primary objective of the City's investment activity is the preservation of capital and the protection of invested principal. The City pools its cash for maximum investing efficiency, except for the cash held by fiscal and escrow agents.

Public funds are invested to achieve maximum return on the portfolio without assuming unreasonable risk. The City purchases investments only through member banks of the Federal Reserve System or broker-dealers registered with the U.S. Securities and Exchange Commission. Investments are diversified to avoid incurring unreasonable risks relating to a specific type of security or to a particular individual financial institution. Portfolio investments remain sufficiently liquid to ensure that all operating requirements are satisfied in a timely manner.

Responsibility for the collection and investment of all City funds is assigned to the City Auditor/Treasurer pursuant to Section 7.06 of the City Charter, and subject to the direction of City Council by resolution or ordinance. To assist the City Auditor/Treasurer in this responsibility, the Treasury Investment Board was created pursuant to Section 7.06 of the City Charter.

The primary objectives of the City's investment program, in order of priority, are as follows:

- preservation of capital and protection of principal
- maintenance of sufficient liquidity to meet any unanticipated needs
- maximization of return on the portfolio
- diversification into various eligible securities
- diversification into various eligible financial institutions

Once each quarter, the City Auditor/Treasurer submits a report to City Council and the Treasury Investment Board that provides a summary of investment transactions and performance results for the preceding quarter. Prior to February 1 of each year, the City Auditor/Treasurer submits a report to City Council and the Treasury Investment Board that provides a summary of investment transactions and performance results for the preceding fiscal year.

All investments are made in accordance with Section 143-05 of the Codified Ordinances of the City. The following is a summary of authorized investments:

- bonds, notes, bills issued by the United States Treasury, or any other instrument issued by the U.S. Treasury for which the full faith and credit of the United States is pledged for the payment of principal and interest, thereon.

CITY OF REYNOLDSBURG, OHIO

**Letter of Transmittal
For the Year Ended December 31, 2005**

- investment grade bonds, notes or other obligations issued by any federal governmental agency.
- certificates of deposit and time deposit accounts, either insured by the Federal Deposit Insurance Corporation, or collateralized by U.S.
- Treasury securities, in any eligible institution mentioned in Section 135.32 of the Ohio Revised Code, having an office within the territorial limits of the City - obligations of the State of Ohio, or agencies of the State, rated AA or better, or obligations of the City at a fair market rate.
- repurchase agreements entered into with qualified financial institutions, under the terms of which, the City Auditor/Treasurer purchases and the seller agrees unconditionally to repurchase any of the securities listed above.

The City's cash resources were invested at December 31, 2005 as follows:

<u>Cash Resources</u>			Invested Resources
Investments:			
Federal Agency Securities/Mutual Fund	\$17,260,068	60.5%	
Negotiable Certificates of Deposits	2,066,905	7.2%	
STAR Ohio	7,565,578	26.5%	
Repurchase Agreement	961,000	3.4%	
Timed Certificates of Deposit	100,353	0.4%	
Cash	558,612	2.0%	
Total Resources	<u>\$28,512,516</u>	<u>100%</u>	

The City also maintained cash with fiscal agents in the amount of \$955,870

The City earned interest of \$677,917 on investments for fiscal year 2005. Interest earned was allocated to the governmental funds.

At December 31, 2005, the City had deposits of \$934,912. \$219,437 of the deposits were covered by the Federal Deposit Insurance Corporation and \$715,035 of the balance was collateralized by pooled collateral. The Ohio Revised Code provides for the establishment of collateral pools by financial institutions designed to safeguard public deposits. The face value of the pooled collateral must equal at least 105 percent of the public funds on deposit with the financial institution. The collateral is held by the financial institution. All deposits are made under contracts with local banking institutions pursuant to statute.

Risk Management

The proactive approach that the administration employs in addressing its ongoing operations is reflected in the composition of the City's insurance protection package and its very favorable loss experience.

The City reduces exposure to risk through several initiatives. They include insurance coverages for vehicles, general liability, building and contents and computer insurance with the St. Paul Fire and Marine Insurance Company, and vehicle insurance with the Westfield Insurance Company. Law enforcement liability coverages is with Scottsdale Indemnity Company and boiler and machinery coverage with CNA Insurance Company.

CITY OF REYNOLDSBURG, OHIO

**Letter of Transmittal
For the Year Ended December 31, 2005**

Deductible levels have been selected so as not to expose the City to excessive "first dollars" in claims. Deductibles for property damage and coverages are:

	<u>Occurrence Limits</u>	<u>Total Limit</u>	<u>Deductible</u>
General Liability	\$1,000,000	\$2,000,000	\$25,000
Public Officials Wrongful Act Liability	1,000,000	1,000,000	\$25,000/occurrence
Law Enforcement Agency Officers	1,000,000	1,000,000	\$25,000/occurrence
Employee Benefits Liability	1,000,000	3,000,000	\$1,000
Automobile Liability	1,000,000		\$1,000
			Comprehensive \$1,000 Collision
Commercial Umbrella/Excess	5,000,000	5,000,000	\$10,000

OTHER INFORMATION

Independent Audit

The basic financial statements of the City of Reynoldsburg were audited by Wilson, Shannon and Snow, Inc., Certified Public Accountants. The independent auditors' unqualified opinion has been included in this report.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Reynoldsburg, Ohio for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2004. This was the fourteenth consecutive year (1991-2004) that the City received this award.

The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards in state and local government financial reporting. To be awarded a Certificate of Achievement, a governmental unit must prepare an easily readable and efficiently organized Comprehensive Annual Financial Report with contents conforming to all program standards. The report must satisfy both generally accepted accounting principles (GAAP) and applicable legal requirements respective to the reporting entity.

A Certificate of Achievement is valid for a period of one year. The City of Reynoldsburg received its first Certificate of Achievement for the fiscal year ended December 31, 1991. I believe this current report continues to conform to the Certificate of Achievement program requirements, and I am submitting the report to the GFOA.

The publication of this Comprehensive Annual Financial Report is indicative of the City's commitment to provide significantly enhanced financial information and accountability to its citizens. In addition to the citizens of Reynoldsburg, the recipients of this report include City, state and federal officials, schools, libraries, newspapers, investment banking firms, banks and rating agencies. The report is made available to any person or organization requesting it. The extensive effort to prepare and distribute this report is indicative of the City Auditor's goal of full disclosure of the City's finances.

***Letter of Transmittal
For the Year Ended December 31, 2005***

Acknowledgments

Sincere appreciation is extended to the individuals who have contributed their time and effort in gathering data for this report, particularly the staff of the City Auditor and the offices of the Auditors of Franklin, Licking and Fairfield Counties.

Special acknowledgment is extended to the staff of Donald J. Schonhardt and Associates, Inc. for their continued guidance in the preparation of this report.

Special thanks to the members of City Council and the City Administration whose support is necessary for the City of Reynoldsburg to conform to reporting requirements established for municipal governments to maintain the sound financial position that the City has enjoyed for many years.

Finally, my sincere gratitude to the people of Reynoldsburg for electing me so that I may serve as their City Auditor.

Sincerely,



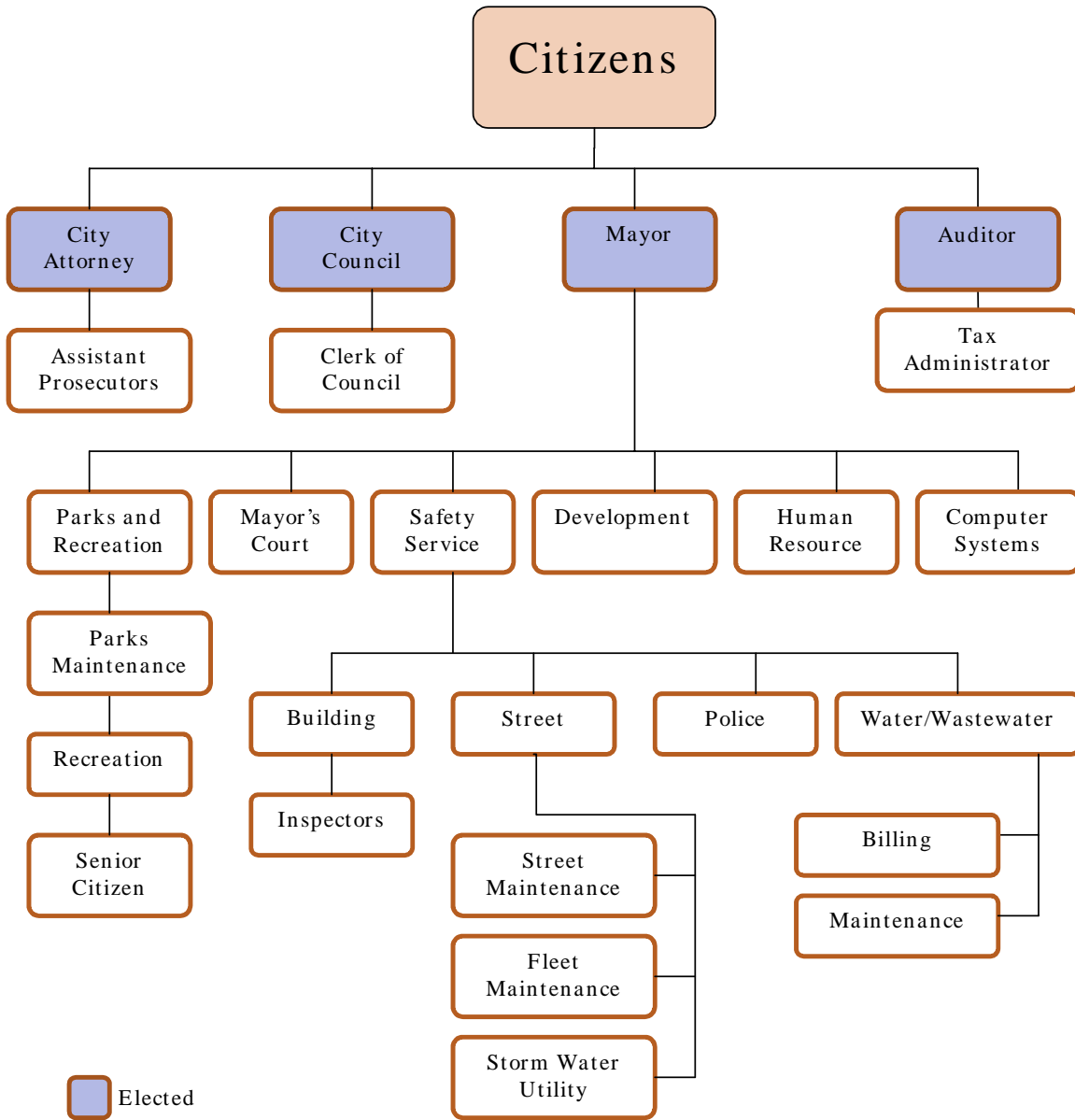
Richard E. Harris
City Auditor

CITY OF REYNOLDSBURG, OHIO

***List of Principal Officials
For the Year Ended December 31, 2005***

<u>Office</u>	<u>Name</u>	<u>Years in Office</u>	<u>Years with the City</u>	<u>Vocation</u>	<u>Term Expires</u>
Mayor	Robert L. McPherson	17	19		12/31/2007
Auditor	Howard R. Whitney	3	3		12/31/2005
City Attorney	William F. Underwood	25	25		12/31/2007
President of Council	William Hills	11	11	Attorney	12/31/2007
Members of Council	Lane Beougher	5	5	Architect	12/31/2005
	Antoinette Newman	1	1	Retired	12/31/2005
	Ron Stake	3	3	Insurance	12/31/2005
	Preston Stearns	1	1	Retired	12/31/2007
	Doug Joseph	0	0	Consultant	12/31/2007
	Mel Clemens	5	15	Retired	12/31/2007
	Brett Baxter	1	1	Banking	12/31/2007

**City Organizational Chart
For the Year Ended December 31, 2005**



Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

City of Reynoldsburg,
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2004

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Carla E. Perry

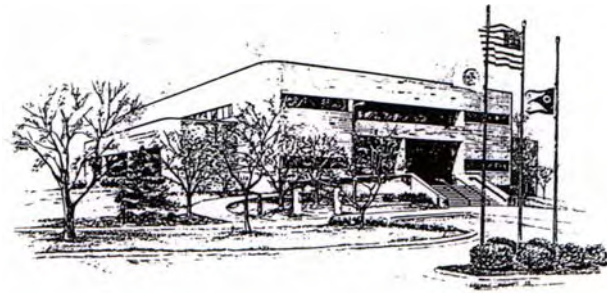
President

Jeffrey R. Emmer

Executive Director



FINANCIAL SECTION





INDEPENDENT AUDITORS' REPORT

City of Reynoldsburg
Franklin County
7232 East Main Street
Reynoldsburg, Ohio 43061

To the City Council:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Reynoldsburg, Franklin County, Ohio (the City) as of and for the year ended December 31, 2005, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Reynoldsburg, Franklin County, as of December 31, 2005, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General fund, Permissive Tax fund, and the Street Construction, Maintenance and Repair funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As disclosed in Note 2, the City restated net assets and fund balances to reclassify activity between enterprise and governmental funds. In addition, as disclosed in Note 2, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 40, *Deposit and Investment Risk Disclosures*.

Wilson, Shannon & Snow, Inc.

CERTIFIED PUBLIC ACCOUNTANTS
Ten West Locust Street
Newark, Ohio 43055
(740) 345-6611
1-800-523-6611
FAX (740) 345-5635

In accordance with *Government Auditing Standards*, we have also issued our report dated May 30, 2006 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements, but is supplementary information required by accounting principles generally accepted in the United States of America. We applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. We did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Wilson, Shuman & Sons, Inc.

Newark, Ohio
May 30, 2006

The Management's Discussion and Analysis of the City of Reynoldsburg's financial performance provides an overall review of the City's financial activities for the fiscal year ended December 31, 2005. The intent of the Management's Discussion and Analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and financial statements to enhance their understanding of the City's financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for 2005 are as follows:

- ❑ In total, net assets increased \$1,264,002. Net assets of governmental activities increased \$397,536 which represents a 1.0% increase from 2004. Net assets of business-type activities increased \$866,466 or 0.9% from 2004.
- ❑ General revenues accounted for \$13,465,488 in revenue or 46.4% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$15,583,653, 53.6% of total revenues of \$29,049,141.
- ❑ The City had \$16,559,007 in expenses related to governmental activities; \$3,491,055 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$13,465,488 were adequate to provide for these programs.
- ❑ Among major funds, the general fund had \$11,477,536 in revenues and \$11,263,534 in expenditures. The general fund's fund balance increased from \$4,851,569 to \$5,068,818.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts – *management's discussion and analysis*, the *basic financial statements*, and an optional section that presents *combining and individual statements and schedules* for nonmajor governmental funds. The basic financial statements include two kinds of statements that present different views of the City:

These statements are as follows:

1. *The Government-Wide Financial Statements* – These statements provide both long-term and short-term information about the City's overall financial status.
2. *The Fund Financial Statements* – These statements focus on individual parts of the City, reporting the City's operations in more detail than the government-wide statements.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

Government-wide Statements

The government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the City's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the City's net assets and how they have changed. Net-assets (the difference between the City's assets and liabilities) is one way to measure the City's financial health or position.

- Over time, increases or decreases in the City's net assets are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the City you need to consider additional non-financial factors such as the City's tax base and the condition of the City's capital assets.

The government-wide financial statements of the City are divided into two categories:

- *Governmental Activities* – Most of the City's program's and services are reported here including security of persons and property, public health and welfare services, leisure time activities, community environment, transportation and general government.
- *Business-Type Activities* – These services are provided on a charge for goods or services basis to recover all of the expenses of the goods or services provided. The City's water, sewer, storm water and solid waste removal services are reported as business-type activities.

Fund Financial Statements

Funds are accounting devices that the City uses to keep track of specific sources of funding and spending for particular purposes. The fund financial statements provide more detailed information about the City's most significant funds, not the City as a whole.

Governmental Funds – Most of the City's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance programs. The City's major funds are the General, Permissive Tax, Street Construction, Maintenance and Repair, and Brice-Main TIF. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

CITY OF REYNOLDSBURG, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2005**

Unaudited

Proprietary Funds – Proprietary funds use the same basis of accounting as business-type activities; therefore, these statements will essentially match. The proprietary fund financial statements provide separate information for the Water, Sewer, Storm Water and Solid Waste funds, all of which are considered major funds.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. All of the City's fiduciary activities are reported in a separate Statement of Fiduciary Assets and Liabilities.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

The following table provides a summary of the City's net assets for 2005 compared to 2004:

	Governmental		Business-type		Total	
	Activities		Activities			
	2005	Restated 2004	2005	Restated 2004	2005	Restated 2004
Current and other assets	\$25,062,712	\$17,125,758	\$11,244,106	\$9,613,845	\$36,306,818	\$26,739,603
Capital assets, Net	49,934,094	48,873,093	94,141,165	93,328,438	144,075,259	142,201,531
Total assets	74,996,806	65,998,851	105,385,271	102,942,283	180,382,077	168,941,134
Long-term liabilities outstanding	33,007,656	24,658,205	5,315,033	5,013,544	38,322,689	29,671,749
Other liabilities	1,994,569	1,743,601	2,663,294	1,388,261	4,657,863	3,131,862
Total liabilities	35,002,225	26,401,806	7,978,327	6,401,805	42,980,552	32,803,611
Net assets						
Invested in capital assets, net of related debt	24,861,005	24,969,249	89,763,557	88,441,530	114,624,562	113,410,779
Restricted	7,203,353	6,908,492	0	0	7,203,353	6,908,492
Unrestricted	7,930,223	7,719,304	7,643,387	8,098,948	15,573,610	15,818,252
Total net assets	\$39,994,581	\$39,597,045	\$97,406,944	\$96,540,478	\$137,401,525	\$136,137,523

CITY OF REYNOLDSBURG, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2005**

Unaudited

Changes in Net Assets – The following table shows the changes in net assets for 2005 compared to 2004:

	Governmental		Business-type		Total	
	Activities		Activities			
	2005	Restated 2004	2005	Restated 2004	2005	Restated 2004
Revenues						
Program Revenues:						
Charges for Services and Sales	\$1,433,640	\$1,225,432	\$8,964,303	\$7,377,259	\$10,397,943	\$8,602,691
Operating Grants and Contributions	1,887,916	1,854,057	0	0	1,887,916	1,854,057
Capital Grants and Contributions	169,499	2,400,383	3,128,295	6,578,929	3,297,794	8,979,312
Total Program Revenues	3,491,055	5,479,872	12,092,598	13,956,188	15,583,653	19,436,060
General Revenues:						
Property Taxes	1,452,928	1,354,441	0	0	1,452,928	1,354,441
Income Taxes	8,808,522	8,947,081	0	0	8,808,522	8,947,081
Other Local Taxes	160,626	257,146	0	0	160,626	257,146
Intergovernmental Revenue, Unrestricted	2,013,512	1,914,893	0	0	2,013,512	1,914,893
Investment Earnings	719,458	395,434	0	0	719,458	395,434
Miscellaneous	310,442	101,271	0	0	310,442	101,271
Total General Revenues	13,465,488	12,970,266	0	0	13,465,488	12,970,266
Total Revenues	16,956,543	18,450,138	12,092,598	13,956,188	29,049,141	32,406,326
Program Expenses						
Security of Persons and Property	6,890,178	6,557,808	0	0	6,890,178	6,557,808
Public Health and Welfare Services	156,728	153,435	0	0	156,728	153,435
Leisure Time Activities	1,024,894	1,009,373	0	0	1,024,894	1,009,373
Community Environment	1,500,429	1,486,994	0	0	1,500,429	1,486,994
Transportation	2,365,068	2,339,986	0	0	2,365,068	2,339,986
General Government	3,511,329	3,460,390	0	0	3,511,329	3,460,390
Interest and Fiscal Charges	1,110,381	977,178	0	0	1,110,381	977,178
Water	0	0	3,989,375	3,461,916	3,989,375	3,461,916
Sewer	0	0	4,600,169	3,950,405	4,600,169	3,950,405
Storm Water	0	0	1,237,899	1,102,753	1,237,899	1,102,753
Solid Waste	0	0	1,398,689	1,337,273	1,398,689	1,337,273
Total expenses	16,559,007	15,985,164	11,226,132	9,852,347	27,785,139	25,837,511
Total Change in Net Assets	397,536	2,464,974	866,466	4,103,841	1,264,002	6,568,815
Beginning Net Assets	39,597,045	37,132,071	96,540,478	92,436,637	136,137,523	129,568,708
Ending Net Assets	\$39,994,581	\$39,597,045	\$97,406,944	\$96,540,478	\$137,401,525	\$136,137,523

Governmental Activities

Net assets of the City's governmental activities increased by \$397,536. The increase in net assets is a result of maintaining expenses at levels consistent with revenues.

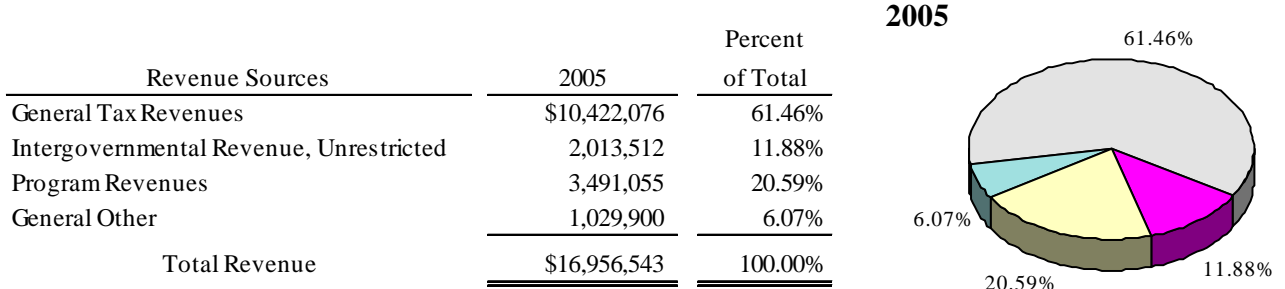
The City receives an income tax, which is based on 1.5% of all salaries, wages, commissions and other compensation and on net profits earned from those working in the City.

CITY OF REYNOLDSBURG, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2005**

Unaudited

Income taxes and property taxes made up 51.9% and 8.6% respectively of revenues for governmental activities for the City in fiscal year 2005. The City's reliance upon tax revenues is demonstrated by the following graph indicating 61.46% of total revenues from general tax revenues:



Business-Type Activities

Net assets of the business type activities increased by \$866,466. This increase was primarily the result of capital donations of water, sewer, and storm water infrastructure by developers. This represents less than one percent of total assets and reflects the limited profitability of the enterprise funds.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The City's governmental funds reported a combined fund balance of \$20,189,628, which is an increase from last year's balance of \$12,857,858. The schedule below indicates the fund balance and the total change in fund balance by funds as of December 31, 2005 and 2004:

	Fund Balance December 31, 2005	Fund Balance December 31, 2004	Increase (Decrease)
General	\$5,068,818	\$4,851,569	\$217,249
Permissive Tax	220,269	143,186	77,083
Street Construction, Maintenance, and Repair	662,703	596,363	66,340
Brice-Main TIF	6,228,121	412,921	5,815,200
Other Governmental	8,009,717	6,853,819	1,155,898
Total	\$20,189,628	\$12,857,858	\$7,331,770

CITY OF REYNOLDSBURG, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2005**

Unaudited

General Fund – The City's General Fund balance increase is due to several factors. The tables that follow assist in illustrating the financial activities of the General Fund:

	2005	2004	Increase
	Revenues	Revenues	(Decrease)
Property and Other Taxes	\$7,368,056	\$7,328,164	\$39,892
Intergovernmental Revenue	2,230,568	1,982,533	248,035
Charges for Services	156,987	151,374	5,613
Licenses and Permits	408,402	367,828	40,574
Investment Earnings	508,154	348,405	159,749
Fines and Forfeitures	436,072	269,981	166,091
All Other Revenue	369,297	117,169	252,128
Total	<u>\$11,477,536</u>	<u>\$10,565,454</u>	<u>\$912,082</u>

General Fund revenues in 2005 increased approximately 8.63% compared to revenues in fiscal year 2004. Each revenue type experienced an increase over 2004 levels. Generally, the City benefited from a general upturn of the economy. There were no reductions in intergovernmental funds and investment earnings were up due to increasing yields.

	2005	2004	Increase
	Expenditures	Expenditures	(Decrease)
Security of Persons and Property	\$6,261,722	\$6,004,471	\$257,251
Public Health and Welfare Services	156,728	153,435	3,293
Leisure Time Activities	873,608	832,256	41,352
Community Environment	1,216,106	1,249,217	(33,111)
General Government	2,755,370	2,603,357	152,013
Total	<u>\$11,263,534</u>	<u>\$10,842,736</u>	<u>\$420,798</u>

General Fund expenditures increased by \$420,798 or 3.9% compared to the prior year. This increase is mainly due to Police Department increased compensation negotiated through the Fraternal Order of Police contract.

Permissive Tax Fund – The Permissive Tax Fund balance increased because the City accumulated funds for future street projects.

Street Construction, Maintenance and Repair Fund – This fund experienced an increased because the City accumulated funds for future street projects.

Brice-Main TIF Fund - This fund increased from \$412,921 to \$ 6,228,121. This is a result of the bond proceeds being held for the construction of the Major Commercial Corridor Revitalization Phase II project.

Proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Factors concerning the finances of these funds have been addressed in the discussion of the City's business-type activities.

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund.

During the course of fiscal year 2005 the City amended its General Fund budget several times, none significant.

For the General Fund, final budget basis revenue and other financing sources of \$11,279,422 did not significantly change over the original budget estimates of \$11,333,535. The actual revenues and other financing sources of \$11,723,776 on a budgetary basis were greater than the final amended budget primarily due to larger than expected intergovernmental revenue.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal 2005 the City had \$144,075,259 net of accumulated depreciation invested in land, buildings, equipment and vehicles. Of this total, \$49,934,094 was related to governmental activities and \$94,141,165 to the business-type activities. The following table shows fiscal year 2005 and 2004 balances:

	Governmental Activities		Increase (Decrease)
	2005	2004	
Land and Land Improvements	\$16,539,608	\$16,539,608	\$0
Buildings	11,762,976	11,762,976	0
Improvements Other than Buildings	1,747,041	1,747,041	0
Infrastructure	29,320,111	28,179,095	1,141,016
Machinery and Equipment	4,031,133	3,840,864	190,269
Construction In Progress	2,280,495	627,275	1,653,220
Less: Accumulated Depreciation	(15,747,270)	(13,823,766)	(1,923,504)
Totals	\$49,934,094	\$48,873,093	\$1,061,001

CITY OF REYNOLDSBURG, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2005**

Unaudited

The increase in capital assets is due to the increase in infrastructure and construction in progress. The increase in infrastructure represents streets donated by developers and street projects the City has constructed. The increase in construction in progress is the Major Commercial Corridor Revitalization Phase II project.

	Business-Type Activities		Increase (Decrease)
	2005	2004	
Land	\$3,000	\$3,000	\$0
Buildings and Improvements	152,616	152,616	0
Infrastructure	117,660,913	114,001,306	3,659,607
Machinery and Equipment	735,959	723,036	12,923
Construction in Progress	74,744	567,196	(492,452)
Less: Accumulated Depreciation	(24,486,067)	(22,118,716)	(2,367,351)
Totals	\$94,141,165	\$93,328,438	\$812,727

Business type capital assets increased by \$812,727. The \$ 3,659,607 increase in infrastructure is from \$2,141,617 of water, sewer, and storm water lines being donated to the City by developers and \$1,517,990 of completed projects paid for by the City. Additional information on the City's capital assets can be found in Note 7.

Debt

At December 31, 2005, the City had \$31,643,824 in general obligation bonds outstanding, \$1,828,000 due within one year. The following table summarizes the City's debt outstanding as of December 31, 2005 and 2004:

	2005	2004
Governmental Activities:		
General Obligation Bonds	\$28,463,857	\$21,447,674
Special Assessment Bonds	30,000	40,000
Ohio Public Works Commission Loans	3,563,281	2,456,170
State Infrastructure Bank Loan	239,105	0
Compensated Absences	711,413	714,361
Total Governmental Activities	33,007,656	24,658,205
Business-Type Activities:		
General Obligation Bonds	\$3,179,967	\$2,799,781
Ohio Public Works Commission Loans	1,997,641	2,087,127
Compensated Absences	137,425	126,636
Total Business-Type Activities	5,315,033	5,013,544
Totals	\$38,322,689	\$29,671,749

Under current state statutes, the City's general obligation bonded debt issues are subject to a legal limitation based on 10.5% of the total assessed value of real and personal property. In addition, the unvoted net debt of municipal corporations cannot exceed 5.5% of the total assessed value of property. At December 31, 2005, the City's outstanding debt was below the legal limit. Additional information on the City's long-term debt can be found in Note 9.

ECONOMIC FACTORS

With its diversified service oriented economy, Reynoldsburg is somewhat insulated from relatively volatile economic fluctuations experienced throughout the rest of the U. S. and state economies. While the unemployment rate for the United States is 5.1 percent and the state of Ohio is 5.9 percent, the unemployment rate for Central Ohio is 5.3 percent and the City of Reynoldsburg is 5.1 percent.

Of the 12 major employers in the City, seven are retail or retail related, three are government/education, and two are manufacturing. By the end of 2005 Taylor Square, a 208-acre major retail development, is largely complete on the east side of SR256, with substantial development expected for the west side. With this development, additional jobs will be created in the City of Reynoldsburg.

The year 2005 marked the ground breaking for the Major Commercial Corridor Revitalization Phase II project. This phase will include approximately .7 miles from Rosehill Road to the bridge just to the east of City Hall. Since Reynoldsburg is primarily landlocked, economic development will have to focus on annexation (which is slowly happening), and redevelopment of existing parts of the city. Redevelopment is the focus of the Major Commercial Corridor Revitalization.

Given limited growth in revenue during 2005 and with the uncertainty as to when, if ever, rapid growth may commence, the Administration of the City has developed an operating budget with minimal increases. The City has passed legislation to put a ½% income tax increase on the August 2006 Ballot. City administrators and legislatures agree that the proposal has an excellent chance of passing. The additional income tax proceeds will be used to bolster the City's police department needs and to fund needed Capital Improvement projects.

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Mr. Richard E. Harris, City Auditor of the City of Reynoldsburg.



CITY OF REYNOLDSBURG, OHIO

**Statement of Net Assets
December 31, 2005**

	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and Cash Equivalents	\$ 8,607,497	\$ 186,517	\$ 8,794,014
Investments	10,216,424	9,076,902	19,293,326
Receivables:			
Taxes	2,698,382	0	2,698,382
Accounts	30,266	1,766,639	1,796,905
Intergovernmental	1,781,964	0	1,781,964
Interest	157,150	0	157,150
Special Assessments	120,955	118,623	239,578
Inventory of Supplies, at Cost	164,025	15,732	179,757
Prepaid Items	10,250	1,729	11,979
Restricted Assets:			
Cash and Cash Equivalents	777	58,662	59,439
Cash and Cash Equivalents with Fiscal Agent	955,870	0	955,870
Investments	134,000	0	134,000
Deferred Charge	185,152	19,302	204,454
Capital Assets Not Being Depreciated	18,820,103	77,744	18,897,847
Capital Assets Being Depreciated, Net	31,113,991	94,063,421	125,177,412
Total Assets	74,996,806	105,385,271	180,382,077
Liabilities:			
Accounts Payable	483,146	172,370	655,516
Accrued Wages and Benefits	732,306	58,072	790,378
Intergovernmental Payable	51,430	2,186,278	2,237,708
Claims Payable	20,945	0	20,945
Retainage Payable	134,777	0	134,777
Refundable Deposits	0	58,662	58,662
Unearned Revenue	470,514	179,629	650,143
Accrued Interest Payable	101,451	8,283	109,734
Long Term Liabilities:			
Due Within One Year	1,934,615	624,136	2,558,751
Due in More Than One Year	31,073,041	4,690,897	35,763,938
Total Liabilities	35,002,225	7,978,327	42,980,552
Net Assets:			
Invested in Capital Assets, Net of Related Debt	24,861,005	89,763,557	114,624,562
Restricted For:			
Capital Projects	2,327,921	0	2,327,921
Debt Service	2,134,790	0	2,134,790
Other Purposes	2,740,642	0	2,740,642
Unrestricted	7,930,223	7,643,387	15,573,610
Total Net Assets	\$ 39,994,581	\$ 97,406,944	\$ 137,401,525

See accompanying notes to the basic financial statements

CITY OF REYNOLDSBURG, OHIO

**Statement of Activities
For the Year Ended December 31, 2005**

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
Security of Persons and Property	\$ 6,890,178	\$ 123,595	\$ 276,506	\$ 0
Public Health and Welfare Services	156,728	0	0	0
Leisure Time Activities	1,024,894	151,814	0	0
Community Environment	1,500,429	662,013	0	0
Transportation	2,365,068	30,224	1,611,410	169,499
General Government	3,511,329	465,994	0	0
Interest and Fiscal Charges	1,110,381	0	0	0
Total Governmental Activities	16,559,007	1,433,640	1,887,916	169,499
Business-Type Activities:				
Water	3,989,375	3,169,519	0	1,023,770
Sewer	4,600,169	3,721,862	0	1,295,664
Storm Water Drainage	1,237,899	569,395	0	808,861
Solid Waste	1,398,689	1,503,527	0	0
Total Business-Type Activities	11,226,132	8,964,303	0	3,128,295
Totals	\$ 27,785,139	\$ 10,397,943	\$ 1,887,916	\$ 3,297,794

General Revenues

Property Taxes Levied for:
 General Purposes
 Special Purposes
 Debt Service
 Income Taxes
 Other Local Taxes
 Intergovernmental Revenue, Unrestricted
 Investment Earnings
 Miscellaneous
 Total General Revenues

Change in Net Assets

Net Assets Beginning of Year, Restated
 Net Assets End of Year

See accompanying notes to the basic financial statements

CITY OF REYNOLDSBURG, OHIO

Net (Expense) Revenue
and Changes in Net Assets

Governmental Activities	Business-Type Activities	Total
\$ (6,490,077)	\$ 0	\$ (6,490,077)
(156,728)	0	(156,728)
(873,080)	0	(873,080)
(838,416)	0	(838,416)
(553,935)	0	(553,935)
(3,045,335)	0	(3,045,335)
(1,110,381)	0	(1,110,381)
<u>(13,067,952)</u>	<u>0</u>	<u>(13,067,952)</u>
0	203,914	203,914
0	417,357	417,357
0	140,357	140,357
<u>0</u>	<u>104,838</u>	<u>104,838</u>
<u>0</u>	<u>866,466</u>	<u>866,466</u>
<u>(13,067,952)</u>	<u>866,466</u>	<u>(12,201,486)</u>
233,097	0	233,097
163,754	0	163,754
1,056,077	0	1,056,077
8,808,522	0	8,808,522
160,626	0	160,626
2,013,512	0	2,013,512
719,458	0	719,458
310,442	0	310,442
<u>13,465,488</u>	<u>0</u>	<u>13,465,488</u>
397,536	866,466	1,264,002
<u>39,597,045</u>	<u>96,540,478</u>	<u>136,137,523</u>
<u>\$ 39,994,581</u>	<u>\$ 97,406,944</u>	<u>\$ 137,401,525</u>

CITY OF REYNOLDSBURG, OHIO

**Balance Sheet
Governmental Funds
December 31, 2005**

	General	Permissive Tax	Street Construction, Maintenance and Repair
Assets:			
Cash and Cash Equivalents	\$ 128,386	\$ 5,241	\$ 14,699
Investments	3,858,501	189,230	530,683
Receivables:			
Taxes	2,142,897	0	0
Accounts	26,104	0	0
Intergovernmental	942,587	76,378	609,682
Interest	152,800	720	2,704
Special Assessments	0	0	0
Interfund Loans Receivables	17,342	0	0
Inventory of Supplies, at Cost	4,940	0	159,085
Prepaid Items	9,990	0	133
Restricted Assets:			
Cash and Cash Equivalents	0	0	0
Cash and Cash Equivalents with Fiscal Agent	0	955,870	0
Investments	0	0	0
Total Assets	\$ 7,283,547	\$ 1,227,439	\$ 1,316,986
Liabilities:			
Accounts Payable	\$ 157,046	\$ 0	\$ 209,014
Accrued Wages and Benefits Payable	685,044	0	37,379
Intergovernmental Payable	47,228	0	0
Claims Payable	0	0	0
Retainage Payable	0	0	0
Interfund Loans Payable	0	0	0
Deferred Revenue	1,325,411	1,007,170	407,890
Total Liabilities	2,214,729	1,007,170	654,283
Fund Balances:			
Reserved for Encumbrances	204,313	0	59,283
Reserved for Prepaid Items	9,990	0	133
Reserved for Supplies Inventory	4,940	0	159,085
Reserved for Debt Service	0	0	0
Unreserved, Undesignated in:			
General Fund	4,849,575	0	0
Special Revenue Funds	0	220,269	444,202
Capital Projects Funds	0	0	0
Total Fund Balances	5,068,818	220,269	662,703
Total Liabilities and Fund Balances	\$ 7,283,547	\$ 1,227,439	\$ 1,316,986

See accompanying notes to the basic financial statements

CITY OF REYNOLDSBURG, OHIO

Brice-Main TIF	Other Governmental Funds	Total Governmental Funds
\$ 6,295,459	\$ 2,163,712	\$ 8,607,497
0	5,638,010	10,216,424
0	555,485	2,698,382
0	4,162	30,266
0	153,317	1,781,964
0	926	157,150
0	120,955	120,955
0	0	17,342
0	0	164,025
0	127	10,250
0	777	777
0	0	955,870
0	134,000	134,000
<u>\$ 6,295,459</u>	<u>\$ 8,771,471</u>	<u>\$ 24,894,902</u>
\$ 63,136	\$ 53,950	\$ 483,146
0	9,883	732,306
4,202	0	51,430
0	20,945	20,945
0	134,777	134,777
0	17,342	17,342
0	524,857	3,265,328
<u>67,338</u>	<u>761,754</u>	<u>4,705,274</u>
4,792,920	917,928	5,974,444
0	127	10,250
0	0	164,025
0	2,170,027	2,170,027
0	0	4,849,575
0	2,447,343	3,111,814
<u>1,435,201</u>	<u>2,474,292</u>	<u>3,909,493</u>
<u>6,228,121</u>	<u>8,009,717</u>	<u>20,189,628</u>
<u>\$ 6,295,459</u>	<u>\$ 8,771,471</u>	<u>\$ 24,894,902</u>

CITY OF REYNOLDSBURG, OHIO

***Reconciliation Of Total Governmental Fund Balances
To Net Assets Of Governmental Activities
December 31, 2005***

Total Governmental Fund Balances \$ 20,189,628

***Amounts reported for governmental activities in the
statement of net assets are different because***

Capital Assets used in governmental activities are not
resources and therefore are not reported in the funds. 49,934,094

Other long-term assets are not available to pay for current-
period expenditures and therefore are deferred in the funds. 2,794,814

Long-term liabilities, including bonds payable, are not due
and payable in the current period and therefore are not
reported in the funds.

General Obligation Bonds Payable	(28,463,857)	
Deferred Bond Issuance Costs	185,152	
Special Assessment Bonds Payable	(30,000)	
Ohio Public Works Commission Loans Payable	(3,563,281)	
State Infrastructure Bank Loan	(239,105)	
Compensated Absences Payable	(711,413)	
Accrued Interest Payable	(101,451)	(32,923,955)

Net Assets of Governmental Activities \$ 39,994,581

See accompanying notes to the basic financial statements



CITY OF REYNOLDSBURG, OHIO

**Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2005**

	General	Permissive Tax	Street Construction, Maintenance and Repair
Revenues:			
Taxes	\$ 7,368,056	\$ 0	\$ 0
Intergovernmental Revenues	2,230,568	202,016	1,111,543
Charges for Services	156,987	0	0
Licenses and Permits	408,402	0	0
Investment Earnings	508,154	6,904	6,451
Special Assessments	0	0	0
Fines and Forfeitures	436,072	0	0
All Other Revenue	369,297	0	31,402
Total Revenue	11,477,536	208,920	1,149,396
Expenditures:			
Current:			
Security of Persons and Property	6,261,722	0	0
Public Health and Welfare Services	156,728	0	0
Leisure Time Activities	873,608	0	0
Community Environment	1,216,106	0	0
Transportation	0	20,277	1,071,599
General Government	2,755,370	0	0
Capital Outlay	0	0	0
Debt Service:			
Principal Retirement	0	86,120	19,247
Interest and Fiscal Charges	0	25,440	1,779
Total Expenditures	11,263,534	131,837	1,092,625
Excess (Deficiency) of Revenues Over (Under) Expenditures	214,002	77,083	56,771
Other Financing Sources (Uses):			
Ohio Public Works Commission Loan	0	0	0
General Obligation Bonds Issued	0	0	0
Premium on General Obligation Bonds	0	0	0
State Infrastructure Bank Loan	0	0	0
Total Other Financing Sources (Uses)	0	0	0
Net Change in Fund Balances	214,002	77,083	56,771
Fund Balances at Beginning of Year, Restated	4,851,569	143,186	596,363
Increase in Inventory Reserve	3,247	0	9,569
Fund Balances End of Year	\$ 5,068,818	\$ 220,269	\$ 662,703

See accompanying notes to the basic financial statements

CITY OF REYNOLDSBURG, OHIO

<u>Brice-Main TIF</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 0	\$ 3,015,553	\$ 10,383,609
0	201,361	3,745,488
0	252,864	409,851
0	32,044	440,446
149,887	6,521	677,917
0	41,653	41,653
0	48,241	484,313
3,500	7,093	411,292
<u>153,387</u>	<u>3,605,330</u>	<u>16,594,569</u>
0	504,763	6,766,485
0	0	156,728
0	0	873,608
0	291,847	1,507,953
0	89,622	1,181,498
0	582,682	3,338,052
1,741,279	790,289	2,531,568
0	1,272,358	1,377,725
<u>189,898</u>	<u>1,057,519</u>	<u>1,274,636</u>
<u>1,931,177</u>	<u>4,589,080</u>	<u>19,008,253</u>
(1,777,790)	(983,750)	(2,413,684)
1,337,990	0	1,337,990
6,255,000	1,800,000	8,055,000
0	100,543	100,543
0	239,105	239,105
<u>7,592,990</u>	<u>2,139,648</u>	<u>9,732,638</u>
5,815,200	1,155,898	7,318,954
412,921	6,853,819	12,857,858
0	0	12,816
<u>\$ 6,228,121</u>	<u>\$ 8,009,717</u>	<u>\$ 20,189,628</u>

CITY OF REYNOLDSBURG, OHIO

**Reconciliation Of The Statement Of Revenues, Expenditures
And Changes In Fund Balances Of Governmental Funds
To The Statement Of Activities
For the Year Ended December 31, 2005**

Net Change in Fund Balances - Total Governmental Funds \$ 7,318,954

Amounts reported for governmental activities in the statement of activities are different because

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital Outlay	2,891,807	
Depreciation Expense	<u>(1,991,715)</u>	900,092

The net effect of various miscellaneous transactions involving capital assets (i.e. disposals and donations) is to increase net assets.

Donations of capital assets increase net assets in the statement of activities, but do not appear in the governmental funds because they are not financial resources.		169,499
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The statement of activities reports losses arising from the disposal of capital assets. Conversely, the governmental funds do not report any loss on the disposal of capital assets.	<u>(8,590)</u>	160,909
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		192,475
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The issuance of long-term debt (e.g. notes, leases) provides current financial resources to government funds, while the repayment of the principal of long-term debt consumes the current financial resources of government funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of premiums and deferred amount on refundings when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

General Obligation Bonds Issued	(8,055,000)	
State Infrastructure Bank and OPWC Loans	(1,577,095)	
Premium on Sale of Bonds	(100,543)	
Deferred Bond Issuance Costs	<u>189,898</u>	(9,542,740)

Repayment of bond and loan principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.

General Obligation Bond Principal Payment	1,136,846	
Special Assessment Bond Principal Payment	10,000	
Ohio Public Works Commission Loan Principal Payment	<u>230,879</u>	1,377,725

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		(23,411)
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Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.

Compensated Absences	2,948	
Change in Inventory	12,816	
Amortization of Bond Premium	2,514	
Amortization of Bond Issuance Costs	<u>(4,746)</u>	13,532

Change in Net Assets of Governmental Activities		<u><u>\$ 397,536</u></u>
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See accompanying notes to the basic financial statements

CITY OF REYNOLDSBURG, OHIO

**Statement of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
General Fund
For the Year Ended December 31, 2005**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 7,936,150	\$ 7,881,824	\$ 7,545,363	\$ (336,461)
Intergovernmental Revenue	1,588,219	1,588,432	2,230,542	642,110
Charges for Services	151,568	151,568	156,987	5,419
Licenses and Permits	295,048	295,048	408,402	113,354
Investment Earnings	600,000	600,000	459,046	(140,954)
Fines and Forfeitures	312,000	312,000	430,856	118,856
All Other Revenues	115,550	250,550	351,943	101,393
Total Revenues	<u>10,998,535</u>	<u>11,079,422</u>	<u>11,583,139</u>	<u>503,717</u>
Expenditures:				
Current:				
Security of Persons and Property	6,540,761	6,522,321	6,452,215	70,106
Public Health and Welfare Services	156,769	156,769	156,728	41
Leisure Time Activities	908,581	947,855	904,458	43,397
Community Environment	1,273,547	1,317,325	1,257,167	60,158
General Government	2,984,275	3,025,841	2,795,349	230,492
Total Expenditures	<u>11,863,933</u>	<u>11,970,111</u>	<u>11,565,917</u>	<u>404,194</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(865,398)	(890,689)	17,222	907,911
Other Financing Sources (Uses):				
Transfers In	335,000	200,000	140,637	(59,363)
Transfers Out	(140,637)	(140,637)	(140,637)	0
Advances Out	0	(17,342)	(17,342)	0
Total Other Financing Sources (Uses):	<u>194,363</u>	<u>42,021</u>	<u>(17,342)</u>	<u>(59,363)</u>
Net Change in Fund Balance	(671,035)	(848,668)	(120)	848,548
Fund Balance at Beginning of Year, Restated	3,429,631	3,429,631	3,429,631	0
Prior Year Encumbrances	320,757	320,757	320,757	0
Fund Balance at End of Year	<u>\$ 3,079,353</u>	<u>\$ 2,901,720</u>	<u>\$ 3,750,268</u>	<u>\$ 848,548</u>

See accompanying notes to the basic financial statements

CITY OF REYNOLDSBURG, OHIO

**Statement of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Special Revenue Fund – Permissive Tax Fund
For the Year Ended December 31, 2005**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental Revenue	\$ 243,000	\$ 243,000	\$ 197,767	\$ (45,233)
Investment Earnings	7,000	7,000	2,388	(4,612)
Total Revenues	<u>250,000</u>	<u>250,000</u>	<u>200,155</u>	<u>(49,845)</u>
Expenditures:				
Current:				
Transportation	175,158	176,658	173,584	3,074
Debt Service:				
Principal Retirement	0	86,120	86,120	0
Interest and Fiscal Charges	0	25,440	25,440	0
Total Expenditures	<u>175,158</u>	<u>288,218</u>	<u>285,144</u>	<u>3,074</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	74,842	(38,218)	(84,989)	(46,771)
Other Financing Sources (Uses):				
Transfers Out	(111,560)	0	0	0
Total Other Financing Sources (Uses):	<u>(111,560)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	(36,718)	(38,218)	(84,989)	(46,771)
Fund Balance at Beginning of Year	109,111	109,111	109,111	0
Prior Year Encumbrances	175,158	175,158	175,158	0
Fund Balance at End of Year	<u>\$ 247,551</u>	<u>\$ 246,051</u>	<u>\$ 199,280</u>	<u>\$ (46,771)</u>

See accompanying notes to the basic financial statements

CITY OF REYNOLDSBURG, OHIO

**Statement of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Special Revenue Fund – Street Construction, Maintenance and Repair Fund
For the Year Ended December 31, 2005**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 895,000	\$ 895,000	\$ 1,085,948	\$ 190,948
Investment Earnings	5,000	5,000	8,112	3,112
All Other Revenues	0	0	32,958	32,958
Total Revenues	<u>900,000</u>	<u>900,000</u>	<u>1,127,018</u>	<u>227,018</u>
Expenditures:				
Current:				
Transportation	798,506	1,173,991	1,140,381	33,610
Debt Service:				
Principal Retirement	19,247	19,247	19,247	0
Interest and Fiscal Charges	1,784	1,784	1,779	5
Total Expenditures	<u>819,537</u>	<u>1,195,022</u>	<u>1,161,407</u>	<u>33,615</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	80,463	(295,022)	(34,389)	260,633
Fund Balance at Beginning of Year	312,157	312,157	312,157	0
Prior Year Encumbrances	13,103	13,103	13,103	0
Fund Balance at End of Year	<u>\$ 405,723</u>	<u>\$ 30,238</u>	<u>\$ 290,871</u>	<u>\$ 260,633</u>

See accompanying notes to the basic financial statements

CITY OF REYNOLDSBURG, OHIO

**Statement of Net Assets
Proprietary Funds
December 31, 2005**

	Business-Type Activities				Total
	Enterprise Funds				
	Water	Sewer	Storm Water Drainage	Solid Waste	
Assets:					
<i>Current Assets:</i>					
Cash and Cash Equivalents	\$ 22,352	\$ 109,226	\$ 37,620	\$ 17,319	\$ 186,517
Investments	2,999,269	4,043,733	1,392,735	641,165	9,076,902
Receivables:					
Accounts	872,681	893,958	0	0	1,766,639
Special Assessments	0	118,623	0	0	118,623
Inventory of Supplies, at Cost	10,932	0	4,800	0	15,732
Prepaid Items	1,064	582	83	0	1,729
<i>Total Current Assets</i>	<u>3,906,298</u>	<u>5,166,122</u>	<u>1,435,238</u>	<u>658,484</u>	<u>11,166,142</u>
<i>Non Current Assets:</i>					
Restricted Assets:					
Cash and Cash Equivalents	58,662	0	0	0	58,662
Deferred Charges	4,165	15,137	0	0	19,302
Capital Assets Not Being Depreciated	1,500	19,667	56,577	0	77,744
Capital Assets Being Depreciated, Net	23,351,302	34,690,420	36,021,699	0	94,063,421
<i>Total Noncurrent Assets</i>	<u>23,415,629</u>	<u>34,725,224</u>	<u>36,078,276</u>	<u>0</u>	<u>94,219,129</u>
Total Assets	<u>27,321,927</u>	<u>39,891,346</u>	<u>37,513,514</u>	<u>658,484</u>	<u>105,385,271</u>
Liabilities:					
<i>Current Liabilities:</i>					
Accounts Payable	4,481	32,314	20,388	115,187	172,370
Accrued Wages and Benefits	29,176	16,115	12,781	0	58,072
Intergovernmental Payable	1,365,236	819,942	1,100	0	2,186,278
Refundable Deposits	58,662	0	0	0	58,662
Accrued Interest Payable	1,939	5,459	885	0	8,283
Unearned Revenue	0	0	55,550	124,079	179,629
Compensated Absences Payable - Current	22,568	8,808	9,667	0	41,043
General Obligation Bonds Payable - Current	233,033	194,870	63,000	0	490,903
Ohio Public Works Commission Loan Payable - Current	51,435	40,755	0	0	92,190
<i>Total Current Liabilities</i>	<u>1,766,530</u>	<u>1,118,263</u>	<u>163,371</u>	<u>239,266</u>	<u>3,287,430</u>
<i>Noncurrent Liabilities:</i>					
Compensated Absences Payable	60,052	14,596	21,734	0	96,382
General Obligation Bonds Payable	608,619	1,343,445	737,000	0	2,689,064
Ohio Public Works Commission Loans Payable	1,155,340	750,111	0	0	1,905,451
<i>Total Noncurrent Liabilities</i>	<u>1,824,011</u>	<u>2,108,152</u>	<u>758,734</u>	<u>0</u>	<u>4,690,897</u>
Total Liabilities	<u>3,590,541</u>	<u>3,226,415</u>	<u>922,105</u>	<u>239,266</u>	<u>7,978,327</u>
Net Assets:					
Invested in Capital Assets, Net of Related Debt	21,304,375	32,380,906	36,078,276	0	89,763,557
Unrestricted	2,427,011	4,284,025	513,133	419,218	7,643,387
Total Net Assets	<u>\$ 23,731,386</u>	<u>\$ 36,664,931</u>	<u>\$ 36,591,409</u>	<u>\$ 419,218</u>	<u>\$ 97,406,944</u>

See accompanying notes to the basic financial statements

CITY OF REYNOLDSBURG, OHIO

**Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended December 31, 2005**

	Business-Type Activities				Total
	Enterprise Funds				
	Water	Sewer	Storm Water Drainage	Solid Waste	
Operating Revenues:					
Charges for Services	\$ 3,169,519	\$ 3,670,707	\$ 569,395	\$ 1,503,527	\$ 8,913,148
Other Operating Revenue	0	51,155	0	0	51,155
Total Operating Revenues	3,169,519	3,721,862	569,395	1,503,527	8,964,303
Operating Expenses:					
Personal Services	431,247	263,905	191,855	0	887,007
Contractual Services	2,780,463	3,339,989	118,868	1,391,755	7,631,075
Materials and Supplies	111,299	12,027	16,385	6,934	146,645
Depreciation	599,592	882,174	902,406	0	2,384,172
Total Operating Expenses	3,922,601	4,498,095	1,229,514	1,398,689	11,048,899
Operating Income (Loss)	(753,082)	(776,233)	(660,119)	104,838	(2,084,596)
Nonoperating Revenue (Expenses):					
Special Assessments	0	31,899	0	0	31,899
Interest Expense	(66,774)	(102,074)	(8,385)	0	(177,233)
Total Nonoperating Revenues (Expenses)	(66,774)	(70,175)	(8,385)	0	(145,334)
Income (Loss) Before Contributions	(819,856)	(846,408)	(668,504)	104,838	(2,229,930)
Capital Contributions-Tap Fees	612,933	341,846	0	0	954,779
Capital Contributions	410,837	921,919	808,861	0	2,141,617
Change in Net Assets	203,914	417,357	140,357	104,838	866,466
Net Assets Beginning of Year, Restated	23,527,472	36,247,574	36,451,052	314,380	96,540,478
Net Assets End of Year	<u>\$ 23,731,386</u>	<u>\$ 36,664,931</u>	<u>\$ 36,591,409</u>	<u>\$ 419,218</u>	<u>\$ 97,406,944</u>

See accompanying notes to the basic financial statements

CITY OF REYNOLDSBURG, OHIO

**Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2005**

	Business-Type Activities				Totals
	Enterprise Funds				
	Water	Sewer	Storm Water	Solid Waste	
<u>Cash Flows from Operating Activities:</u>					
Cash Received from Customers	\$2,912,020	\$3,652,305	\$568,728	\$1,495,336	\$8,628,389
Cash Payments for Goods and Services	(2,020,027)	(2,969,624)	(126,194)	(1,393,157)	(6,509,002)
Cash Payments to Employees	(423,427)	(259,277)	(190,471)	0	(873,175)
Net Cash Provided by Operating Activities	468,566	423,404	252,063	102,179	1,246,212
<u>Cash Flows from Capital and Related Financing Activities:</u>					
Cash Received from Tap-in Fees in Excess of Cost	612,933	341,846	0	0	954,779
Proceeds of General Obligation Bonds Payable	0	0	800,000	0	800,000
Receipt of Special Assessments	0	39,199	0	0	39,199
Acquisition and Construction of Assets	(834,423)	(21,290)	(183,210)	0	(1,038,923)
Principal Paid on General Obligation Bonds	(231,374)	(191,780)	0	0	(423,154)
Principal Paid on Ohio Public Works Commission Loans	(49,927)	(39,559)	0	0	(89,486)
Interest Paid on All Debt	(65,761)	(97,430)	(7,500)	0	(170,691)
Net Cash Provided (Used) by Capital and Related Financing Activities	(568,552)	30,986	609,290	0	71,724
<u>Cash Flows from Investing Activities:</u>					
Sale of Investments	178,752	0	0	0	178,752
Purchase of Investments	0	(347,737)	(824,172)	(85,235)	(1,257,144)
Net Cash Provided (Used) by Investing Activities	178,752	(347,737)	(824,172)	(85,235)	(1,078,392)
Net Increase in Cash and Cash Equivalents	78,766	106,653	37,181	16,944	239,544
Cash and Cash Equivalents at Beginning of Year	2,248	2,573	439	375	5,635
Cash and Cash Equivalents at End of Year	\$81,014	\$109,226	\$37,620	\$17,319	\$245,179
<u>Reconciliation of Cash and Cash Equivalents per the Balance Sheet:</u>					
Cash and Cash Equivalents	\$22,352	\$109,226	\$37,620	\$17,319	\$186,517
Restricted Cash and Cash Equivalents	58,662	0	0	0	58,662
Cash and Cash Equivalents at End of Year	\$81,014	\$109,226	\$37,620	\$17,319	\$245,179
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:</u>					
Operating Income (Loss)	(\$753,082)	(\$776,233)	(\$660,119)	\$104,838	(\$2,084,596)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:					
Depreciation Expense	599,592	882,174	902,406	0	2,384,172
Miscellaneous Nonoperating Revenue	2,809	0	0	0	2,809
Changes in Assets and Liabilities:					
Increase in Accounts Receivable	(260,308)	(69,557)	0	0	(329,865)
(Increase) Decrease in Inventory	6,971	0	(445)	0	6,526
(Increase) Decrease in Prepaid Items	441	(1)	(83)	0	357
Increase (Decrease) in Accounts Payable	(913)	20,449	9,587	5,532	34,655
Increase in Accrued Wages and Benefits	484	1,468	1,091	0	3,043
Increase in Intergovernmental Payable	865,236	361,944	0	0	1,227,180
Decrease in Unearned Revenue	0	0	(667)	(8,191)	(8,858)
Increase in Compensated Absences	7,336	3,160	293	0	10,789
Total Adjustments	1,221,648	1,199,637	912,182	(2,659)	3,330,808
Net Cash Provided by Operating Activities	\$468,566	\$423,404	\$252,063	\$102,179	\$1,246,212

Schedule of Noncash Investing, Capital and Financing Activities:

During 2005 the Water Fund, Sewer Fund and Storm Water Fund received capital contributions from developers of \$410,837, \$921,919 and \$808,861 respectively.

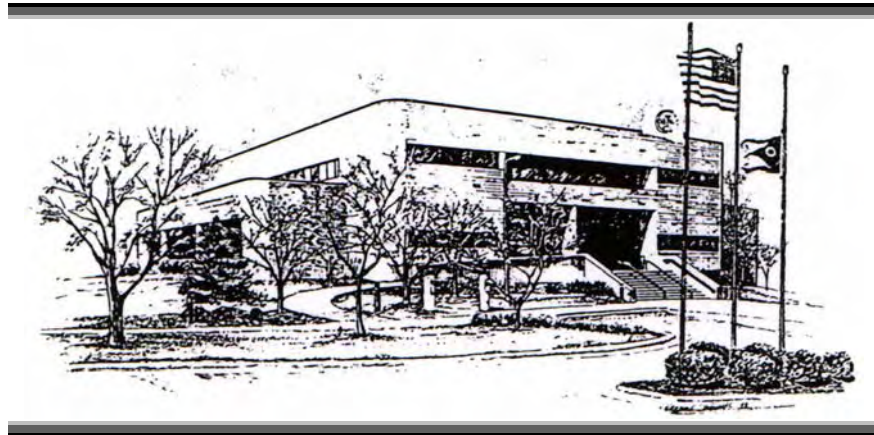
See accompanying notes to the basic financial statements.

CITY OF REYNOLDSBURG, OHIO

***Statement of Assets and Liabilities
Fiduciary Funds
December 31, 2005***

	<u>Agency</u>
Assets:	
Cash and Cash Equivalents	\$ 231,737
Receivables:	
Taxes	<u>4,429</u>
Total Assets	<u><u>\$ 236,166</u></u>
Liabilities:	
Intergovernmental Payable	\$ 176,499
Due to Others	<u>59,667</u>
Total Liabilities	<u><u>\$ 236,166</u></u>

See accompanying notes to the basic financial statements



***Notes to the Basic Financial Statements
For the Year Ended December 31, 2005***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Reynoldsburg, Ohio (the City) is a home-rule municipal corporation created under the laws of the State of Ohio. The City was first incorporated in 1839 and currently operates under and is governed by its own Charter. The current City Charter, which provides for a Mayor-Council form of government, was adopted in 1979 and has been amended by the voters in 1982, 1987, 1992, 1995 and 1997.

The financial statements are presented as of December 31, 2005 and for the year then ended, and have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) applicable to local governments. The Governmental Accounting Standards Board (the "GASB") is the standard-setting body for establishing governmental accounting and financial reporting principles, which are primarily set forth in the GASB's Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification).

A. Reporting Entity

The accompanying basic financial statements comply with the provisions of the GASB Statement No. 14, *"The Financial Reporting Entity,"* as amended by GASB Statement No. 39, *"Determining Whether Certain Organizations are Component Units"* in that the financial statements include all organizations, activities, functions and component units for which the City (the primary government) is financially accountable. Financial accountability is defined as the appointment of a voting majority of a legally separate organization's governing body and either (1) the City's ability to impose its will over the organization, or (2) the potential that the organization will provide a financial benefit to or impose a financial burden on the City.

Based on the foregoing, the City's financial reporting entity has no component units but includes all funds, agencies, boards and commissions that are part of the primary government, including the following services: police protection, parks and recreation, planning, zoning, street maintenance, and other governmental services. In addition, the City owns the water distribution system and the wastewater collection system, each of which is reported as an enterprise fund. Treatment services for both water and wastewater are provided by the City of Columbus on a contractual basis. The City is also associated with a jointly governed organization, the Mid-Ohio Regional Planning Commission. This organization is discussed in Note 13 to the basic financial statements.

B. Basis of Presentation - Fund Accounting

The accounting system is organized and operated on the basis of funds each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses. The following fund types are used by the City:

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2005***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

Governmental Funds

Governmental funds are those funds 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 the proprietary funds) are accounted for through governmental funds. The measurement focus is on determination of "financial flow" (sources and use and balances of financial resources). The following are the City's major governmental funds:

General Fund - This fund is used to account for all financial resources except those accounted for in another fund. The general fund balance is available to the City for any purpose provided it is expended or transferred according to the general laws of Ohio and the limitations of the City Charter.

Permissive Tax Fund – This fund is used to account for the permissive auto license taxes levied for street construction, maintenance and repair.

Street Construction, Maintenance and Repair Fund – This fund is used to account for State levied and controlled gasoline tax and motor vehicle registration fees designated for street construction, maintenance and repair.

Brice-Main TIF – This fund is used to account for financial resources to be used for infrastructure improvements.

Other governmental funds of the City are used to account for (a) the accumulation of resources for, and payment of, general long-term debt principal, interest and related costs; (b) financial resources to be used for the acquisition, construction, or improvement of capital facilities other than those financed by proprietary funds; and (c) for grants and other resources whose use is restricted to a particular purpose.

Proprietary Funds

All proprietary funds are accounted for on an "economic resources" measurement focus. This measurement focus provides that all assets and all liabilities associated with the operation of these funds are included on the statement of net assets. Proprietary fund type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

Enterprise Funds - Enterprise funds may be used to account for any activity for which a fee is charged to external users. The following are the City's major enterprise funds:

Water Fund – This fund is used to account for the operation of the City's water service.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2005***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

Sewer Fund – This fund is used to account for the operation of the City’s sanitary sewer service.

Storm Water Drainage Fund – This fund is used to account for the operation of the City’s storm water drainage service.

Solid Waste Fund – This fund is used to account for the operation of the City’s solid waste collection and disposal service.

Fiduciary Funds

Agency Funds - These funds are used to account for assets held by a governmental unit as an agent for individuals, private organizations or other governmental units. The agency funds account for building permit fees collected on behalf of the State, mayor’s court collections that are distributed to various local governments, hotel tax collections to be distributed to the Reynoldsburg Visitors and Activities Bureaus, fees collected for school activities, and sewer capacity charges distributed to the City of Columbus. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

C. Basis of Presentation – Financial Statements

Government-wide Financial Statements – The statement of net assets and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the City that are governmental and those that are considered business-type activities.

The government-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the City and for each function or program of the City’s governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the City, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the City.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2005***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements (Continued)

Fund Financial Statements – Fund financial statements report detailed information about the City. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

All proprietary fund types 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 statement of net assets. The statement of changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

D. Basis of Accounting

Basis of accounting represents the methodology utilized in the recognition of revenues and expenditures or expenses reported in the financial statements. The accounting and reporting treatment applied to a fund is determined by its measurement focus.

The modified accrual basis of accounting is followed by the governmental funds. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. The term "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, which the City considers to be 60 days after year end. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which is recognized when due.

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. Revenue from income taxes is recognized in the period in which the income is earned and is available. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied and the revenue is available. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2005***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Accounting (Continued)

resources to be used for a specific purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. Revenues considered susceptible to accrual at year end include income taxes, interest on investments, and state levied locally shared taxes, including motor vehicle license fees and local government assistance. Other revenues, including licenses, permits, certain charges for services, and miscellaneous revenues are recorded when received in cash, because generally these revenues are not measurable until received.

Special assessment installments and related accrued interest, which are measurable but not available at December 31, are recorded as deferred revenues. Property taxes measurable as of December 31, 2005 but which are not intended to finance 2005 operations and delinquent property taxes, whose availability is indeterminate, are recorded as deferred revenues.

The accrual basis of accounting is utilized for reporting purposes by the proprietary funds and fiduciary funds. Revenues are recognized when they are earned and expenses are recognized when they are incurred.

For governmental activities and proprietary funds, the City applies Financial Accounting Standards Board (FASB) 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. The City has elected not to apply FASB statements and interpretations issued after November 30, 1989 to its business-type activities and enterprise funds.

E. 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 appropriation ordinance are subject to amendment throughout the year.

1. Tax Budget

All funds, other than agency funds, are legally required to be budgeted and appropriated. The legal level of budgetary control is by fund at the major object level (i.e., personal services, materials and supplies, contractual services) by department. Budgetary modifications may only be made by ordinance of the City Council.

By July 15, the Mayor submits an annual tax budget for the following fiscal year to City Council for consideration and passage. The adopted budget 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.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2005***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

2. Estimated Resources

The County Budget Commission determines if the budget substantiates a need to levy all or part of previously authorized taxes, and reviews estimated revenue. The Budget Commission then certifies its actions to the City by September 1 of each year. As part of the certification process, the City receives an official certificate of estimated resources stating the projected receipts by 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 do not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure. On or about January 1, the certificate of estimated resources is amended to include any unencumbered fund balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or actual receipts exceed current estimates. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts in the final amended official certificate of estimated resources issued during 2005.

3. Appropriations

A temporary appropriation ordinance to control expenditures may be passed on or about January 1 of each year for the period January 1 through March 31. An annual appropriation ordinance must be passed by April 1 of each year for the period January 1 through December 31. The appropriation ordinance establishes spending controls at the fund and major object level (i.e. personal services, materials and supplies, contractual services) and may be modified during the year by Ordinance of City Council. Total fund appropriations may not exceed the current estimated resources certified by the County Budget Commission. Expenditures may not legally exceed budgeted appropriations at the object level. During 2005, several supplemental appropriations were necessary to budget for major capital improvement projects that were not originally appropriated. Administrative control is maintained through the establishment of more detailed line-item budgets. Funds may be moved from one line-item account to another within the same object without approval of City Council. The City Auditor maintains an accounting of the line-item expenditures to insure that the total expenditures within a department by object do not exceed approved appropriations. The allocation of appropriations among departments and objects within a fund may be modified during the year by an ordinance of City Council. The amounts reported as the original budget amounts reflect the first appropriation resolution for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as final budget amounts in the statement of budgetary comparison represent the final appropriations amount including all amendments and modifications.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2005***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

4. Lapsing of Appropriations

At the close of each fiscal 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 balances are carried forward to the subsequent fiscal year and needs not be reappropriated.

5. Budgetary Basis of Accounting

The City's budgetary process accounts for certain transactions on a basis other than accounting principles generally accepted in the United States of America (GAAP). The major differences between the budgetary basis and the GAAP basis lie in the manner in which revenues and expenditures are recorded. Under the budgetary basis, revenues and expenditures are recognized on the cash basis. Utilizing the cash basis, revenues are recorded when received in cash and expenditures recorded when paid. In addition, encumbrances are recorded as the equivalent of expenditures on the budgetary basis as opposed to reservation of fund balance on the GAAP basis. Under the GAAP basis, revenues and expenditures are recorded on the modified accrual basis of accounting. On the budgetary basis investment earnings are recognized when realized, whereas on a GAAP basis unrealized gains and losses are recognized when investments are adjusted to fair value.

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**Notes to the Basic Financial Statements
For the Year Ended December 31, 2005**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

5. Budgetary Basis of Accounting (Continued)

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the general fund and major special revenue fund:

	Net Change in Fund Balance		
	General Fund	Permissive Tax Fund	Street Constuction. Maintenance and Repair Fund
GAAP Basis (as reported)	\$214,002	\$77,083	\$56,771
Increase (Decrease):			
Accrued Revenues at December 31, 2005 received during 2006	(1,977,833)	(25,798)	(204,496)
Accrued Revenues at December 31, 2004 received during 2005	2,095,975	21,929	179,736
Accrued Expenditures at December 31, 2005 paid during 2006	889,318	0	246,393
Accrued Expenditures at December 31, 2004 paid during 2005	(876,738)	(153,307)	(47,095)
2004 Prepays for 2005	8,187	0	50
2005 Prepays for 2006	(9,990)	0	(133)
Adjustment to Fair Value	(29,881)	(4,896)	2,382
Outstanding Encumbrances	(313,160)	0	(267,997)
Budget Basis	<u>(\$120)</u>	<u>(\$84,989)</u>	<u>(\$34,389)</u>

F. Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposits, repurchase agreements, the State Treasury Asset Reserve (STAR Ohio) and certificates of deposit with original maturity dates of three months or less.

The City pools its cash for investment and resource management purposes. Each fund's equity in pooled cash and investments represents the balance on hand as if each fund maintains its own cash and investment account. See Note 3, "Cash, Cash Equivalents and Investments."

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2005***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Investments

Investment procedures and interest allocations are restricted by provisions of the Ohio Constitution and the Ohio Revised Code. In accordance with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools", the City reports its investments at fair value, except for nonparticipating investment contracts (certificates of deposit and repurchase agreements) which are reported at cost, which approximates fair value. The changes in the fair value of investments, are netted against investment earnings in the operating statements. Fair value is determined by quoted market prices.

The City has invested funds in the STAR Ohio during 2005. STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on December 31, 2005. See Note 3, "Cash, Cash Equivalents and Investments."

H. Inventory

Inventory is stated at cost (first-in, first-out) in the governmental funds, and at the lower of cost or market in the proprietary funds. The costs of inventory items are recorded as expenditures in the governmental funds when purchased and as expenses in the governmental activities and proprietary funds when used.

I. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2005, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

J. Capital Assets and Depreciation

Capital assets are defined by the City as assets with an initial, individual cost of more than \$1,000.

1. Property, Plant and Equipment - Governmental Activities

Governmental activities capital assets are those not directly related to the business type funds. These generally are acquired or constructed for governmental activities and are recorded as expenditures in the governmental funds and are capitalized at cost (or estimated historical cost for assets not purchased in recent years). These assets are reported in the Governmental Activities column of the Government-wide Statement of Net Assets, but they are not reported in the Fund Financial Statements.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2005***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Capital Assets and Depreciation (Continued)

Contributed capital assets are recorded at fair market value at the date received. Capital assets include land, buildings, building improvements, machinery, equipment and infrastructure. Infrastructure is defined as long-lived capital assets that normally are stationary in nature and normally can be preserved for a significant number of years. Examples of infrastructure include roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems. Estimated historical costs for governmental activities capital asset values were initially determined by identifying historical costs when such information was available. In cases where information supporting original cost was not obtainable, estimated historical costs were developed. For certain capital assets, the estimates were arrived at by indexing estimated current costs back to the estimated year of acquisition.

2. Property, Plant and Equipment – Business Type Activities

Property, plant and equipment acquired by the proprietary funds are stated at cost (or estimated historical cost), including interest capitalized during construction and architectural and engineering fees where applicable. Contributed capital assets are recorded at fair market value at the date received. These assets are reported in both the Business-Type Activities column of the Government-wide Statement of Net Assets and in the respective funds.

3. Depreciation

All capital assets are depreciated, excluding land and construction in progress. Depreciation has been provided using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Governmental and Business-Type Activities Estimated Lives (in years)</u>
Buildings	15 - 40
Improvements other than Buildings	25
Infrastructure	10-50
Machinery, Equipment, Furniture and Fixtures	5 - 10

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2005***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Long-Term Obligations

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

<u>Obligation</u>	<u>Fund</u>
General Obligation Bonds	Permissive Tax Fund, Street Construction, Maintenance and Repair Fund, General Debt Retirement Fund, Taylor Square Tax Debt Retirement Fund, Water Fund, Sewer Fund, Storm Sewer Fund
Special Assessment Bonds	Special Assessment Debt Retirement Fund
Ohio Public Works Commission Loans	General Debt Retirement Fund Water Fund, Sewer Fund
State Infrastructure Bank Loan	General Debt Retirement Fund
Compensated Absences	General Fund, Income Tax Fund, Street Construction, Maintenance and Repair Fund Water Fund, Sewer Fund, Storm Water Fund

L. Compensated Absences

In accordance with GASB Statement No. 16, "Accounting for Compensated Absences," compensated absences are accrued as liabilities when an employee's right to receive compensation is attributable to services already rendered and it is probable that the employee will be compensated through paid time off or some other means, such as cash payments at termination or retirement. Employees earn vacation leave based on length of service and position. Leave time that has been earned but is unavailable for use as paid time off or as some other form of compensation because an employee has not met the minimum service time requirement is accrued to the extent that it is considered probable that the conditions for compensation will be met in the future.

Sick leave benefits are accrued as a liability using the vesting method. Employees earn 15 days of sick leave per year. After 10 years of service and upon retirement or resignation, full-time police officers will be paid 25% of the accumulated sick leave up to a maximum of 720 hours. The payment will be increased by 2% for each additional 5 years of uninterrupted service. After 10 years of service and upon retirement, all other employees will be paid 25% of the accumulated sick leave up to a maximum of 560 hours.

Compensated absences accumulated by governmental fund type and proprietary fund type employees are reported as an expense when earned in the government-wide financial statements. For governmental fund financial statements, that portion of unpaid compensated absences expected to be paid using expendable, available resources is reported as an expenditure in the fund from which the individual earning the leave is paid. The noncurrent portion of the liability is not reported.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2005***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Any unspent capital debt proceeds at December 31, 2005 does not reduce the City's invested in capital assets, net of related debt. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net Assets restricted for Other Purposes include programs for street and highway improvements, federal grants for security of persons and property and mandatory fines for various court programs.

The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

N. Pensions

The provision for pension costs is recorded when the related payroll is accrued and the obligation is incurred.

O. Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. In addition, interfund transfers between governmental funds are eliminated for reporting on the government-wide financial statements. Only transfers between governmental activities and business-type activities are reported on the statement of activities.

P. Reservations of Fund Balance

Reserves indicate that a portion of fund balance is not available for expenditure or is legally segregated for a specific future use. Fund balances are reserved for inventories of supplies, prepaid items, debt service and encumbrances (excluding encumbered amounts reflected as payables).

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2005***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Q. Restricted Assets

Customer deposits, retainage payable, and cash with fiscal agent are classified as restricted assets on the statement of net assets because these funds are being held for specified purposes.

R. Operating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services for water treatment and distribution, wastewater collection and treatment, maintenance of storm water collection systems and collection of solid waste refuse. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

S. Estimates

The preparation of the basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the basic financial statements and accompanying notes. Actual results may differ from those estimates.

T. Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund loans receivables/payables." On fund financial statements, long-term interfund loans are classified as "advances to/from other funds" on the financial statements and are equally offset by a fund balance reserve account which indicates that they do not constitute available expendable resources. These amounts are eliminated in the governmental and business-type activities columns of the statement of net assets, except for any net residual amounts due between governmental and business-type activities, which are presented as internal balances.

U. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Council and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during fiscal 2005.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2005**

NOTE 2 – PRIOR PERIOD ADJUSTMENT AND CHANGE IN ACCOUNTING PRINCIPLE

A. Restatement of Net Assets/Fund Balances

During the year ended December 31, 2005, the City reclassified activity in enterprise funds which should have been recorded in governmental funds. This resulted in the restatement of the net assets at December 31, 2004 for governmental activities and business type activities - enterprise funds and the restatement of fund balances of governmental funds as follows:

	Governmental Activities	Business Type Activities - Enterprise Funds				Total Business-Type Activities
		Water	Sewer	Storm Water	Solid Waste	
Net Assets, December 31, 2004, as Reported	\$39,233,786	\$23,686,022	\$36,369,967	\$36,533,368	\$314,380	\$96,903,737
Reclassify Interfund Activity	363,259	(158,550)	(122,393)	(82,316)	0	(363,259)
Net Assets, December 31, 2004, as Restated	\$39,597,045	\$23,527,472	\$36,247,574	\$36,451,052	\$314,380	\$96,540,478

	Governmental Funds		
	General Debt		Capital
	General Fund	Retirement Fund	Improvement Fund
Fund Balance, December 31, 2004, as Reported	\$4,848,691	\$1,716,173	\$744,608
Reclassify Interfund Activity	2,878	(390,612)	750,993
Fund Balance, December 31, 2004, as Restated	\$4,851,569	\$1,325,561	\$1,495,601

The beginning balances for the General, General Debt Retirement, and Capital Improvement funds presented within the Statement/Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis) has also been restated based on reclassification of interfund activity.

B. Change in Accounting Principle

The City has implemented GASB Statement No. 40, *Deposits and Investment Disclosures*, which amends GASB Statement No. 3, *Deposits with Financial Institutions, Investments (including Repurchase Agreements) and Reverse Repurchase Agreements*. Implementation of this GASB had no impact on the City’s financial position or results of operation.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2005***

NOTE 3 - CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash resources of several individual funds are combined to form a pool of cash, cash equivalents and investments. The City Auditor, with the guidance of the City's Treasury Investment Board, has the responsibility of investing all cash. The City has adopted an Investment Policy that follows Ohio Revised Code Chapter 135 and applies the prudent person standard. The prudent person standard requires the City Auditor to exercise the care, skill and experience that a prudent person would use to manage his/her personal financial affairs. The main objectives of the Investment Policy are the preservation of capital, maintenance of liquidity, and maximization of return on the portfolio.

Statutes require the classification of funds held by the City into three categories.

Category 1 consists of "active" funds - those funds required to be kept in a "cash" or "near cash" status for immediate use by the City. Such funds must be maintained either as cash in the City Treasury or in depository accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts.

Category 2 consists of "inactive" funds - those funds not required for use within the current five year period of designation of depositories. Inactive funds may be deposited or invested only as certificates of deposit maturing not later than the end of the current period of designation of depositories.

Category 3 consists of "interim" funds - those funds which are not needed for immediate use but, which will be needed before the end of the current period of designation of depositories. Interim funds may be invested or deposited in the following securities:

- United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal or interest by the United States;
- Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
- Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
- Interim deposits in eligible institutions applying for interim funds;

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2005**

NOTE 3 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

- Bonds and other obligations of the State of Ohio;
- No-load money market mutual funds consisting exclusively of obligations described in the first two bullets of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions, and
- The State Treasury Asset Reserve of Ohio (STAR Ohio).

A. Deposits

Custodial credit risk is the risk that in the event of bank failure, the City's deposits may not be returned. Protection of City cash and deposits is provided by the federal deposit insurance corporation as well as qualified securities pledged by the institution holding the assets. Ohio Law requires that deposits be placed in eligible banks or savings and loan associations located in Ohio. Any public depository in which the City places deposits must pledge as collateral eligible securities of aggregate market value equal to the excess of deposits not insured by the Federal Deposit Insurance Corporation (FDIC). The securities pledged as collateral are pledged to a pool for each individual financial institution in amounts equal to at least 105% of the carrying value of all public deposits held by each institution. Obligations that may be pledged as collateral are limited to obligations of the United States and its agencies and obligations of any state, county, municipal corporation or other legally constituted authority of any other state, or any instrumentality of such county, municipal corporation or other authority. Collateral is held by trustees including the Federal Reserve Bank and designated third party trustees of the financial institutions.

At year end the carrying amount of the City's deposits was \$658,965 and the bank balance was \$934,912. Federal deposit insurance covered \$219,437 of the bank balance and \$715,475 was uninsured. Of the remaining uninsured bank balance, the City was exposed to custodial risk as follows:

	<u>Balance</u>
Uninsured and uncollateralized	\$440
Uninsured and collateralized with securities held by the pledging institution's trust department not in the City's name	<u>715,035</u>
Total Balance	<u><u>\$715,475</u></u>

Investment earnings of \$428,298 earned by other funds was credited to the General Fund as required by state statute.

CITY OF REYNOLDSBURG, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2005**

NOTE 3 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

B. Investments

The City's investments at December 31, 2005 were as follows:

	Fair Value	Credit Rating	Investment Maturities (in Months)			
			less than 6	7-12	13-18	19-24
FNMA	\$4,455,160	AAA ¹	\$496,565	\$988,750	\$2,473,280	\$496,565
FHLB	10,563,959	AAA ¹	5,485,273	3,097,931	1,481,880	498,875
FHLMC	2,085,729	AAA ¹	992,785	98,844	994,100	0
Negotiable CD's	2,066,905	AAA ²	1,969,884	0	97,021	0
Mutual Fund	155,220	N/A ³	155,220	0	0	0
Repurchase Agreements	961,000	N/A	961,000	0	0	0
STAR Ohio	7,565,578	AAAm ¹	7,565,578	0	0	0
Total Investments	<u>\$27,853,551</u>		<u>\$17,626,305</u>	<u>\$4,185,525</u>	<u>\$5,046,281</u>	<u>\$995,440</u>

1 Standard & Poor's

2 All are fully FDIC insured and therefore have an implied AAA credit rating

3 The entire Mutual Fund portfolio is invested in underlying securities with an AAA rating

Interest Rate Risk – The Ohio Revised Code generally limits security purchases to those that mature within five years of settlement date. The City's Investment Policy does not permit the City Auditor to invest in any security maturing in more than 2 years.

Concentration of Credit Risk – The Investment Policy places no limit on the amount the Auditor may invest in one issuer. The policy limits investments with any one financial institution to 25% of the investment portfolio, with the exception of a 40% limit to investments in STAR Ohio. Of the City's total investments, 16.0% are FNMA, 38.0% are FHLB, 7.5% are FHLMC, and 27.2% are STAR Ohio. All other investments are less than 5% of the City's total investments.

Custodial Credit Risk – For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. Of the City's investment in repurchase agreements, the entire balance is collateralized by underlying securities pledged by the investment's counterparty, not in the name of the City.

C. Cash with Fiscal Agents

In addition to deposits and investments, the City has uninsured and uncollateralized cash in the amount of \$955,870 being held by the Franklin and Fairfield County Engineers. This cash is restricted in its use for various road improvement projects.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2005**

NOTE 3 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

D. Reconciliation of Cash, Cash Equivalents and Investments

The classification of cash, cash equivalents and investments on the combined financial statements were based on criteria set forth in GASB Statement No. 9. Repurchase agreements and certificates of deposit with an original maturity of three months or less were treated as cash equivalents. The classification of cash and cash equivalents (deposits) for purposes of this note were based on criteria set forth in GASB Statement No. 3.

A reconciliation between classifications of cash and investments on the financial statements and classifications per items A and B of this note are as follows:

	<u>Cash and Cash Equivalents *</u>	<u>Investments</u>
Per Financial Statements	\$9,085,190	\$19,427,326
Certificates of Deposit (with maturities of more than 3 months)	100,353	(100,353)
Investments:		
Repurchase Agreement	(961,000)	961,000
STAR Ohio	(7,565,578)	7,565,578
Per GASB Statement No. 3	<u>\$658,965</u>	<u>\$27,853,551</u>

* Does not include cash with fiscal agent.

NOTE 4 - TAXES

A. Property Taxes

Property taxes include amounts levied against all real estate and public utility property, and tangible personal property located in the City and used in business. Real property taxes (other than public utility) collected during 2005 were levied after October 1, 2004 on assessed values as of January 1, 2004, the lien date. Assessed values are established by the county auditor at 35 percent of appraised market value. All property is required to be reappraised every six years and equalization adjustments made in the third year following reappraisal. The last revaluations were completed in 1999 in Franklin County and Licking County, and in Fairfield County, the last revaluation was completed in 2001. Real property taxes are paid annually or semi-annually. The first payment is due January 20; the remainder payable by June 20.

Taxes collected from tangible personal property (other than public utility) in one calendar year are levied in the prior calendar year on assessed values during and at the close of the most recent fiscal year of the taxpayer ending on or before March 31 of that calendar year, and at the tax rates determined in the preceding year. Except for public utilities, tangible personal property used in business 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 of the year assessed. Single county taxpayers may pay annually or semiannually: the first payment is due April 30; the remainder payable by September 20.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2005***

NOTE 4 - TAXES (Continued)

A. Property Taxes (Continued)

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 is currently assessed at 88 percent of its true value. Public utility property taxes are payable on the same dates as the real property taxes described previously.

The County Treasurers collect property taxes on behalf of all taxing districts in the County including the City of Reynoldsburg. The County Auditors periodically remit to the City its portion of the taxes collected. The full tax rate for all City operations for the year ended December 31, 2005 was \$0.7 per \$1,000 of assessed value. The assessed value upon which the 2005 tax receipts were based was \$659,659,756. This amount constitutes \$617,992,100 in real property assessed value, \$10,947,810 in public utility assessed value and \$30,719,846 in tangible personal property assessed value.

Ohio law prohibits taxation of property from all taxing authorities in excess of 1% of assessed value without a vote of the people. Under current procedures, the City's share is .07% (0.7 mills) of assessed value.

B. Income Tax

The City levies a tax of 1.5% on all salaries, wages, commissions and other compensation and on net profits earned within the City as well as on incomes of residents earned outside the City. In the latter case, the City allows a credit of 100% of the tax paid to another municipality to a maximum of the total amount assessed.

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

NOTE 5 - RECEIVABLES

Receivables at December 31, 2005 consisted of taxes, interest, accounts receivable, special assessments, and intergovernmental receivables arising from shared revenues. Receivables have been recorded to the extent that they are measurable at December 31, 2005, as well as intended to finance 2005 operations. All receivables have been disaggregated on the face of the basic financial statements. The only receivable not expected to be collected within the subsequent year are the special assessments which are collected over the life of the assessment.

CITY OF REYNOLDSBURG, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2005**

NOTE 6 – INTERFUND ACCOUNTS

Interfund balances at December 31, 2005 consist of the following individual fund receivables and payables:

	<u>Interfund Loan Receivable</u>	<u>Interfund Loan Payable</u>
General Fund	\$17,342	\$0
Other Governmental Funds	0	17,342
Totals	<u>\$17,342</u>	<u>\$17,342</u>

The Interfund Loan is a loan made by the General Fund to the GREAT Grant Fund (special revenue) until grant monies are received by that fund.

NOTE 7 - CAPITAL ASSETS

A. Governmental Activities Capital Assets

Summary by category of changes in governmental activities capital assets for year ended December 31, 2005:

Historical Cost:

Class	Balance at December 31, 2004	Additions	Deletions	Balance at December 31, 2005
<i>Capital assets not being depreciated:</i>				
Land	\$16,539,608	\$0	\$0	\$16,539,608
Construction in Progress	627,275	2,280,495	(627,275)	2,280,495
Subtotal	<u>17,166,883</u>	<u>2,280,495</u>	<u>(627,275)</u>	<u>18,820,103</u>
<i>Capital assets being depreciated:</i>				
Buildings	11,762,976	0	0	11,762,976
Improvements Other than Buildings	1,747,041	0	0	1,747,041
Infrastructure	28,179,095	1,141,016	0	29,320,111
Machinery and Equipment	3,840,864	267,070	(76,801)	4,031,133
Subtotal	<u>45,529,976</u>	<u>1,408,086</u>	<u>(76,801)</u>	<u>46,861,261</u>
Total Cost	<u>\$62,696,859</u>	<u>\$3,688,581</u>	<u>(\$704,076)</u>	<u>\$65,681,364</u>

Accumulated Depreciation:

Class	Balance at December 31, 2004	Additions	Deletions	Balance at December 31, 2005
Buildings	(\$2,351,279)	(\$301,771)	\$0	(\$2,653,050)
Improvements Other than Buildings	(487,487)	(69,881)	0	(557,368)
Infrastructure	(8,473,407)	(1,246,211)	0	(9,719,618)
Machinery and Equipment	(2,511,593)	(373,852)	68,211	(2,817,234)
Total Depreciation	<u>(\$13,823,766)</u>	<u>(\$1,991,715)</u>	<u>\$68,211</u>	<u>(\$15,747,270)</u>

Net Value: \$48,873,093 \$49,934,094

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2005**

NOTE 7 – CAPITAL ASSETS (Continued)

A. Governmental Activities Capital Assets (Continued)

* Depreciation expenses were charged to governmental functions as follows:

Security of Persons and Property	\$340,156
Leisure Time Activities	121,938
Community Development	1,549
Transportation	1,336,144
General Government	191,928
Total Depreciation Expense	<u>\$1,991,715</u>

B. Business-Type Activities Capital Assets

Summary by category of changes in business-type activities capital assets for year ended December 31, 2005:

Historical Cost:

Class	Balance at December 31, 2004	Additions	Deletions	Balance at December 31, 2005
Capital assets not being depreciated:				
Land	\$3,000	\$0	\$0	\$3,000
Construction in Progress	567,196	74,744	(567,196)	74,744
Subtotal	<u>570,196</u>	<u>74,744</u>	<u>(567,196)</u>	<u>77,744</u>
Capital assets being depreciated:				
Buildings and Improvements	152,616	0	0	152,616
Infrastructure	114,001,306	3,659,607	0	117,660,913
Machinery and Equipment	723,036	29,744	(16,821)	735,959
Subtotal	<u>114,876,958</u>	<u>3,689,351</u>	<u>(16,821)</u>	<u>118,549,488</u>
Total Cost	<u>\$115,447,154</u>	<u>\$3,764,095</u>	<u>(\$584,017)</u>	<u>\$118,627,232</u>

Accumulated Depreciation:

Class	Balance at December 31, 2004	Additions	Deletions	Balance at December 31, 2005
Buildings and Improvements	(\$146,409)	(\$204)	\$0	(\$146,613)
Infrastructure	(21,636,053)	(2,316,624)	0	(23,952,677)
Machinery and Equipment	(336,254)	(67,344)	16,821	(386,777)
Total Depreciation	<u>(\$22,118,716)</u>	<u>(\$2,384,172)</u>	<u>\$16,821</u>	<u>(\$24,486,067)</u>
Net Value:	<u>\$93,328,438</u>	<u>\$1,379,923</u>	<u>(\$567,196)</u>	<u>\$94,141,165</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2005***

NOTE 8 – DEFINED BENEFIT PENSION PLANS

All of the City’s full-time employees participate in one of two separate retirement systems which are cost-sharing multiple employer defined benefit pension plans.

A. Ohio Public Employees Retirement System (the “Ohio PERS”)

The following information was provided by the Ohio PERS to assist the City in complying with GASB Statement No. 27, “*Accounting for Pensions by State and Local Government Employers.*”

All employees of the City, except full-time uniformed police officers, participate in one of the three pension plans administered by the Ohio PERS: the Traditional Pension Plan (TP), the Member-Directed Plan (MD), and the Combined Plan (CO). The TP Plan is a cost-sharing multiple employer defined benefit pension plan. The MD Plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the MD Plan members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings thereon. The CO Plan is a cost-sharing multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan. Under the CO Plan employer contributions are invested by the retirement system to provide a formula retirement benefit similar in nature to the TP Plan. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the MD Plan.

The Ohio PERS provides retirement, disability, survivor and death benefits and annual cost-of-living adjustments to members of the TP Plan and CO Plan. Members of the MD Plan do not qualify for ancillary benefits, including postemployment health care benefits. Chapter 145 of the Ohio Revised Code provides statutory authority to establish and amend benefits. The Ohio Public Employees Retirement System issues a stand-alone financial report that includes financial statements and required supplementary information for the Ohio PERS. Interested parties may obtain a copy by making a written request to 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-6701 or 1-800-222-7377.

The Ohio Revised Code provides statutory authority for employee and employer contributions. For 2005, employee and employer contribution rates were consistent across all three plans (TP, MD and CO). The employee contribution rate is 8.5%. The 2005 employer contribution rate for local government employer units was 13.55%, of covered payroll, 9.55% to fund the pension and 4.0% to fund health care. The contribution requirements of plan members and the City are established and may be amended by the Public Employees Retirement Board. The City's contributions to the Ohio PERS for the years ending December 31, 2005, 2004, and 2003 were \$555,787, \$553,952 and \$510,540, respectively, which were equal to the required contributions for each year.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2005***

NOTE 8 – DEFINED BENEFIT PENSION PLANS (Continued)

A. Ohio Public Employees Retirement System (the “Ohio PERS”) (Continued)

The Ohio PERS provides postemployment health care benefits to age and service retirees with ten or more years of qualifying Ohio service credit under the TP and CO plans and to primary survivor recipients of such retirees. Health care coverage for disability recipients is also available. The health care coverage provided by the Ohio PERS is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. A portion of each employer's contribution to the Ohio PERS is set aside for the funding of post retirement health care. The Ohio Revised Code provides statutory authority requiring public employers to fund postemployment health care through their contributions to the Ohio PERS. The portion of the 2005 employer contribution rate (identified above) that was used to fund health care for the year 2005 was 4.0% of covered payroll which amounted to \$164,678.

The significant actuarial assumptions and calculations relating to postemployment health care benefits were based on the Ohio Public Employees Retirement System's latest actuarial review performed as of December 31, 2004. An entry age normal actuarial cost method of valuation is used in determining the present value of OPEB. The difference between assumed and actual experience (actuarial gains and losses) becomes part of unfunded actuarial accrued liability. All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach assets are adjusted annually to reflect 25% of unrealized market appreciation or depreciation on investment assets. The investment assumption rate for 2004 was 8.0%. An annual increase of 4.0% compounded annually, is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. Additionally, annual pay increases, over and above the 4.0% base increase, were assumed to range from 0.5% to 6.3%. Health care costs were assumed to increase 4.0% annually plus an additional factor ranging from 1% to 6% for the next 8 years. In subsequent years (9 and beyond) health care costs were assumed to increase 4% (the projected wage inflation rate).

Benefits are advanced-funded on an actuarially determined basis. The number of active contributing participants for the TP and CO Plans was 376,109. The actuarial value of the Ohio PERS net assets available for OPEB at December 31, 2004 is \$10.8 billion. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$29.5 billion and \$18.7 billion, respectively.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, will be effective January 1, 2007. In addition to the HCPP, Ohio PERS has taken additional action to improve the solvency of the Health Care Fund in 2005 by creating a separate investment pool for health care assets. As an additional component of the HCPP, member and employer contribution rates increased as of January 1, 2006, which will allow additional funds to be allocated to the health care plan

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2005***

NOTE 8 – DEFINED BENEFIT PENSION PLANS (Continued)

B. Ohio Police and Fire Pension Fund (the “OP&F Fund”)

All City full-time police officers participate in the OP&F Fund, a cost-sharing multiple-employer defined benefit pension plan. The OP&F Fund provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members and beneficiaries. Contribution requirements and benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. The Ohio Police and Fire Pension Fund issues a stand-alone financial report that includes financial statements and required supplementary information for the OP&F 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.

Plan members are required to contribute 10.0% of their annual covered salary, while employers are required to contribute 19.5% for police officers. The City's contributions to the OP&F Fund for the years ending December 31, 2005, 2004, and 2003 were \$670,500, \$638,728 and \$570,257 for police which were equal to the required contributions for each year.

The OP&F Fund provides postemployment health care coverage to any person who received or is eligible to receive a monthly benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school, or under the age of 22 if attending school on a full-time or two-thirds basis. The health care coverage provided by the OP&F Fund is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. The Ohio Revised Code provides that health care costs paid from the funds of the OP&F Fund shall be included in the employer's contribution rate. The Ohio Revised Code also provides statutory authority allowing the Fund's Board of Trustees to provide postemployment health care coverage to all eligible individuals from the employer's contributions to the OP&F Fund.

The portion of the 2005 covered payroll that was used to fund postemployment health care benefits was \$264,759 representing 7.75% of covered payroll for police. Health care funding and accounting was on a pay-as-you-go basis. In addition, since July 1, 1992 most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. Beginning in 2001, all retirees and survivors have monthly health care contributions. As of December 31, 2004, the date of the last actuarial evaluation available, the number of participants eligible to receive health care benefits was 13,812 for police. The OP&F Fund does not provide separate data on the funded status and funding progress of postemployment health care benefits. The Fund's total health care expenses for the year ended December 31, 2004 were \$102,173,796, which was net of member contributions of \$55,665,341.

CITY OF REYNOLDSBURG, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2005**

NOTE 9 - LONG-TERM DEBT LIABILITIES

Long-term debt and other long-term liabilities of the City at December 31, 2005 were as follows:

			Balance December 31, 2004	Additions	(Reductions)	Balance December 31, 2005	Due Within One Year
Business-Type Activities							
General Obligation Bonds:							
2.0 - 3.75%	Water System Improvement	2003	\$801,766	\$0	(\$195,674)	\$606,092	\$196,483
4.4 - 5.05%	Sewer System Improvement	1998	744,000	0	(62,000)	682,000	62,000
3.5 - 4.00%	Water System Improvement	2001	275,400	0	(35,700)	239,700	36,550
	Unamortized Charge		(4,860)	0	720	(4,140)	0
3.5 - 4.00%	Sewer System Improvement	2001	1,001,160	0	(129,780)	871,380	132,870
	Unamortized Charge		(17,685)	0	2,620	(15,065)	0
3.98%	Storm Sewer Improvement	2005	0	800,000	0	800,000	63,000
	Total General Obligation Bonds		<u>2,799,781</u>	<u>800,000</u>	<u>(419,814)</u>	<u>3,179,967</u>	<u>490,903</u>
Ohio Public Works Commission Loans (OPWC):							
3.00%	Cobblestone Run/ Windsor Forest Sanitary Sewers		830,425	0	(39,559)	790,866	40,755
3.00%	Old Reynoldsburg North Water Line		367,895	0	(14,616)	353,279	15,057
3.00%	Route 256 Waterline		888,807	0	(35,311)	853,496	36,378
	Total OPWC Loans		<u>2,087,127</u>	<u>0</u>	<u>(89,486)</u>	<u>1,997,641</u>	<u>92,190</u>
	Compensated Absences		<u>126,636</u>	<u>69,047</u>	<u>(58,258)</u>	<u>137,425</u>	<u>41,043</u>
	Total Business-Type Long-Term Debt		<u>\$5,013,544</u>	<u>\$869,047</u>	<u>(\$567,558)</u>	<u>\$5,315,033</u>	<u>\$624,136</u>

The City issues general obligation bonds and OPWC promissory notes to provide funds for the acquisition and construction of business-type activity major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the City. The City expects that principal and interest will be paid entirely by user fees from Water, Sewer, and Storm Water Drainage operations.

CITY OF REYNOLDSBURG, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2005**

NOTE 9 - LONG-TERM DEBT LIABILITIES (Continued)

		Balance December 31, 2004	Additions	(Reductions)	Balance December 31, 2005	Due Within One Year
Governmental Activities Long-Term Debt:						
General Obligation Bonds:						
7.375%	City Hall Construction	1986	\$210,000	\$0	(\$105,000)	\$105,000
2.0 - 3.75%	Street Improvement	2003	2,445,629	0	(239,223)	2,206,406
2.0 - 3.75%	Street Improvement	2003	512,605	0	(125,103)	387,502
4.4 - 5.05%	Street Improvement	1998	456,000	0	(38,000)	418,000
3.3 - 4.80%	Taylor Square TIF	1999	7,575,000	0	(265,000)	7,310,000
3.3 - 4.80%	Downtown Revitalization	1999	190,000	0	(45,000)	145,000
4.45 - 5.63%	Police Facilities	2000	5,605,000	0	(155,000)	5,450,000
3.5 - 4.00%	Taylor Road Improvement	2001	343,440	0	(44,520)	298,920
2.0 - 4.125%	Commercial Corridor Phase 1	2003	4,110,000	0	(120,000)	3,990,000
3.0 - 4.250%	Commercial Corridor Phase 2	2005	0	8,055,000	0	8,055,000
	Unamortized Premium	2005	0	100,543	(2,514)	98,029
	Total General Obligation Bonds		21,447,674	8,155,543	(1,139,360)	28,463,857
Special Assessment Bond:						
with Governmental Commitment						
4.75 - 4.80%	Water Improvement	1991	40,000	0	(10,000)	30,000
Ohio Public Works Commission Loans (OPWC):						
0.00%	Lancaster Avenue Reconstruction Loan	1997	706,170	0	(55,879)	650,291
0.00%	Commercial Corridor Phase 1	2003	1,750,000	0	(175,000)	1,575,000
0.00%	Commercial Corridor Phase 2	2005	0	1,337,990	0	1,337,990
	Total OPWC Loans		2,456,170	1,337,990	(230,879)	3,563,281
2.90%	SIB Loan Payable		0	239,105	0	239,105
	Compensated Absences		714,361	720,621	(723,569)	711,413
	Total Governmental Activities		\$24,658,205	\$10,453,259	(\$2,103,808)	\$33,007,656

The City issues general obligation bonds, OPWC promissory notes, and State Infrastructure Bank loans to provide funds for the acquisition and construction of governmental major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the City. The City expects that principal and interest will be paid from revenues of the City's municipal income tax along with TIF proceeds for the Taylor Square and Brice-Main debt.

Special assessment general obligation bonds are used to finance street and water improvements. Debt service is financed by assessments to affected property owners. However, the City is ultimately responsible for the debt service if the assessments are not collected. Delinquent special assessments at year end were \$5,850.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2005**

NOTE 9 - LONG-TERM DEBT LIABILITIES (Continued)

A. Principal and Interest Requirements

Principal and interest requirements to retire long-term liabilities outstanding at December 31, 2005 are as follows:

Business-Type Activities:			Governmental Activities:			
Years	General Obligation Bonds		General Obligation Bonds		Special Assessment Bond	
	Principal	Interest	Principal	Interest	Principal	Interest
2006	\$490,903	\$118,854	\$1,337,097	\$1,215,971	\$10,000	\$1,440
2007	508,873	105,497	1,316,127	1,168,646	10,000	960
2008	522,336	88,766	1,385,664	1,124,121	10,000	480
2009	326,120	71,179	1,248,880	1,076,218	0	0
2010	337,000	57,778	1,301,000	1,029,553	0	0
2011-2015	951,940	123,684	6,809,060	4,303,772	0	0
2016-2020	62,000	3,131	7,678,000	2,791,802	0	0
2021-2025	0	0	7,290,000	918,376	0	0
Totals	<u>\$3,199,172</u>	<u>\$568,889</u>	<u>\$28,365,828</u>	<u>\$13,628,459</u>	<u>\$30,000</u>	<u>\$2,880</u>

Years	Ohio Public Works Commission Loans		Ohio Public Works Commission Loans		SIB Loan Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2006	\$92,190	\$59,242	\$172,546	\$0	\$0	\$0
2007	94,977	56,457	256,170	0	28,516	7,184
2008	97,847	53,585	256,170	0	28,516	6,347
2009	100,806	50,628	256,170	0	29,378	5,485
2010	103,851	47,582	256,172	0	30,266	4,597
2011-2015	568,284	188,884	1,280,854	0	122,429	8,961
2016-2020	659,516	97,649	917,949	0	0	0
2021-2025	280,170	13,684	167,250	0	0	0
Totals	<u>\$1,997,641</u>	<u>\$567,711</u>	<u>\$3,563,281</u>	<u>\$0</u>	<u>\$239,105</u>	<u>\$32,574</u>

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2005**

NOTE 9 - LONG-TERM DEBT LIABILITIES (Continued)

B. Defeased Debt

In December 1993, the City defeased \$1,322,000 of General Obligation Bonds for Parks and Recreation Improvement and \$1,983,000 of General Obligation Bonds for Water System Improvement dated April 1, 1989 (the "1989 Bonds") through the issuance of \$1,483,950 of General Obligation Bonds for Parks and Recreation Improvement and \$2,321,050 of General Obligation Bonds for Water System Improvement (the "1993 Bonds"). The net proceeds of the 1993 Bonds have been invested in obligations guaranteed as to both principal and interest by the United States and placed in irrevocable escrow accounts which, including interest earned, will be used to pay the principal and interest on the refunded bonds. The refunded bonds, which have an outstanding balance of \$965,000 at December 31, 2005, are not included in the City's outstanding debt since the City has in-substance satisfied its obligations through the advance refunding.

NOTE 10 - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. During 2005 the City contracted with several different insurance providers for various insurance coverages, as follows:

Insurance Provider	Coverage	Deductible
Westfield Company	Automobile	\$1,000 Comprehensive; 1,000 Collision
The St. Paul/Travelers Companies	General Liability	25,000
The St. Paul/Travelers Companies	Property Casualty	1,000
The St. Paul/Travelers Companies	Electronic Data Processing	1,000
The St. Paul/Travelers Companies	Fine Arts	1,000
The St. Paul/Travelers Companies	Difference in Conditions	75,000
The St. Paul/Travelers Companies	Miscellaneous Equipment	1,000
CNA	Boiler and Machinery	1,000
Scottsdale Insurance Company	Law Enforcement Liability	25,000
The St. Paul/Travelers Companies	Public Officials Liability	25,000
The St. Paul/Travelers Companies	Museum	1,000
The St. Paul/Travelers Companies	Employee Benefits Liability	1,000
The St. Paul/Travelers Companies	Umbrella Excess Liability	10,000
The St. Paul/Travelers Companies	Employment Practices Liability	25,000

There has been no significant reduction in insurance coverages from coverages in the prior year. In addition, settled claims resulting from these risks have not exceeded commercial insurance coverages in any of the past three fiscal years.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2005***

NOTE 10 - RISK MANAGEMENT (Continued)

Workers' compensation claims are covered through the City's participation in the State of Ohio's program. The City pays the State Workers' Compensation System a premium based upon a rate per \$100 of payroll. The rate is determined based on accident history and administrative costs.

NOTE 11 - CONSTRUCTION COMMITMENTS

As of December 31, 2005, the City had the following commitments with respect to capital improvements:

<u>Capital Projects</u>	<u>Remaining Construction Commitment</u>	<u>Projected Date of Completion</u>
Taylor Road Reconstruction	\$1,722,000	December 2006
Sidewalk Program Phase 5	131,810	June 2006
Brice-Main Commercial Corridor	4,860,257	June 2007

NOTE 12 - CONTINGENCIES

The City is a party to various legal proceedings which seek damages or injunctive relief generally incidental to its operations and pending projects. The City's management is of the opinion that the ultimate disposition of various claims and legal proceedings will not have a material effect, if any, on the financial condition of the City.

NOTE 13 – JOINTLY GOVERNED ORGANIZATIONS

The City is a participant in the Mid-Ohio Regional Planning Commission (MORPC), a jointly governed organization. MORPC is composed of 74 representatives appointed by member governments who make up the Commission, the policy-making body of MORPC, and the oversight board. MORPC is a voluntary association of local governments in central and south central Ohio and a regional planning agency whose membership includes 42 political subdivisions in and around Franklin, Ross, Fayette, Delaware, Pickaway, Madison, Licking, and Fairfield counties, Ohio. The purpose of the organization is to improve the quality of life for member communities by improving housing conditions, to promote and support livability/sustainability measures as a means of addressing regional growth challenges, and to administer and facilitate the availability of regional environmental infrastructure program funding to the full advantage of MORPC's members.

NOTE 14 – SUBSEQUENT EVENT

On May 16, 2006, the City issued \$9,720,000 in various purpose refunding bonds. The bonds bear an annual interest rate ranging from 4.00% to 5.00% and mature December 1, 2025.

*COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES*

*THE FOLLOWING COMBINING STATEMENTS AND SCHEDULES INCLUDE
THE MAJOR AND NONMAJOR GOVERNMENTAL FUNDS AND FIDUCIARY
FUNDS.*

Nonmajor Governmental Funds

Special Revenue Funds

Special Revenue funds are used to account for the proceeds of specific revenue sources (other than amounts relating to major capital projects) that are legally restricted to expenditures for specified purposes.

Federal Emergency Management Agency (FEMA) Fund

To account for Federal Emergency Management Agency funds received as reimbursement for winter clean up by the Street Department. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

Court Computerization Fund

To account for fees collected for the computerization needs of the Clerk of Courts.

Income Tax Fund

This fund is used to account for the portion of income taxes used for the operations of the Income Tax Department.

Police Pension Fund

To account for taxes levied toward partial payment of the current and accrued liability for police disability and pension.

State Highway Fund

To account for the portion of the State gasoline tax and motor vehicle registration fees designated for the maintenance and repair of State highways within the City.

Community Oriented Policing Services (COPS) Fast Grant Fund

To account for federal grant monies designated for the cost of additional police officers. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

Community Oriented Policing Services (COPS) in School Fund

To account for federal grant monies designated for the cost of placing police officers in local schools.

Community Oriented Policing Services (COPS) More 2000 Grant Fund

To account for federal grant monies designated for the cost of additional police officers.

Gang Resistance and Education Training (G.R.E.A.T) Grant Fund

To account for federal grant monies designated for the development of programs to educate youth about the dangers associated with joining street gangs.

Local Law Enforcement Block Grant 2004 Fund

To account for grant monies for equipment purchases for Police Department. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

(Continued)

Special Revenue Funds (Continued)

Law Enforcement Fund

To account for the proceeds from the confiscation of contraband.

Drug Enforcement Fund

To account for mandatory fines collected for drug offenses.

Safety Belt Program Fund

To account for monies used for safety belt education programs.

DUI Education/Enforcement Fund

To account for financial resources used to educate the public regarding laws governing the operation of motor vehicles while under the influence of alcohol.

Federal Forfeiture Fund

To account for monies from the United States Marshall allocated to the City based upon the City's participation in the confiscation of contraband.

Community Environment Fund

To account for funds used by various commissions and to pay the costs of activities intended to enrich the quality of life of the residents. Funds are primarily from gifts and donations.

Supervision and Inspection Fund

To account for fees collected from builders and developers to cover the costs of inspection services required for major capital improvements.

Plot, Grade and Utility Plans Fund

To account for fees collected from builders and developers to cover the costs of engineering reviews of plot, grade and utility plans.

Unclaimed Funds Fund

To account for funds which rightfully belong to the payor and are refunded when the payor provides proof of claim for the funds within the period specified by law. (The Statement of Revenues, Expenditures and Changes in Fund Balances is not presented because there was no activity during the year.)

Employees Fund

To account for funds collected from the sale of soft drinks and coffee which help fund special events for City employees.

Engineering Fees/Plan Review Deposits Fund

To account for fees collected from builders to cover the costs of engineering reviews of plans and specifications.

Debt Service Fund

The Debt Service Funds are used to account for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources and special assessment levies when the government is obligated in some manner for payment.

General Debt Retirement Fund

To account for the accumulation of resources for and the payment of principal and interest on general obligation debt other than those accounted for in the proprietary funds.

Special Assessment Debt Retirement Fund

To account for revenues collected on special assessments used for the retirement of principal and interest on special assessment debt of the City

Taylor Square Tax Increment Equivalent (TIEF) Debt Retirement Fund

To account for resources that are used for payment of principal, interest and fiscal charges on the Taylor Square debt.

Brice-Main Tax Increment Equivalent (TIEF) Debt Retirement Fund

To account for resources that are used for payment of principal, interest and fiscal charges related to the Brice-Main Tax Increment Financing Agreement.

Capital Projects Funds

The Capital Projects Funds are used to account for the financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary or trust funds.

Capital Improvement Fund

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

Sidewalk Construction Fund

To account for fees collected from sidewalk permits used for sidewalk rehabilitation projects.

CITY OF REYNOLDSBURG, OHIO

**Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2005**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Cash and Cash Equivalents	\$ 628,370	\$ 1,186,370	\$ 348,972	\$ 2,163,712
Investments	2,055,687	748,683	2,833,640	5,638,010
Receivables:				
Taxes	208,305	303,782	43,398	555,485
Accounts	4,162	0	0	4,162
Intergovernmental	113,317	40,000	0	153,317
Interest	926	0	0	926
Special Assessments	0	26,214	94,741	120,955
Prepaid Items	127	0	0	127
Restricted Assets:				
Cash and Cash Equivalents	0	0	777	777
Investments	0	0	134,000	134,000
Total Assets	\$ 3,010,894	\$ 2,305,049	\$ 3,455,528	\$ 8,771,471
Liabilities:				
Accounts Payable	\$ 26,152	\$ 0	\$ 27,798	\$ 53,950
Accrued Wages and Benefits Payable	9,883	0	0	9,883
Claims Payable	20,945	0	0	20,945
Retainage Payable	0	0	134,777	134,777
Interfund Loans Payable	17,342	0	0	17,342
Deferred Revenue	285,264	135,022	104,571	524,857
Total Liabilities	359,586	135,022	267,146	761,754
Fund Balances:				
Reserved for Encumbrances	203,838	0	714,090	917,928
Reserved for Prepaid Items	127	0	0	127
Reserved for Debt Service	0	2,170,027	0	2,170,027
Unreserved, Undesignated in:				
Special Revenue Funds	2,447,343	0	0	2,447,343
Capital Projects Funds	0	0	2,474,292	2,474,292
Total Fund Balances	2,651,308	2,170,027	3,188,382	8,009,717
Total Liabilities and Fund Balances	\$ 3,010,894	\$ 2,305,049	\$ 3,455,528	\$ 8,771,471

CITY OF REYNOLDSBURG, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2005**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Taxes	\$ 635,183	\$ 2,214,459	\$ 165,911	\$ 3,015,553
Intergovernmental Revenues	201,361	0	0	201,361
Charges for Services	252,864	0	0	252,864
Licenses and Permits	0	0	32,044	32,044
Investment Earnings	6,144	0	377	6,521
Special Assessments	0	10,382	31,271	41,653
Fines and Forfeitures	48,241	0	0	48,241
All Other Revenue	6,200	893	0	7,093
Total Revenue	1,149,993	2,225,734	229,603	3,605,330
Expenditures:				
Current:				
Security of Persons and Property	504,763	0	0	504,763
Community Environment	291,847	0	0	291,847
Transportation	89,622	0	0	89,622
General Government	365,484	217,198	0	582,682
Capital Outlay	0	0	790,289	790,289
Debt Service:				
Principal Retirement	0	1,272,358	0	1,272,358
Interest and Fiscal Charges	0	1,057,519	0	1,057,519
Total Expenditures	1,251,716	2,547,075	790,289	4,589,080
Excess (Deficiency) of Revenues Over Expenditures	(101,723)	(321,341)	(560,686)	(983,750)
Other Financing Sources (Uses):				
General Obligation Bonds Issued	0	0	1,800,000	1,800,000
Premium on General Obligation Bonds	0	100,543	0	100,543
State Infrastructure Bank Loan	0	0	239,105	239,105
Total Other Financing Sources (Uses)	0	100,543	2,039,105	2,139,648
Net Change in Fund Balances	(101,723)	(220,798)	1,478,419	1,155,898
Fund Balances at Beginning of Year, Restated	2,753,031	2,390,825	1,709,963	6,853,819
Fund Balances End of Year	\$ 2,651,308	\$ 2,170,027	\$ 3,188,382	\$ 8,009,717

CITY OF REYNOLDSBURG, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2005**

	Court Computerization Fund	Income Tax Fund	Police Pension Fund	State Highway Fund
Assets:				
Cash and Cash Equivalents	\$ 39,939	\$ 51,211	\$ 112,553	\$ 4,427
Investments	0	1,895,907	0	159,780
Receivables:				
Taxes	0	0	208,305	0
Accounts	0	0	0	0
Intergovernmental	0	0	10,079	49,432
Interest	0	0	0	926
Prepaid Items	127	0	0	0
Total Assets	<u>\$ 40,066</u>	<u>\$ 1,947,118</u>	<u>\$ 330,937</u>	<u>\$ 214,565</u>
Liabilities:				
Accounts Payable	\$ 0	\$ 115	\$ 0	\$ 1,130
Accrued Wages and Benefits Payable	0	4,405	0	0
Claims Payable	0	0	0	0
Interfund Loans Payable	0	0	0	0
Deferred Revenue	0	0	210,962	33,446
Total Liabilities	<u>0</u>	<u>4,520</u>	<u>210,962</u>	<u>34,576</u>
Fund Balances:				
Reserved for Encumbrances	1,700	669	0	144
Reserved for Prepaid Items	127	0	0	0
Unreserved, Undesignated in:				
Special Revenue Funds	38,239	1,941,929	119,975	179,845
Total Fund Balances	<u>40,066</u>	<u>1,942,598</u>	<u>119,975</u>	<u>179,989</u>
Total Liabilities and Fund Balances	<u>\$ 40,066</u>	<u>\$ 1,947,118</u>	<u>\$ 330,937</u>	<u>\$ 214,565</u>

CITY OF REYNOLDSBURG, OHIO

<u>COPS in School Fund</u>	<u>COPS More 2000 Grant Fund</u>	<u>G.R.E.A.T. Grant Fund</u>	<u>Law Enforcement Fund</u>	<u>Drug Enforcement Fund</u>
\$ 66,369	\$ 16	\$ 17,892	\$ 8,854	\$ 5,163
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
36,239	0	17,342	0	0
0	0	0	0	0
0	0	0	0	0
<u>\$ 102,608</u>	<u>\$ 16</u>	<u>\$ 35,234</u>	<u>\$ 8,854</u>	<u>\$ 5,163</u>
\$ 0	\$ 0	\$ 167	\$ 607	\$ 607
5,478	0	0	0	0
0	0	0	0	0
0	0	17,342	0	0
23,514	0	17,342	0	0
<u>28,992</u>	<u>0</u>	<u>34,851</u>	<u>607</u>	<u>607</u>
0	0	153	0	0
0	0	0	0	0
73,616	16	230	8,247	4,556
<u>73,616</u>	<u>16</u>	<u>383</u>	<u>8,247</u>	<u>4,556</u>
<u>\$ 102,608</u>	<u>\$ 16</u>	<u>\$ 35,234</u>	<u>\$ 8,854</u>	<u>\$ 5,163</u>

(Continued)

CITY OF REYNOLDSBURG, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2005**

	Safety Belt Program Fund	DUI Education/ Enforcement Fund	Federal Forfeiture Fund	Community Environment Fund
Assets:				
Cash and Cash Equivalents	\$ 194	\$ 3,084	\$ 5,675	\$ 20,183
Investments	0	0	0	0
Receivables:				
Taxes	0	0	0	0
Accounts	0	0	0	0
Intergovernmental	0	225	0	0
Interest	0	0	0	0
Prepaid Items	0	0	0	0
Total Assets	<u>\$ 194</u>	<u>\$ 3,309</u>	<u>\$ 5,675</u>	<u>\$ 20,183</u>
Liabilities:				
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0
Accrued Wages and Benefits Payable	0	0	0	0
Claims Payable	0	0	0	0
Interfund Loans Payable	0	0	0	0
Deferred Revenue	0	0	0	0
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances:				
Reserved for Encumbrances	0	0	0	0
Reserved for Prepaid Items	0	0	0	0
Unreserved, Undesignated in:				
Special Revenue Funds	194	3,309	5,675	20,183
Total Fund Balances	<u>194</u>	<u>3,309</u>	<u>5,675</u>	<u>20,183</u>
Total Liabilities and Fund Balances	<u>\$ 194</u>	<u>\$ 3,309</u>	<u>\$ 5,675</u>	<u>\$ 20,183</u>

CITY OF REYNOLDSBURG, OHIO

Supervision and Inspection Fund	Plot, Grade and Utility Plans Fund	Unclaimed Funds Fund	Employees Fund	Engineering Fees/Plan Review Deposits Fund	Total Nonmajor Special Revenue Funds
\$ 212,521	\$ 21,499	\$ 20,945	\$ 1,220	\$ 36,625	\$ 628,370
0	0	0	0	0	2,055,687
0	0	0	0	0	208,305
0	0	0	0	4,162	4,162
0	0	0	0	0	113,317
0	0	0	0	0	926
0	0	0	0	0	127
<u>\$ 212,521</u>	<u>\$ 21,499</u>	<u>\$ 20,945</u>	<u>\$ 1,220</u>	<u>\$ 40,787</u>	<u>\$ 3,010,894</u>
\$ 21,971	\$ 1,516	\$ 0	\$ 39	\$ 0	\$ 26,152
0	0	0	0	0	9,883
0	0	20,945	0	0	20,945
0	0	0	0	0	17,342
0	0	0	0	0	285,264
<u>21,971</u>	<u>1,516</u>	<u>20,945</u>	<u>39</u>	<u>0</u>	<u>359,586</u>
191,950	8,871	0	351	0	203,838
0	0	0	0	0	127
(1,400)	11,112	0	830	40,787	2,447,343
<u>190,550</u>	<u>19,983</u>	<u>0</u>	<u>1,181</u>	<u>40,787</u>	<u>2,651,308</u>
<u>\$ 212,521</u>	<u>\$ 21,499</u>	<u>\$ 20,945</u>	<u>\$ 1,220</u>	<u>\$ 40,787</u>	<u>\$ 3,010,894</u>

CITY OF REYNOLDSBURG, OHIO

***Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2005***

	FEMA Fund	Court Computerization Fund	Income Tax Fund	Police Pension Fund
Revenues:				
Taxes	\$ 0	\$ 0	\$ 466,895	\$ 168,288
Intergovernmental Revenues	17,947	0	0	20,714
Charges for Services	0	0	0	0
Investment Earnings	0	0	2,198	0
Fines and Forfeitures	0	25,018	0	0
All Other Revenue	0	0	0	0
Total Revenue	<u>17,947</u>	<u>25,018</u>	<u>469,093</u>	<u>189,002</u>
Expenditures:				
Current:				
Security of Persons and Property	0	0	0	202,250
Community Environment	0	0	0	0
Transportation	17,947	0	0	0
General Government	0	6,426	356,803	0
Total Expenditures	<u>17,947</u>	<u>6,426</u>	<u>356,803</u>	<u>202,250</u>
Excess (Deficiency) of Revenues Over Expenditures	0	18,592	112,290	(13,248)
Fund Balances at Beginning of Year	<u>0</u>	<u>21,474</u>	<u>1,830,308</u>	<u>133,223</u>
Fund Balances End of Year	<u>\$ 0</u>	<u>\$ 40,066</u>	<u>\$ 1,942,598</u>	<u>\$ 119,975</u>

CITY OF REYNOLDSBURG, OHIO

State Highway Fund	COPS Fast Grant Fund	COPS in School Fund	COPS More 2000 Grant Fund	G.R.E.A.T. Grant Fund	Local Law Enforcement Block Grant 2004 Fund	Law Enforcement Fund
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
90,125	0	64,017	0	550	8,008	0
0	0	0	0	0	0	0
3,946	0	0	0	0	0	0
0	0	0	0	0	0	2,307
0	0	0	0	0	890	2,800
<u>94,071</u>	<u>0</u>	<u>64,017</u>	<u>0</u>	<u>550</u>	<u>8,898</u>	<u>5,107</u>
0	5,282	54,836	187,284	12,773	8,898	15,358
0	0	0	0	0	0	0
71,675	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>71,675</u>	<u>5,282</u>	<u>54,836</u>	<u>187,284</u>	<u>12,773</u>	<u>8,898</u>	<u>15,358</u>
22,396	(5,282)	9,181	(187,284)	(12,223)	0	(10,251)
<u>157,593</u>	<u>5,282</u>	<u>64,435</u>	<u>187,300</u>	<u>12,606</u>	<u>0</u>	<u>18,498</u>
<u>\$ 179,989</u>	<u>\$ 0</u>	<u>\$ 73,616</u>	<u>\$ 16</u>	<u>\$ 383</u>	<u>\$ 0</u>	<u>\$ 8,247</u>

(Continued)

CITY OF REYNOLDSBURG, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2005**

	Drug Enforcement Fund	Safety Belt Program Fund	DUI Education/ Enforcement Fund	Federal Forfeiture Fund
Revenues:				
Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental Revenues	0	0	0	0
Charges for Services	0	0	0	0
Investment Earnings	0	0	0	0
Fines and Forfeitures	1,835	1,094	8,018	9,969
All Other Revenue	0	0	0	0
Total Revenue	<u>1,835</u>	<u>1,094</u>	<u>8,018</u>	<u>9,969</u>
Expenditures:				
Current:				
Security of Persons and Property	2,607	2,000	5,052	8,423
Community Environment	0	0	0	0
Transportation	0	0	0	0
General Government	0	0	0	0
Total Expenditures	<u>2,607</u>	<u>2,000</u>	<u>5,052</u>	<u>8,423</u>
Excess (Deficiency) of Revenues Over Expenditures	(772)	(906)	2,966	1,546
Fund Balances at Beginning of Year	<u>5,328</u>	<u>1,100</u>	<u>343</u>	<u>4,129</u>
Fund Balances End of Year	<u>\$ 4,556</u>	<u>\$ 194</u>	<u>\$ 3,309</u>	<u>\$ 5,675</u>

CITY OF REYNOLDSBURG, OHIO

Community Environment Fund	Supervision and Inspection Fund	Plot, Grade and Utility Plans Fund	Employees Fund	Engineering Fees/Plan Review Deposits Fund	Total Nonmajor Special Revenue Funds
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 635,183
0	0	0	0	0	201,361
0	185,355	18,702	0	48,807	252,864
0	0	0	0	0	6,144
0	0	0	0	0	48,241
0	0	0	2,510	0	6,200
<u>0</u>	<u>185,355</u>	<u>18,702</u>	<u>2,510</u>	<u>48,807</u>	<u>1,149,993</u>
0	0	0	0	0	504,763
0	231,087	20,846	0	39,914	291,847
0	0	0	0	0	89,622
0	0	0	2,255	0	365,484
<u>0</u>	<u>231,087</u>	<u>20,846</u>	<u>2,255</u>	<u>39,914</u>	<u>1,251,716</u>
0	(45,732)	(2,144)	255	8,893	(101,723)
<u>20,183</u>	<u>236,282</u>	<u>22,127</u>	<u>926</u>	<u>31,894</u>	<u>2,753,031</u>
<u>\$ 20,183</u>	<u>\$ 190,550</u>	<u>\$ 19,983</u>	<u>\$ 1,181</u>	<u>\$ 40,787</u>	<u>\$ 2,651,308</u>

CITY OF REYNOLDSBURG, OHIO

**Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2005**

	General Debt Retirement Fund	Special Assessment Debt Retirement Fund	Taylor Square TIEF Debt Retirement Fund	Brice-Main TIEF Debt Retirement Fund	Total Nonmajor Debt Service Funds
Assets:					
Cash and Cash Equivalents	\$ 20,223	\$ 36,013	\$ 501,307	\$ 628,827	\$ 1,186,370
Investments	748,683	0	0	0	748,683
Receivables:					
Taxes	303,782	0	0	0	303,782
Intergovernmental	0	0	40,000	0	40,000
Special Assessments	0	26,214	0	0	26,214
Total Assets	\$ 1,072,688	\$ 62,227	\$ 541,307	\$ 628,827	\$ 2,305,049
Liabilities:					
Deferred Revenue	\$ 68,808	\$ 26,214	\$ 40,000	\$ 0	\$ 135,022
Total Liabilities	68,808	26,214	40,000	0	135,022
Fund Balances:					
Reserved for Debt Service	1,003,880	36,013	501,307	628,827	2,170,027
Total Fund Balances	1,003,880	36,013	501,307	628,827	2,170,027
Total Liabilities and Fund Balances	\$ 1,072,688	\$ 62,227	\$ 541,307	\$ 628,827	\$ 2,305,049

CITY OF REYNOLDSBURG, OHIO

***Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Debt Service Funds
For the Year Ended December 31, 2005***

	General Debt Retirement Fund	Special Assessment Debt Retirement Fund	Taylor Square TIEF Debt Retirement Fund	Brice-Main TIEF Debt Retirement Fund	Total Nonmajor Debt Service Funds
Revenues:					
Taxes	\$ 1,161,382	\$ 0	\$ 852,809	\$ 200,268	\$ 2,214,459
Special Assessments	0	10,382	0	0	10,382
All Other Revenue	893	0	0	0	893
Total Revenue	<u>1,162,275</u>	<u>10,382</u>	<u>852,809</u>	<u>200,268</u>	<u>2,225,734</u>
Expenditures:					
Current:					
General Government	0	14	183,833	33,351	217,198
Debt Service:					
Principal Retirement	922,358	10,000	265,000	75,000	1,272,358
Interest and Fiscal Charges	662,141	1,920	341,183	52,275	1,057,519
Total Expenditures	<u>1,584,499</u>	<u>11,934</u>	<u>790,016</u>	<u>160,626</u>	<u>2,547,075</u>
Excess (Deficiency) of Revenues Over Expenditures	(422,224)	(1,552)	62,793	39,642	(321,341)
Other Financing Sources (Uses):					
Premium on General Obligation Bonds	100,543	0	0	0	100,543
Total Other Financing Sources (Uses)	<u>100,543</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>100,543</u>
Net Change in Fund Balances	(321,681)	(1,552)	62,793	39,642	(220,798)
Fund Balances at Beginning of Year, Restated	<u>1,325,561</u>	<u>37,565</u>	<u>438,514</u>	<u>589,185</u>	<u>2,390,825</u>
Fund Balances End of Year	<u>\$ 1,003,880</u>	<u>\$ 36,013</u>	<u>\$ 501,307</u>	<u>\$ 628,827</u>	<u>\$ 2,170,027</u>

CITY OF REYNOLDSBURG, OHIO

**Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2005**

	Capital Improvement Fund	Sidewalk Construction Fund	Total Nonmajor Capital Projects Funds
Assets:			
Cash and Cash Equivalents	\$ 79,383	\$ 269,589	\$ 348,972
Investments	2,833,640	0	2,833,640
Receivables:			
Taxes	43,398	0	43,398
Special Assessments	0	94,741	94,741
Restricted Assets:			
Cash and Cash Equivalents	777	0	777
Investments	134,000	0	134,000
Total Assets	\$ 3,091,198	\$ 364,330	\$ 3,455,528
Liabilities:			
Accounts Payable	\$ 27,798	\$ 0	\$ 27,798
Retainage Payable	134,777	0	134,777
Deferred Revenue	9,830	94,741	104,571
Total Liabilities	172,405	94,741	267,146
Fund Balances:			
Reserved for Encumbrances	582,280	131,810	714,090
Unreserved, Undesignated in:			
Capital Projects Funds	2,336,513	137,779	2,474,292
Total Fund Balances	2,918,793	269,589	3,188,382
Total Liabilities and Fund Balances	\$ 3,091,198	\$ 364,330	\$ 3,455,528

CITY OF REYNOLDSBURG, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2005**

	Capital Improvement Fund	Sidewalk Construction Fund	Total Nonmajor Capital Project Funds
Revenues:			
Taxes	\$ 165,911	\$ 0	\$ 165,911
Licenses and Permits	0	32,044	32,044
Investment Earnings	377	0	377
Special Assessments	0	31,271	31,271
Total Revenue	166,288	63,315	229,603
Expenditures:			
Capital Outlay	782,201	8,088	790,289
Total Expenditures	782,201	8,088	790,289
Excess (Deficiency) of Revenues Over Expenditures	(615,913)	55,227	(560,686)
Other Financing Sources (Uses):			
General Obligation Bonds Issued	1,800,000	0	1,800,000
State Infrastructure Bank Loan	239,105	0	239,105
Total Other Financing Sources (Uses)	2,039,105	0	2,039,105
Net Change in Fund Balances	1,423,192	55,227	1,478,419
Fund Balances at Beginning of Year, Restated	1,495,601	214,362	1,709,963
Fund Balances End of Year	\$ 2,918,793	\$ 269,589	\$ 3,188,382

CITY OF REYNOLDSBURG, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2005***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes:				
Property Taxes	\$ 237,326	\$ 183,000	\$ 239,291	\$ 56,291
Municipal Income Taxes	7,441,944	7,441,944	7,108,265	(333,679)
Other Local Taxes	256,880	256,880	197,807	(59,073)
Total Taxes	<u>7,936,150</u>	<u>7,881,824</u>	<u>7,545,363</u>	<u>(336,461)</u>
Intergovernmental Revenues	1,588,219	1,588,432	2,230,542	642,110
Charges for Services	151,568	151,568	156,987	5,419
Licenses and Permits	295,048	295,048	408,402	113,354
Investment Earnings	600,000	600,000	459,046	(140,954)
Fines and Forfeitures	312,000	312,000	430,856	118,856
All Other Revenues	115,550	250,550	351,943	101,393
Total Revenues	<u>10,998,535</u>	<u>11,079,422</u>	<u>11,583,139</u>	<u>503,717</u>
Expenditures:				
Security of Persons and Property:				
Police Department:				
Personal Services	5,736,326	5,612,991	5,571,008	41,983
Materials and Supplies	206,207	254,116	244,660	9,456
Contractual Services	409,459	439,459	421,197	18,262
Capital Outlay	188,769	215,755	215,350	405
Total Security of Persons and Property	<u>6,540,761</u>	<u>6,522,321</u>	<u>6,452,215</u>	<u>70,106</u>
Public Health and Welfare Services:				
Miscellaneous:				
Contractual Services	156,769	156,769	156,728	41
Total Public Health and Welfare Services	<u>156,769</u>	<u>156,769</u>	<u>156,728</u>	<u>41</u>
Leisure Time Activities:				
Recreation Department:				
Personal Services	644,286	648,457	619,670	28,787
Materials and Supplies	88,845	89,715	80,120	9,595
Contractual Services	175,450	207,689	202,674	5,015
Capital Outlay	0	1,994	1,994	0
Total Leisure Time Activities	<u>908,581</u>	<u>947,855</u>	<u>904,458</u>	<u>43,397</u>

(Continued)

CITY OF REYNOLDSBURG, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2005***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Community Environment:				
Building Department:				
Personal Services	412,947	413,826	397,335	16,491
Materials and Supplies	8,669	9,669	9,070	599
Contractual Services	103,303	102,303	71,576	30,727
Capital Outlay	500	500	500	0
Total Building Department	<u>525,419</u>	<u>526,298</u>	<u>478,481</u>	<u>47,817</u>
Service Department:				
Personal Services	418,247	420,546	419,777	769
Materials and Supplies	19,072	19,072	18,250	822
Contractual Services	308,369	348,969	338,960	10,009
Capital Outlay	2,440	2,440	1,699	741
Total Service Department	<u>748,128</u>	<u>791,027</u>	<u>778,686</u>	<u>12,341</u>
Total Community Environment	<u>1,273,547</u>	<u>1,317,325</u>	<u>1,257,167</u>	<u>60,158</u>
General Government:				
Mayor:				
Personal Services	171,178	171,644	170,893	751
Materials and Supplies	4,019	4,019	2,893	1,126
Contractual Services	26,152	26,152	16,243	9,909
Capital Outlay	750	750	750	0
Total Mayor	<u>202,099</u>	<u>202,565</u>	<u>190,779</u>	<u>11,786</u>
City Council:				
Personal Services	278,468	279,731	278,327	1,404
Materials and Supplies	1,358	1,358	1,102	256
Contractual Services	41,475	41,475	30,375	11,100
Total City Council	<u>321,301</u>	<u>322,564</u>	<u>309,804</u>	<u>12,760</u>
Auditor:				
Personal Services	264,360	265,956	264,819	1,137
Materials and Supplies	4,516	4,516	4,246	270
Contractual Services	72,665	72,666	67,743	4,923
Total Auditor	<u>341,541</u>	<u>343,138</u>	<u>336,808</u>	<u>6,330</u>

(Continued)

CITY OF REYNOLDSBURG, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2005***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
City Attorney:				
Personal Services	324,063	364,306	348,257	16,049
Materials and Supplies	2,500	2,500	1,677	823
Contractual Services	101,920	91,022	74,836	16,186
Capital Outlay	1,000	1,000	627	373
Total City Attorney	<u>429,483</u>	<u>458,828</u>	<u>425,397</u>	<u>33,431</u>
Development Director:				
Personal Services	215,647	220,070	219,996	74
Materials and Supplies	1,500	1,500	877	623
Contractual Services	54,844	54,844	41,132	13,712
Capital Outlay	350	350	286	64
Total Development Director	<u>272,341</u>	<u>276,764</u>	<u>262,291</u>	<u>14,473</u>
Clerk of Court:				
Personal Services	183,440	184,523	167,826	16,697
Materials and Supplies	6,750	6,750	6,360	390
Contractual Services	84,483	84,483	82,120	2,363
Total Clerk of Court	<u>274,673</u>	<u>275,756</u>	<u>256,306</u>	<u>19,450</u>
Human Resources:				
Personal Services	54,698	55,103	53,364	1,739
Materials and Supplies	9,000	9,000	5,873	3,127
Contractual Services	21,630	21,630	14,255	7,375
Capital Outlay	975	975	0	975
Total Human Resources	<u>86,303</u>	<u>86,708</u>	<u>73,492</u>	<u>13,216</u>
Computer Systems:				
Personal Services	162,952	164,809	164,799	10
Materials and Supplies	4,550	4,550	4,288	262
Contractual Services	58,479	58,479	46,590	11,889
Capital Outlay	10,590	10,590	10,514	76
Total Computer Systems	<u>236,571</u>	<u>238,428</u>	<u>226,191</u>	<u>12,237</u>

(Continued)

CITY OF REYNOLDSBURG, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2005**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Vehicle Maintenance:				
Personal Services	116,642	117,539	116,825	714
Materials and Supplies	57,149	57,149	55,075	2,074
Contractual Services	23,494	23,494	22,094	1,400
Total Vehicle Maintenance	<u>197,285</u>	<u>198,182</u>	<u>193,994</u>	<u>4,188</u>
Commissions:				
Personal Services	34,464	34,694	33,352	1,342
Materials and Supplies	950	950	848	102
Contractual Services	22,650	22,650	18,816	3,834
Capital Outlay	500	500	142	358
Total Commissions	<u>58,564</u>	<u>58,794</u>	<u>53,158</u>	<u>5,636</u>
General Administrative:				
Personal Services	91,512	91,512	69,479	22,033
Materials and Supplies	12,423	12,423	7,979	4,444
Contractual Services	446,993	446,993	378,570	68,423
Capital Outlay	13,186	13,186	11,101	2,085
Total General Administrative	<u>564,114</u>	<u>564,114</u>	<u>467,129</u>	<u>96,985</u>
Total General Government	<u>2,984,275</u>	<u>3,025,841</u>	<u>2,795,349</u>	<u>230,492</u>
Total Expenditures	<u>11,863,933</u>	<u>11,970,111</u>	<u>11,565,917</u>	<u>404,194</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(865,398)	(890,689)	17,222	907,911
Other Financing Sources (Uses):				
Transfers In	335,000	200,000	140,637	(59,363)
Transfers Out	(140,637)	(140,637)	(140,637)	0
Advances Out	0	(17,342)	(17,342)	0
Total Other Financing Sources (Uses)	<u>194,363</u>	<u>42,021</u>	<u>(17,342)</u>	<u>(59,363)</u>
Net Change in Fund Balance	(671,035)	(848,668)	(120)	848,548
Fund Balance at Beginning of Year, Restated	3,429,631	3,429,631	3,429,631	0
Prior Year Encumbrances	320,757	320,757	320,757	0
Fund Balance at End of Year	<u>\$ 3,079,353</u>	<u>\$ 2,901,720</u>	<u>\$ 3,750,268</u>	<u>\$ 848,548</u>

CITY OF REYNOLDSBURG, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Special Revenue Fund – Permissive Tax Fund
For the Year Ended December 31, 2005**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 243,000	\$ 243,000	\$ 197,767	\$ (45,233)
Investment Earnings	7,000	7,000	2,388	(4,612)
Total Revenues	<u>250,000</u>	<u>250,000</u>	<u>200,155</u>	<u>(49,845)</u>
Expenditures:				
Transportation:				
Contractual Services	3,040	4,540	1,466	3,074
Capital Outlay	172,118	172,118	172,118	0
Debt Service:				
Principal Retirement	0	86,120	86,120	0
Interest and Fiscal Charges	0	25,440	25,440	0
Total Expenditures	<u>175,158</u>	<u>288,218</u>	<u>285,144</u>	<u>3,074</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	74,842	(38,218)	(84,989)	(46,771)
Other Financing Sources (Uses):				
Transfers Out	<u>(111,560)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(111,560)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	(36,718)	(38,218)	(84,989)	(46,771)
Fund Balance at Beginning of Year	109,111	109,111	109,111	0
Prior Year Encumbrances	175,158	175,158	175,158	0
Fund Balance at End of Year	<u>\$ 247,551</u>	<u>\$ 246,051</u>	<u>\$ 199,280</u>	<u>\$ (46,771)</u>

CITY OF REYNOLDSBURG, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Special Revenue Fund – Street Construction, Maintenance and Repair Fund
For the Year Ended December 31, 2005***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 895,000	\$ 895,000	\$ 1,085,948	\$ 190,948
Investment Earnings	5,000	5,000	8,112	3,112
All Other Revenues	0	0	32,958	32,958
Total Revenues	<u>900,000</u>	<u>900,000</u>	<u>1,127,018</u>	<u>227,018</u>
Expenditures:				
Transportation:				
Personal Services	562,888	602,419	588,708	13,711
Materials and Supplies	121,780	174,986	170,804	4,182
Contractual Services	113,838	123,838	108,121	15,717
Capital Outlay	0	272,748	272,748	0
Debt Service:				
Principal Retirement	19,247	19,247	19,247	0
Interest and Fiscal Charges	1,784	1,784	1,779	5
Total Expenditures	<u>819,537</u>	<u>1,195,022</u>	<u>1,161,407</u>	<u>33,615</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	80,463	(295,022)	(34,389)	260,633
Fund Balance at Beginning of Year	312,157	312,157	312,157	0
Prior Year Encumbrances	13,103	13,103	13,103	0
Fund Balance at End of Year	<u>\$ 405,723</u>	<u>\$ 30,238</u>	<u>\$ 290,871</u>	<u>\$ 260,633</u>

CITY OF REYNOLDSBURG, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Capital Projects Fund Brice-Main TIF
For the Year Ended December 31, 2005**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Investment Earnings	\$ 0	\$ 31,445	\$ 149,887	\$ 118,442
All Other Revenues	0	0	3,500	3,500
Total Revenues	0	31,445	153,387	121,942
Expenditures:				
Capital Outlay	395,746	7,071,831	6,534,198	537,633
Debt Service:				
Interest and Fiscal Charges	0	193,776	189,898	3,878
Total Expenditures	395,746	7,265,607	6,724,096	541,511
Excess (Deficiency) of Revenues Over (Under) Expenditures	(395,746)	(7,234,162)	(6,570,709)	663,453
Other Financing Sources (Uses):				
General Obligation Bonds Issued	0	6,255,000	6,255,000	0
OPWC Loans	0	1,000,000	1,337,990	337,990
Total Other Financing Sources (Uses)	0	7,255,000	7,592,990	337,990
Net Change in Fund Balance	(395,746)	20,838	1,022,281	1,001,443
Fund Balance at Beginning of Year	72,175	72,175	72,175	0
Prior Year Encumbrances	340,746	340,746	340,746	0
Fund Balance at End of Year	\$ 17,175	\$ 433,759	\$ 1,435,202	\$ 1,001,443

CITY OF REYNOLDSBURG, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Fund
For the Year Ended December 31, 2005**

FEMA GRANT FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 0	\$ 17,947	\$ 17,947	\$ 0
Total Revenues	<u>0</u>	<u>17,947</u>	<u>17,947</u>	<u>0</u>
Expenditures:				
Transportation:				
Materials and Supplies	0	17,947	17,947	0
Total Expenditures	<u>0</u>	<u>17,947</u>	<u>17,947</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0	0
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

CITY OF REYNOLDSBURG, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Fund
For the Year Ended December 31, 2005***

	COURT COMPUTERIZATION FUND			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Fines and Forfeitures	\$ 15,000	\$ 24,680	\$ 24,680	\$ 0
Total Revenues	<u>15,000</u>	<u>24,680</u>	<u>24,680</u>	<u>0</u>
Expenditures:				
General Government:				
Materials and Supplies	0	35,171	248	34,923
Contractual Services	0	6,000	4,531	1,469
Capital Outlay	0	4,000	3,347	653
Total Expenditures	<u>0</u>	<u>45,171</u>	<u>8,126</u>	<u>37,045</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	15,000	(20,491)	16,554	37,045
Fund Balance at Beginning of Year	<u>20,491</u>	<u>20,491</u>	<u>20,491</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 35,491</u>	<u>\$ 0</u>	<u>\$ 37,045</u>	<u>\$ 37,045</u>

CITY OF REYNOLDSBURG, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Fund
For the Year Ended December 31, 2005**

	INCOME TAX FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Taxes	\$ 10,000,000	\$ 10,000,000	\$ 466,895	\$ (9,533,105)
Investment Earnings	0	0	2,198	2,198
Total Revenues	<u>10,000,000</u>	<u>10,000,000</u>	<u>469,093</u>	<u>(9,530,907)</u>
Expenditures:				
General Government:				
Personal Services	57,828	58,343	57,654	689
Materials and Supplies	1,525	1,525	1,149	376
Contractual Services	63,300	330,257	298,483	31,774
Capital Outlay	560	560	0	560
Total Expenditures	<u>123,213</u>	<u>390,685</u>	<u>357,286</u>	<u>33,399</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	9,876,787	9,609,315	111,807	(9,497,508)
Fund Balance at Beginning of Year	1,834,202	1,834,202	1,834,202	0
Prior Year Encumbrances	325	325	325	0
Fund Balance at End of Year	<u>\$ 11,711,314</u>	<u>\$ 11,443,842</u>	<u>\$ 1,946,334</u>	<u>\$ (9,497,508)</u>

CITY OF REYNOLDSBURG, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Fund
For the Year Ended December 31, 2005***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 175,410	\$ 134,645	\$ 168,383	\$ 33,738
Intergovernmental Revenues	15,031	15,190	21,315	6,125
Total Revenues	<u>190,441</u>	<u>149,835</u>	<u>189,698</u>	<u>39,863</u>
Expenditures:				
Security of Persons and Property:				
Personal Services	200,000	200,000	200,000	0
Contractual Services	0	2,250	2,250	0
Total Expenditures	<u>200,000</u>	<u>202,250</u>	<u>202,250</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(9,559)	(52,415)	(12,552)	39,863
Fund Balance at Beginning of Year	<u>125,105</u>	<u>125,105</u>	<u>125,105</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 115,546</u>	<u>\$ 72,690</u>	<u>\$ 112,553</u>	<u>\$ 39,863</u>

CITY OF REYNOLDSBURG, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Fund
For the Year Ended December 31, 2005**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 72,200	\$ 72,200	\$ 88,050	\$ 15,850
Investment Earnings	1,800	1,800	2,778	978
Total Revenues	<u>74,000</u>	<u>74,000</u>	<u>90,828</u>	<u>16,828</u>
Expenditures:				
Transportation:				
Materials and Supplies	30,400	50,400	50,400	0
Contractual Services	<u>23,560</u>	<u>23,560</u>	<u>22,570</u>	<u>990</u>
Total Expenditures	<u>53,960</u>	<u>73,960</u>	<u>72,970</u>	<u>990</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	20,040	40	17,858	17,818
Fund Balance at Beginning of Year	147,975	147,975	147,975	0
Prior Year Encumbrances	<u>1,160</u>	<u>1,160</u>	<u>1,160</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 169,175</u>	<u>\$ 149,175</u>	<u>\$ 166,993</u>	<u>\$ 17,818</u>

CITY OF REYNOLDSBURG, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Fund
For the Year Ended December 31, 2005**

	COPS FAST GRANT FUND			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Expenditures:				
Security of Persons and Property:				
Contractual Services	<u>0</u>	<u>5,282</u>	<u>5,282</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>5,282</u>	<u>5,282</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	(5,282)	(5,282)	0
Fund Balance at Beginning of Year	<u>5,282</u>	<u>5,282</u>	<u>5,282</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 5,282</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

CITY OF REYNOLDSBURG, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Fund
For the Year Ended December 31, 2005***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 60,000	\$ 60,000	\$ 51,292	\$ (8,708)
Total Revenues	<u>60,000</u>	<u>60,000</u>	<u>51,292</u>	<u>(8,708)</u>
Expenditures:				
Security of Persons and Property:				
Personal Services	<u>57,213</u>	<u>57,213</u>	<u>49,358</u>	<u>7,855</u>
Total Expenditures	<u>57,213</u>	<u>57,213</u>	<u>49,358</u>	<u>7,855</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,787	2,787	1,934	(853)
Fund Balance at Beginning of Year	<u>64,435</u>	<u>64,435</u>	<u>64,435</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 67,222</u>	<u>\$ 67,222</u>	<u>\$ 66,369</u>	<u>\$ (853)</u>

CITY OF REYNOLDSBURG, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Fund
For the Year Ended December 31, 2005**

COPS MORE 2000 GRANT FUND				
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures:				
Security of Persons and Property:				
Capital Outlay	17,010	17,269	17,253	16
Total Expenditures	<u>17,010</u>	<u>17,269</u>	<u>17,253</u>	<u>16</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(17,010)	(17,269)	(17,253)	16
Fund Balance at Beginning of Year	259	259	259	0
Prior Year Encumbrances	<u>17,010</u>	<u>17,010</u>	<u>17,010</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 259</u>	<u>\$ 0</u>	<u>\$ 16</u>	<u>\$ 16</u>

CITY OF REYNOLDSBURG, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Fund
For the Year Ended December 31, 2005**

G.R.E.A.T. GRANT FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Intergovernmental Revenues	\$ 0	\$ 17,342	\$ 550	\$ (16,792)
Total Revenues	<u>0</u>	<u>17,342</u>	<u>550</u>	<u>(16,792)</u>
Expenditures:				
Security of Persons and Property:				
Materials and Supplies	7,730	34,684	17,662	17,022
Total Expenditures	<u>7,730</u>	<u>34,684</u>	<u>17,662</u>	<u>17,022</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,730)	(17,342)	(17,112)	230
Other Financing Sources (Uses):				
Advances In	0	0	17,342	17,342
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>17,342</u>	<u>17,342</u>
Net Change in Fund Balance	(7,730)	(17,342)	230	17,572
Fund Balance at Beginning of Year	9,612	9,612	9,612	0
Prior Year Encumbrances	7,730	7,730	7,730	0
Fund Balance at End of Year	<u>\$ 9,612</u>	<u>\$ 0</u>	<u>\$ 17,572</u>	<u>\$ 17,572</u>

CITY OF REYNOLDSBURG, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Fund
For the Year Ended December 31, 2005**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
LOCAL LAW ENFORCEMENT BLOCK GRANT 2004 FUND				
Revenues:				
Intergovernmental Revenues	\$ 0	\$ 8,898	\$ 8,008	\$ (890)
All Other Revenues	0	0	890	890
Total Revenues	<u>0</u>	<u>8,898</u>	<u>8,898</u>	<u>0</u>
Expenditures:				
Security of Persons and Property:				
Capital Outlay	0	8,898	8,898	0
Total Expenditures	<u>0</u>	<u>8,898</u>	<u>8,898</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0	0
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

CITY OF REYNOLDSBURG, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Fund
For the Year Ended December 31, 2005***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	\$ 7,000	\$ 7,000	\$ 2,307	\$ (4,693)
All Other Revenues	0	0	2,800	2,800
Total Revenues	<u>7,000</u>	<u>7,000</u>	<u>5,107</u>	<u>(1,893)</u>
Expenditures:				
Security of Persons and Property:				
Materials and Supplies	<u>18,498</u>	<u>23,605</u>	<u>15,358</u>	<u>8,247</u>
Total Expenditures	<u>18,498</u>	<u>23,605</u>	<u>15,358</u>	<u>8,247</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(11,498)	(16,605)	(10,251)	6,354
Fund Balance at Beginning of Year	<u>18,498</u>	<u>18,498</u>	<u>18,498</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 7,000</u>	<u>\$ 1,893</u>	<u>\$ 8,247</u>	<u>\$ 6,354</u>

CITY OF REYNOLDSBURG, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Fund
For the Year Ended December 31, 2005**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	\$ 1,000	\$ 1,835	\$ 1,835	\$ 0
Total Revenues	<u>1,000</u>	<u>1,835</u>	<u>1,835</u>	<u>0</u>
Expenditures:				
Security of Persons and Property:				
Materials and Supplies	<u>5,328</u>	<u>7,163</u>	<u>2,607</u>	<u>4,556</u>
Total Expenditures	<u>5,328</u>	<u>7,163</u>	<u>2,607</u>	<u>4,556</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,328)	(5,328)	(772)	4,556
Fund Balance at Beginning of Year	<u>5,328</u>	<u>5,328</u>	<u>5,328</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 1,000</u>	<u>\$ 0</u>	<u>\$ 4,556</u>	<u>\$ 4,556</u>

CITY OF REYNOLDSBURG, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Fund
For the Year Ended December 31, 2005**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	\$ 1,000	\$ 1,094	\$ 1,094	\$ 0
Total Revenues	<u>1,000</u>	<u>1,094</u>	<u>1,094</u>	<u>0</u>
Expenditures:				
Security of Persons and Property:				
Materials and Supplies	1,100	2,194	2,000	194
Total Expenditures	<u>1,100</u>	<u>2,194</u>	<u>2,000</u>	<u>194</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(100)	(1,100)	(906)	194
Fund Balance at Beginning of Year	1,100	1,100	1,100	0
Fund Balance at End of Year	<u>\$ 1,000</u>	<u>\$ 0</u>	<u>\$ 194</u>	<u>\$ 194</u>

CITY OF REYNOLDSBURG, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Fund
For the Year Ended December 31, 2005***

DUI EDUCATION/ENFORCEMENT FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u></u>
Revenues:				
Fines and Forfeitures	\$ 5,000	\$ 7,755	\$ 7,755	\$ 0
Total Revenues	<u>5,000</u>	<u>7,755</u>	<u>7,755</u>	<u>0</u>
Expenditures:				
Security of Persons and Property:				
Materials and Supplies	400	7,855	5,441	2,414
Total Expenditures	<u>400</u>	<u>7,855</u>	<u>5,441</u>	<u>2,414</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,600	(100)	2,314	2,414
Fund Balance at Beginning of Year	0	0	0	0
Prior Year Encumbrances	400	400	400	0
Fund Balance at End of Year	<u>\$ 5,000</u>	<u>\$ 300</u>	<u>\$ 2,714</u>	<u>\$ 2,414</u>

CITY OF REYNOLDSBURG, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Fund
For the Year Ended December 31, 2005**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	\$ 0	\$ 9,969	\$ 9,969	\$ 0
Total Revenues	<u>0</u>	<u>9,969</u>	<u>9,969</u>	<u>0</u>
Expenditures:				
Security of Persons and Property:				
Materials and Supplies	<u>4,129</u>	<u>14,098</u>	<u>8,423</u>	<u>5,675</u>
Total Expenditures	<u>4,129</u>	<u>14,098</u>	<u>8,423</u>	<u>5,675</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,129)	(4,129)	1,546	5,675
Fund Balance at Beginning of Year	<u>4,129</u>	<u>4,129</u>	<u>4,129</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 5,675</u>	<u>\$ 5,675</u>

CITY OF REYNOLDSBURG, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Fund
For the Year Ended December 31, 2005**

	COMMUNITY ENVIRONMENT FUND			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
All Other Revenues	<u>\$ 100</u>	<u>\$ 100</u>	<u>\$ 0</u>	<u>\$ (100)</u>
Total Revenues	<u>100</u>	<u>100</u>	<u>0</u>	<u>(100)</u>
Expenditures:				
Community Environment:				
Materials and Supplies	<u>20,183</u>	<u>20,183</u>	<u>0</u>	<u>20,183</u>
Total Expenditures	<u>20,183</u>	<u>20,183</u>	<u>0</u>	<u>20,183</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(20,083)</u>	<u>(20,083)</u>	<u>0</u>	<u>20,083</u>
Fund Balance at Beginning of Year	<u>20,183</u>	<u>20,183</u>	<u>20,183</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 100</u>	<u>\$ 100</u>	<u>\$ 20,183</u>	<u>\$ 20,083</u>

CITY OF REYNOLDSBURG, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Fund
For the Year Ended December 31, 2005**

	SUPERVISION AND INSPECTION FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Charges for Services	\$ 0	\$ 0	\$ 185,355	\$ 185,355
Total Revenues	<u>0</u>	<u>0</u>	<u>185,355</u>	<u>185,355</u>
Expenditures:				
Community Environment:				
Contractual Services	200,879	411,483	411,401	82
Total Expenditures	<u>200,879</u>	<u>411,483</u>	<u>411,401</u>	<u>82</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(200,879)	(411,483)	(226,046)	185,437
Other Financing Sources (Uses):				
Transfers In	100,000	171,891	0	(171,891)
Total Other Financing Sources (Uses)	<u>100,000</u>	<u>171,891</u>	<u>0</u>	<u>(171,891)</u>
Net Change in Fund Balance	(100,879)	(239,592)	(226,046)	13,546
Fund Balance at Beginning of Year	41,217	41,217	41,217	0
Prior Year Encumbrances	200,881	200,881	200,881	0
Fund Balance at End of Year	<u>\$ 141,219</u>	<u>\$ 2,506</u>	<u>\$ 16,052</u>	<u>\$ 13,546</u>

CITY OF REYNOLDSBURG, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Fund
For the Year Ended December 31, 2005**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
PLOT, GRADE AND UTILITY PLANS FUND				
Revenues:				
Charges for Services	\$ 0	\$ 0	\$ 18,702	\$ 18,702
Total Revenues	0	0	18,702	18,702
Expenditures:				
Community Environment:				
Contractual Services	6,143	30,329	29,779	550
Total Expenditures	6,143	30,329	29,779	550
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,143)	(30,329)	(11,077)	19,252
Other Financing Sources (Uses):				
Transfers In	12,000	12,000	0	(12,000)
Total Other Financing Sources (Uses)	12,000	12,000	0	(12,000)
Net Change in Fund Balance	5,857	(18,329)	(11,077)	7,252
Fund Balance at Beginning of Year	16,044	16,044	16,044	0
Prior Year Encumbrances	6,145	6,145	6,145	0
Fund Balance at End of Year	\$ 28,046	\$ 3,860	\$ 11,112	\$ 7,252

CITY OF REYNOLDSBURG, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Fund
For the Year Ended December 31, 2005***

	UNCLAIMED FUNDS FUND			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
All Other Revenues	\$ 1,000	\$ 1,000	\$ 2,417	\$ 1,417
Total Revenues	<u>1,000</u>	<u>1,000</u>	<u>2,417</u>	<u>1,417</u>
Expenditures:				
General Government:				
Other Operating Expenditures	20,525	20,524	1,997	18,527
Total Expenditures	<u>20,525</u>	<u>20,524</u>	<u>1,997</u>	<u>18,527</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(19,525)	(19,524)	420	19,944
Fund Balance at Beginning of Year	<u>20,525</u>	<u>20,525</u>	<u>20,525</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 1,000</u>	<u>\$ 1,001</u>	<u>\$ 20,945</u>	<u>\$ 19,944</u>

CITY OF REYNOLDSBURG, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Fund
For the Year Ended December 31, 2005**

EMPLOYEES FUND				
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
All Other Revenues	\$ 2,000	\$ 2,510	\$ 2,510	\$ 0
Total Revenues	<u>2,000</u>	<u>2,510</u>	<u>2,510</u>	<u>0</u>
Expenditures:				
General Government:				
Materials and Supplies	926	3,254	2,606	648
Total Expenditures	<u>926</u>	<u>3,254</u>	<u>2,606</u>	<u>648</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,074	(744)	(96)	648
Fund Balance at Beginning of Year	897	897	897	0
Prior Year Encumbrances	29	29	29	0
Fund Balance at End of Year	<u>\$ 2,000</u>	<u>\$ 182</u>	<u>\$ 830</u>	<u>\$ 648</u>

CITY OF REYNOLDSBURG, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Fund
For the Year Ended December 31, 2005**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for Services	\$ 50,000	\$ 50,000	\$ 50,548	\$ 548
Total Revenues	<u>50,000</u>	<u>50,000</u>	<u>50,548</u>	<u>548</u>
Expenditures:				
Community Environment:				
Contractual Services	<u>25,991</u>	<u>72,492</u>	<u>39,914</u>	<u>32,578</u>
Total Expenditures	<u>25,991</u>	<u>72,492</u>	<u>39,914</u>	<u>32,578</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	24,009	(22,492)	10,634	33,126
Fund Balance at Beginning of Year	<u>25,991</u>	<u>25,991</u>	<u>25,991</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 50,000</u>	<u>\$ 3,499</u>	<u>\$ 36,625</u>	<u>\$ 33,126</u>

CITY OF REYNOLDSBURG, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Debt Service Funds
For the Year Ended December 31, 2005***

GENERAL DEBT RETIREMENT FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Taxes	\$ 1,600,906	\$ 1,600,906	\$ 1,184,711	\$ (416,195)
All Other Revenues	0	0	893	893
Total Revenues	<u>1,600,906</u>	<u>1,600,906</u>	<u>1,185,604</u>	<u>(415,302)</u>
Expenditures:				
Debt Service:				
Principal Retirement	1,008,479	922,359	922,358	1
Interest and Fiscal Charges	539,328	662,148	662,141	7
Total Expenditures	<u>1,547,807</u>	<u>1,584,507</u>	<u>1,584,499</u>	<u>8</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	53,099	16,399	(398,895)	(415,294)
Other Financing Sources (Uses):				
Premium on General Obligation Bonds	0	0	100,543	100,543
Transfers In	120,931	120,931	0	(120,931)
Total Other Financing Sources (Uses)	<u>120,931</u>	<u>120,931</u>	<u>100,543</u>	<u>(20,388)</u>
Net Change in Fund Balance	174,030	137,330	(298,352)	(435,682)
Fund Balance at Beginning of Year, Restated	<u>1,067,258</u>	<u>1,067,258</u>	<u>1,067,258</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 1,241,288</u></u>	<u><u>\$ 1,204,588</u></u>	<u><u>\$ 768,906</u></u>	<u><u>\$ (435,682)</u></u>

CITY OF REYNOLDSBURG, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Debt Service Funds
For the Year Ended December 31, 2005**

SPECIAL ASSESSMENT DEBT RETIREMENT FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Special Assessments	\$ 6,000	\$ 6,000	\$ 10,382	\$ 4,382
Total Revenues	<u>6,000</u>	<u>6,000</u>	<u>10,382</u>	<u>4,382</u>
Expenditures:				
General Government:				
Contractual Services	0	14	14	0
Debt Service:				
Principal Retirement	10,000	10,000	10,000	0
Interest and Fiscal Charges	<u>1,925</u>	<u>1,925</u>	<u>1,920</u>	<u>5</u>
Total Expenditures	<u>11,925</u>	<u>11,939</u>	<u>11,934</u>	<u>5</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,925)	(5,939)	(1,552)	4,387
Fund Balance at Beginning of Year	<u>37,565</u>	<u>37,565</u>	<u>37,565</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 31,640</u>	<u>\$ 31,626</u>	<u>\$ 36,013</u>	<u>\$ 4,387</u>

CITY OF REYNOLDSBURG, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Debt Service Funds
For the Year Ended December 31, 2005**

TAYLOR SQUARE TIEF DEBT RETIREMENT FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 720,000	\$ 720,000	\$ 852,809	\$ 132,809
Total Revenues	<u>720,000</u>	<u>720,000</u>	<u>852,809</u>	<u>132,809</u>
Expenditures:				
General Government:				
Contractual Services	0	38,912	38,912	0
Other Operating Expenditures	0	150,000	144,921	5,079
Debt Service:				
Principal Retirement	265,000	265,000	265,000	0
Interest and Fiscal Charges	341,188	341,188	341,183	5
Total Expenditures	<u>606,188</u>	<u>795,100</u>	<u>790,016</u>	<u>5,084</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	113,812	(75,100)	62,793	137,893
Other Financing Sources (Uses):				
Transfers In	606,183	606,183	606,183	0
Transfers Out	0	(606,183)	(606,183)	0
Total Other Financing Sources (Uses)	<u>606,183</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	719,995	(75,100)	62,793	137,893
Fund Balance at Beginning of Year	438,514	438,514	438,514	0
Fund Balance at End of Year	<u>\$ 1,158,509</u>	<u>\$ 363,414</u>	<u>\$ 501,307</u>	<u>\$ 137,893</u>

CITY OF REYNOLDSBURG, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Debt Service Funds
For the Year Ended December 31, 2005**

BRICE-MAIN TIEF FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Taxes	\$ 200,000	\$ 200,000	\$ 210,808	\$ 10,808
Total Revenues	<u>200,000</u>	<u>200,000</u>	<u>210,808</u>	<u>10,808</u>
Expenditures:				
General Government:				
Contractual Services	0	2,122	2,122	0
Other Operating Expenditures	0	35,000	31,229	3,771
Debt Service:				
Principal Retirement	75,000	75,000	75,000	0
Interest and Fiscal Charges	52,280	52,280	52,275	5
Total Expenditures	<u>127,280</u>	<u>164,402</u>	<u>160,626</u>	<u>3,776</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	72,720	35,598	50,182	14,584
Fund Balance at Beginning of Year	<u>578,645</u>	<u>578,645</u>	<u>578,645</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 651,365</u>	<u>\$ 614,243</u>	<u>\$ 628,827</u>	<u>\$ 14,584</u>

CITY OF REYNOLDSBURG, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2005***

	CAPITAL IMPROVEMENT FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Taxes	\$ 0	\$ 142,414	\$ 169,244	\$ 26,830
Investment Earnings	0	0	377	377
Total Revenues	<u>0</u>	<u>142,414</u>	<u>169,621</u>	<u>27,207</u>
Expenditures:				
Capital Outlay	1,075,502	2,913,502	1,259,936	1,653,566
Total Expenditures	<u>1,075,502</u>	<u>2,913,502</u>	<u>1,259,936</u>	<u>1,653,566</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,075,502)	(2,771,088)	(1,090,315)	1,680,773
Other Financing Sources (Uses):				
General Obligation Bonds Issued	0	1,800,000	1,800,000	0
SIB Loan	0	239,105	239,105	0
Transfers In	27,000	27,000	0	(27,000)
Total Other Financing Sources (Uses)	<u>27,000</u>	<u>2,066,105</u>	<u>2,039,105</u>	<u>(27,000)</u>
Net Change in Fund Balance	(1,048,502)	(704,983)	948,790	1,653,773
Fund Balance at Beginning of Year, Restated	412,729	412,729	412,729	0
Prior Year Encumbrances	1,083,737	1,083,737	1,083,737	0
Fund Balance at End of Year	<u>\$ 447,964</u>	<u>\$ 791,483</u>	<u>\$ 2,445,256</u>	<u>\$ 1,653,773</u>

CITY OF REYNOLDSBURG, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2005***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Licenses and Permits	\$ 100,000	\$ 100,000	\$ 32,044	\$ (67,956)
Special Assessments	0	0	31,271	31,271
Total Revenues	<u>100,000</u>	<u>100,000</u>	<u>63,315</u>	<u>(36,685)</u>
Expenditures:				
Capital Outlay	<u>223,747</u>	<u>223,850</u>	<u>223,850</u>	<u>0</u>
Total Expenditures	<u>223,747</u>	<u>223,850</u>	<u>223,850</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(123,747)	(123,850)	(160,535)	(36,685)
Fund Balance at Beginning of Year	74,567	74,567	74,567	0
Prior Year Encumbrances	<u>223,747</u>	<u>223,747</u>	<u>223,747</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 174,567</u>	<u>\$ 174,464</u>	<u>\$ 137,779</u>	<u>\$ (36,685)</u>



Fiduciary Funds

Fiduciary fund types are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds.

Agency Fund

Mayor's Court Fund

To account for funds that are held by the Mayor's court.

School Activities Fund

To account for fees collected from participating students to cover the costs of various school activities.

Miscellaneous Fund

To account primarily for insurance copayments.

Board of Building Standards Fund

To account for funds from the three percent (3%) fees as required by Ohio Revised Code.

Reynoldsburg Visitors and Activities Bureau Fund

To account for 30% of the hotel tax revenues collected by the City which are to be paid to the Reynoldsburg Visitors and Activities Bureau.

Demolition Expense Fund

To account for insurance funds used to demolish buildings that are a public nuisance due to fire or other damage.

Columbus Sewer Capacity Fund

To account for one third of all sewer capacity charges which are payable by contract to the City of Columbus.

CITY OF REYNOLDSBURG, OHIO

***Combining Statement Of Changes In Assets And Liabilities
Agency Fund
For the Year Ended December 31, 2005***

	Balance December 31, 2004	Additions	Deductions	Balance December 31, 2005
<u>Mayor's Court:</u>				
Assets:				
Cash and Cash Equivalents	\$6,693	\$130,771	(\$120,750)	\$16,714
Total Assets	<u>\$6,693</u>	<u>\$130,771</u>	<u>(\$120,750)</u>	<u>\$16,714</u>
Liabilities:				
Intergovernmental Payable	\$3,268	\$98,397	(\$96,901)	\$4,764
Due to Others	3,425	32,374	(23,849)	11,950
Total Liabilities	<u>\$6,693</u>	<u>\$130,771</u>	<u>(\$120,750)</u>	<u>\$16,714</u>
<u>School Activities:</u>				
Assets:				
Cash and Cash Equivalents	\$17,889	\$21,806	(\$14,031)	\$25,664
Total Assets	<u>\$17,889</u>	<u>\$21,806</u>	<u>(\$14,031)</u>	<u>\$25,664</u>
Liabilities:				
Due to Others	\$17,889	\$21,806	(\$14,031)	\$25,664
Total Liabilities	<u>\$17,889</u>	<u>\$21,806</u>	<u>(\$14,031)</u>	<u>\$25,664</u>
<u>Miscellaneous:</u>				
Assets:				
Cash and Cash Equivalents	\$16,526	\$72,797	(\$75,636)	\$13,687
Total Assets	<u>\$16,526</u>	<u>\$72,797</u>	<u>(\$75,636)</u>	<u>\$13,687</u>
Liabilities:				
Due to Others	\$16,526	\$72,797	(\$75,636)	\$13,687
Total Liabilities	<u>\$16,526</u>	<u>\$72,797</u>	<u>(\$75,636)</u>	<u>\$13,687</u>
<u>Board of Building Standards:</u>				
Assets:				
Cash and Cash Equivalents	\$8,942	\$6,126	(\$6,126)	\$8,942
Total Assets	<u>\$8,942</u>	<u>\$6,126</u>	<u>(\$6,126)</u>	<u>\$8,942</u>
Liabilities:				
Intergovernmental Payable	\$8,942	\$6,126	(\$6,126)	\$8,942
Total Liabilities	<u>\$8,942</u>	<u>\$6,126</u>	<u>(\$6,126)</u>	<u>\$8,942</u>

(Continued)

CITY OF REYNOLDSBURG, OHIO

**Combining Statement Of Changes In Assets And Liabilities
Agency Fund
For the Year Ended December 31, 2005**

	Balance December 31, 2004	Additions	Deductions	Balance December 31, 2005
<u>Reynoldsburg Visitors and Activities Bureau:</u>				
Assets:				
Cash and Cash Equivalents	\$0	\$75,000	(\$75,000)	\$0
Taxes Receivable	6,472	4,429	(6,472)	4,429
Total Assets	<u>\$6,472</u>	<u>\$79,429</u>	<u>(\$81,472)</u>	<u>\$4,429</u>
Liabilities:				
Intergovernmental Payable	\$6,472	\$79,429	(\$81,472)	\$4,429
Total Liabilities	<u>\$6,472</u>	<u>\$79,429</u>	<u>(\$81,472)</u>	<u>\$4,429</u>
<u>Demolition Expense:</u>				
Assets:				
Cash and Cash Equivalents	\$0	\$26,366	(\$18,000)	\$8,366
Total Assets	<u>\$0</u>	<u>\$26,366</u>	<u>(\$18,000)</u>	<u>\$8,366</u>
Liabilities:				
Due to Others	\$0	\$26,366	(\$18,000)	\$8,366
Total Liabilities	<u>\$0</u>	<u>\$26,366</u>	<u>(\$18,000)</u>	<u>\$8,366</u>
<u>Columbus Sewer Capacity:</u>				
Assets:				
Cash and Cash Equivalents	\$55	\$285,689	(\$127,380)	\$158,364
Investments	82,003	0	(82,003)	0
Total Assets	<u>\$82,058</u>	<u>\$285,689</u>	<u>(\$209,383)</u>	<u>\$158,364</u>
Liabilities:				
Intergovernmental Payable	\$82,058	\$285,689	(\$209,383)	\$158,364
Total Liabilities	<u>\$82,058</u>	<u>\$285,689</u>	<u>(\$209,383)</u>	<u>\$158,364</u>
<u>Totals - All Agency Funds:</u>				
Assets:				
Cash and Cash Equivalents	\$50,105	\$618,555	(\$436,923)	\$231,737
Investments	82,003	0	(82,003)	0
Taxes Receivable	6,472	4,429	(6,472)	4,429
Total Assets	<u>\$138,580</u>	<u>\$622,984</u>	<u>(\$525,398)</u>	<u>\$236,166</u>
Liabilities:				
Intergovernmental Payable	\$100,740	\$469,641	(\$393,882)	\$176,499
Due to Others	37,840	153,343	(131,516)	59,667
Total Liabilities	<u>\$138,580</u>	<u>\$622,984</u>	<u>(\$525,398)</u>	<u>\$236,166</u>

*CAPITAL ASSETS USED IN THE
OPERATION OF GOVERNMENTAL FUNDS*

CITY OF REYNOLDSBURG, OHIO

***Capital Assets Used in the Operation of Governmental Funds
Schedule by Source
December 31, 2005***

Capital Assets:

Land	\$16,539,608
Construction in Progress	2,280,495
Subtotal Nondepreciable Assets	<u>18,820,103</u>
Buildings	11,762,976
Improvements	1,747,041
Infrastructure	29,320,111
Machinery and Equipment	4,031,133
Subtotal Depreciable Assets	<u>46,861,261</u>
Total Capital Assets	<u><u>\$65,681,364</u></u>

Investment in Capital Assets:

General Fund	\$2,983,218
Special Revenue Funds	12,352,986
Capital Project Funds	15,191,038
Expendable Trust Funds	6,282
Enterprise Funds	37,556
Internal Service Fund	42,660
Contributions	35,067,624
Total Investment in Capital Assets	<u><u>\$65,681,364</u></u>

CITY OF REYNOLDSBURG, OHIO

***Capital Assets Used in the Operation of Governmental Funds
Schedule by Function and Activity
December 31, 2005***

<u>Function and Activity</u>	<u>Land</u>	<u>Construction in Progress</u>	<u>Buildings</u>
<u>General Government:</u>			
General	\$876,996	\$0	\$3,597,753
Income Tax	0	0	0
Public Land and Buildings	0	0	0
Mayor	0	0	0
Auditor	0	0	0
Attorney	0	0	0
City Council	0	0	0
Human Resources	0	0	0
Computer Systems	0	0	0
Clerk of Court	0	0	0
Mechanic	0	0	0
Total General Government	<u>876,996</u>	<u>0</u>	<u>3,597,753</u>
<u>Security of Persons and Property:</u>			
Police	<u>0</u>	<u>0</u>	<u>7,013,146</u>
<u>Transportation:</u>			
Street	<u>14,903,354</u>	<u>2,280,495</u>	<u>501,409</u>
<u>Leisure Time Activities:</u>			
Recreation/Seniors	<u>759,258</u>	<u>0</u>	<u>650,668</u>
<u>Community Environment:</u>			
Development Director	0	0	0
Economic Development	0	0	0
Service Director	0	0	0
Total Community Environment	<u>0</u>	<u>0</u>	<u>0</u>
Total Capital Assets	<u>\$16,539,608</u>	<u>\$2,280,495</u>	<u>\$11,762,976</u>

CITY OF REYNOLDSBURG, OHIO

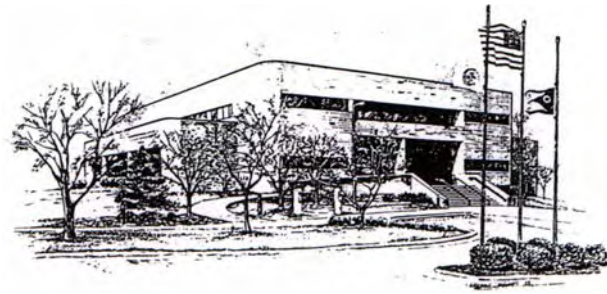
<u>Improvements</u>	<u>Infrastructure</u>	<u>Machinery and Equipment</u>	<u>Total</u>
\$443,023	\$0	\$291,900	\$5,209,672
0	0	1,294	1,294
0	0	78,992	78,992
0	0	25,778	25,778
0	0	96,146	96,146
0	0	15,381	15,381
0	0	30,563	30,563
0	0	5,472	5,472
0	0	60,148	60,148
0	0	29,974	29,974
0	0	49,547	49,547
<u>443,023</u>	<u>0</u>	<u>685,195</u>	<u>5,602,967</u>
<u>0</u>	<u>0</u>	<u>1,719,223</u>	<u>8,732,369</u>
<u>0</u>	<u>29,320,111</u>	<u>926,543</u>	<u>47,931,912</u>
<u>1,304,018</u>	<u>0</u>	<u>575,094</u>	<u>3,289,038</u>
0	0	2,029	2,029
0	0	0	0
<u>0</u>	<u>0</u>	<u>123,049</u>	<u>123,049</u>
<u>0</u>	<u>0</u>	<u>125,078</u>	<u>125,078</u>
<u>\$1,747,041</u>	<u>\$29,320,111</u>	<u>\$4,031,133</u>	<u>\$65,681,364</u>

CITY OF REYNOLDSBURG, OHIO

***Capital Assets Used in the Operation of Governmental Funds
Schedule Changes by Function and Activity
For Year Ended December 31, 2005***

Function and Activity	December 31, 2004	Transfers	Additions	Deletions	December 31, 2005
<u>General Government:</u>					
General	\$5,209,672	\$0	\$0	\$0	\$5,209,672
Income Tax	1,294	0	0	0	1,294
Public Land and Buildings	89,972	(10,980)	0	0	78,992
Mayor	25,778	0	0	0	25,778
Auditor	96,146	0	0	0	96,146
Attorney	15,381	0	0	0	15,381
City Council	30,563	0	0	0	30,563
Human Resources	5,472	0	0	0	5,472
Computer Systems	57,548	0	2,600	0	60,148
Clerk of Court	27,076	0	2,898	0	29,974
Mechanic	49,547	0	0	0	49,547
Total General Government	5,608,449	(10,980)	5,498	0	5,602,967
<u>Security of Persons and Property:</u>					
Police	8,567,132	0	228,823	(63,586)	8,732,369
<u>Transportation:</u>					
Street	45,102,142	10,980	3,446,065	(627,275)	47,931,912
<u>Leisure Time Activities:</u>					
Recreation/Seniors	3,294,058	0	8,195	(13,215)	3,289,038
<u>Community Development:</u>					
Development Director	2,029	0	0	0	2,029
Service Director	123,049	0	0	0	123,049
Total Community Development	125,078	0	0	0	125,078
Total Capital Assets	\$62,696,859	\$0	\$3,688,581	(\$704,076)	\$65,681,364

STATISTICAL SECTION



STATISTICAL TABLES

T ***HE FOLLOWING UNAUDITED STATISTICAL TABLES REFLECT SOCIAL AND ECONOMIC DATA, FINANCIAL TRENDS AND FISCAL CAPACITY OF THE CITY.***

CITY OF REYNOLDSBURG, OHIO

**GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION (1)
LAST TEN YEARS**

Year	Security of Persons and Property	Public Health and Welfare	Leisure Time Activities	Community Environment	Trans- portation	General Government	Debt Service	Total
1996	\$3,745,512	\$102,678	\$651,651	\$606,577	\$1,397,705	\$1,505,775	\$860,391	\$8,870,289
1997	3,908,378	113,188	747,768	669,914	1,001,407	1,640,206	828,833	8,909,694
1998	4,323,208	113,408	778,545	793,798	763,613	1,864,728	894,237	9,531,537
1999	4,693,960	126,324	789,794	918,188	782,729	2,232,396	1,246,033	10,789,424
2000	4,833,788	141,032	811,806	1,005,299	732,232	2,561,455	1,430,755	11,516,367
2001	5,437,131	154,792	839,601	1,060,127	730,591	2,737,704	1,934,720	12,894,666
2002	5,671,698	149,813	864,068	1,408,261	754,124	3,171,550	1,917,854	13,937,368
2003	5,698,827	153,435	858,586	1,258,918	791,305	3,227,584	2,124,923	14,113,578
2004	6,564,820	153,435	832,256	1,461,914	1,486,916	3,320,549	2,227,186	16,047,076
2005	6,766,485	156,728	873,608	1,507,953	1,181,498	3,338,052	2,462,463	16,286,787

(1) Includes General Fund, Special Revenue Funds and Debt Service Funds.

CITY OF REYNOLDSBURG, OHIO

**GENERAL GOVERNMENTAL REVENUES BY SOURCE (1)
LAST TEN YEARS**

Year	Taxes	Inter-Governmental Revenues	Charges for Services	Licenses and Permits	Investment Earnings	Fines and Forfeitures	All Other (2)	Total
1996	\$5,555,775	\$2,370,457	\$74,998	\$408,710	\$673,685	\$256,831	\$67,406	\$9,407,862
1997	6,557,795	2,373,303	83,880	275,956	723,049	326,981	62,207	10,403,171
1998	7,618,128	2,706,337	96,194	302,310	737,648	330,724	124,296	11,915,637
1999	8,723,571	2,927,364	91,961	403,190	693,899	354,411	102,288	13,296,684
2000	10,576,632	2,970,816	110,058	358,321	1,136,703	386,692	89,630	15,628,852
2001	10,713,662	3,296,546	99,879	388,302	988,084	356,790	73,753	15,917,016
2002	10,260,998	3,207,605	233,325	334,781	465,533	326,573	81,938	14,910,753
2003	9,825,937	3,524,494	369,293	340,422	275,960	329,755	225,967	14,891,828
2004	10,299,386	3,549,009	402,127	367,828	347,465	339,522	195,858	15,501,195
2005	10,217,698	3,745,488	409,851	408,402	527,653	484,313	418,174	16,211,579

- (1) Includes General Fund, Special Revenue Funds and Debt Service Funds.
- (2) Includes Special Assessment Revenue which accounts for less than .5% of total revenues.

CITY OF REYNOLDSBURG, OHIO

**PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS**

<u>Year</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>Percent of Total Tax Collections To Tax Levy</u>	<u>Accumulated Outstanding Delinquent Taxes</u>	<u>Percentage of Accumulated Delinquent Taxes To Total Tax Levy</u>
1996	\$596,594	\$580,332	\$9,212	\$589,544	98.82%	\$22,368	3.75%
1997	324,766	318,895	6,955	325,850	100.33%	9,840	3.03%
1998	332,231	327,587	6,196	333,783	100.47%	9,150	2.75%
1999	345,352	339,242	6,241	345,483	100.04%	10,944	3.17%
2000	399,724	376,623	7,399	384,022	96.07%	19,060	4.77%
2001	408,476	402,335	9,081	411,416	100.72%	25,135	6.15%
2002	400,820	393,384	11,419	404,803	100.99%	17,291	4.31%
2003	441,684	621,964	9,821	631,785	143.04%	19,862	4.50%
2004	475,238	446,549	30,599	477,148	100.40%	39,176	8.24%
2005	456,822	444,085	11,481	455,566	99.73%	17,263	3.78%

Source: Franklin, Licking and Fairfield County Auditors

CITY OF REYNOLDSBURG, OHIO

**ASSESSED VALUATIONS AND ESTIMATED TRUE VALUES
OF TAXABLE PROPERTY
LAST TEN YEARS
FRANKLIN COUNTY**

Tax Year	Real Property		Public Utility Personal		Tangible Personal Property		Total		Assessed Value as a Percent of Actual Value
	Assessed	Actual	Assessed	Actual	Assessed	Actual	Assessed	Actual	
1996	\$313,781,210	\$941,668,114	\$15,346,730	\$47,976,749	\$15,377,302	\$61,509,208	\$344,505,242	\$1,051,154,071	32.77%
1997	320,573,450	915,924,146	17,958,660	55,089,446	16,836,701	50,159,924	355,368,811	1,021,173,516	34.80%
1998	328,675,430	939,072,660	15,392,540	48,464,280	15,536,762	44,889,008	359,604,732	1,032,425,948	34.83%
1999	377,107,210	1,077,449,168	15,374,590	48,024,889	16,357,464	47,704,296	408,839,264	1,173,178,353	34.85%
2000	381,051,290	1,088,717,976	14,917,960	42,622,743	21,853,289	87,413,156	417,822,539	1,218,753,875	34.28%
2001	386,332,280	1,103,806,516	15,367,980	43,908,515	23,573,095	94,292,380	425,273,355	1,242,007,411	34.24%
2002	429,327,190	1,226,649,115	10,934,590	31,241,686	22,142,515	88,570,060	462,404,295	1,346,460,861	34.34%
2003	434,171,870	1,240,491,057	8,846,180	25,274,800	22,377,014	89,508,056	465,395,064	1,355,273,913	34.34%
2004	441,211,260	1,260,603,600	8,815,100	25,186,000	23,825,356	95,301,424	473,851,716	1,381,091,024	34.31%
2005	499,533,960	1,427,239,886	8,890,150	25,400,429	16,047,127	64,188,508	524,471,237	1,516,828,823	34.58%

Source: Franklin County Auditor

CITY OF REYNOLDSBURG, OHIO

**ASSESSED VALUATIONS AND ESTIMATED TRUE VALUES
OF TAXABLE PROPERTY
LAST TEN YEARS
LICKING COUNTY**

Tax Year	Real Property		Public Utility Personal		Tangible Personal Property		Total		Assessed Value as a Percent of Actual Value
	Assessed	Actual	Assessed	Actual	Assessed	Actual	Assessed	Actual	
1996	\$59,192,310	\$123,970,514	\$1,607,670	\$1,607,670	\$3,583,420	\$14,333,680	\$64,383,400	\$139,911,864	46.02%
1997	69,026,630	197,218,940	1,899,230	1,899,230	3,220,090	12,880,360	74,145,950	211,998,530	34.97%
1998	80,325,610	229,501,740	2,280,210	2,280,210	3,229,650	12,918,600	85,835,470	244,700,550	35.08%
1999	95,806,230	273,732,090	2,082,700	2,082,700	3,432,660	13,730,640	101,321,590	289,545,430	34.99%
2000	105,777,880	302,222,510	2,227,350	6,363,857	2,585,040	10,340,160	110,590,270	318,926,527	34.68%
2001	117,499,260	335,712,170	1,804,190	5,154,829	1,961,380	7,845,520	121,264,830	348,712,519	34.78%
2002	141,295,810	403,702,314	4,692,780	13,407,943	1,531,630	6,126,520	147,520,220	423,236,777	34.86%
2003	151,138,670	431,824,771	4,458,150	12,737,571	3,626,330	14,505,320	159,223,150	459,067,662	34.68%
2004	159,115,270	454,615,057	1,458,500	4,167,143	2,045,430	8,181,720	162,619,200	466,963,920	34.82%
2005	176,748,270	504,995,057	1,465,170	4,186,200	1,047,140	4,188,560	179,260,580	513,369,817	34.92%

Source: Licking County Auditor

CITY OF REYNOLDSBURG, OHIO

**ASSESSED VALUATIONS AND ESTIMATED TRUE VALUES
OF TAXABLE PROPERTY
LAST TEN YEARS
FAIRFIELD COUNTY**

Tax Year	Real Property		Public Utility Personal		Tangible Personal Property		Total		Assessed Value as a Percent of Actual Value
	Assessed	Actual	Assessed	Actual	Assessed	Actual	Assessed	Actual	
1996	\$2,834,520	\$8,098,629	\$615,610	\$615,610	\$1,306,190	\$5,224,760	\$4,756,320	\$13,938,999	34.12%
1997	2,443,040	6,980,114	135,610	135,610	1,076,630	4,306,520	3,655,280	11,422,244	32.00%
1998	5,923,900	16,925,429	135,110	135,110	1,084,860	4,339,440	7,143,870	21,399,979	33.38%
1999	6,129,050	17,511,571	123,640	123,640	998,730	3,994,920	7,251,420	21,630,131	33.52%
2000	8,499,110	24,283,171	100,850	288,143	739,313	2,957,252	9,339,273	27,528,566	33.93%
2001	15,603,320	44,580,914	110,650	316,143	1,042,044	4,168,176	16,756,014	49,065,233	34.15%
2002	16,546,150	47,274,714	621,330	1,775,229	3,503,310	14,013,240	20,670,790	63,063,183	32.78%
2003	15,623,590	44,638,829	665,110	1,900,314	3,804,970	15,219,880	20,093,670	61,759,023	32.54%
2004	17,665,570	50,473,057	674,210	1,926,314	4,849,060	19,396,240	23,188,840	71,795,611	32.30%
2005	18,534,540	52,955,828	754,530	2,155,800	3,575,594	14,302,376	22,864,664	69,414,004	32.94%

Source: Fairfield County Auditor

CITY OF REYNOLDSBURG, OHIO

**ASSESSED VALUATIONS AND ESTIMATED TRUE VALUES
OF TAXABLE PROPERTY
LAST TEN YEARS**

TOTALS - ALL THREE COUNTIES

Tax Year	Real Property		Public Utility Personal		Tangible Personal Property		Total		Assessed Value as a Percent of Actual Value
	Assessed	Actual	Assessed	Actual	Assessed	Actual	Assessed	Actual	
1996	\$375,808,040	\$1,073,737,257	\$17,570,010	\$50,200,029	\$20,266,912	\$81,067,648	\$413,644,962	\$1,205,004,934	34.33%
1997	392,043,120	1,120,123,200	19,993,500	57,124,286	21,133,421	67,346,804	433,170,041	1,244,594,290	34.80%
1998	414,924,940	1,185,499,829	17,807,860	50,879,600	19,851,272	62,147,048	452,584,072	1,298,526,477	34.85%
1999	479,042,490	1,368,692,829	17,580,930	50,231,229	20,788,854	65,429,856	517,412,274	1,484,353,914	34.86%
2000	495,328,280	1,415,223,657	17,246,160	49,274,743	25,177,642	100,710,568	537,752,082	1,565,208,968	34.36%
2001	519,434,860	1,484,099,600	17,282,820	49,379,487	26,576,519	106,306,076	563,294,199	1,639,785,163	34.35%
2002	587,169,150	1,677,626,143	16,248,700	46,424,858	27,177,455	108,709,820	630,595,305	1,832,760,821	34.41%
2003	600,934,130	1,716,954,657	13,969,440	39,912,685	29,808,314	119,233,256	644,711,884	1,876,100,598	34.36%
2004	617,992,100	1,765,691,714	10,947,810	31,279,457	30,719,846	122,879,384	659,659,756	1,919,850,555	34.36%
2005	694,816,770	1,985,190,771	11,109,850	31,742,429	20,669,861	82,679,444	726,596,481	2,099,612,644	34.61%

Source: Franklin County Auditor, Licking County Auditor, Fairfield County Auditor

CITY OF REYNOLDSBURG, OHIO

**PROPERTY TAX RATES - ALL DIRECT AND OVERLAPPING GOVERNMENTS
(PER \$1,000 OF ASSESSED VALUATIONS)
LAST TEN COLLECTION YEARS**

Collection Year	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
General Fund	2.50	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40
Police Pension	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30
Debt Retirement Fund	0.10	0.09	0.08	0.07	0.06	0.06	0.00	0.00	0.00	0.00
Total City	2.90	0.79	0.78	0.77	0.76	0.76	0.70	0.70	0.70	0.70
Counties:										
Franklin	14.82	15.12	15.22	15.22	17.64	17.64	17.64	17.64	17.64	18.44
Fairfield	7.05	7.05	7.05	7.05	7.05	7.05	7.05	7.05	7.05	7.55
Licking	6.70	7.20	7.20	7.20	7.20	7.20	7.20	7.20	7.20	7.20
School Districts:										
Reynoldsburg City	51.13	50.45	55.30	55.12	55.49	55.39	55.28	58.20	58.21	59.63
Eastland Joint Vocational	1.20	1.20	1.20	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Licking Heights City	40.70	40.70	40.70	40.10	39.60	48.50	48.10	47.53	47.52	47.52
Licking County Joint Vocational	2.00	2.00	2.00	2.00	2.00	2.00	2.00	3.00	2.80	3.00
Pickerington Local	65.00	65.00	68.96	66.36	66.36	70.30	70.10	70.10	78.00	77.50
Townships:										
Truro, Franklin County	12.65	12.65	12.65	12.65	12.65	12.65	12.65	16.65	16.65	16.65
Jefferson, Franklin County	n/a	n/a	n/a	n/a	n/a	10.28	10.25	10.12	10.12	10.03
Violet, Fairfield County	8.30	8.55	8.55	8.55	8.30	8.30	8.30	12.15	12.15	12.15
Etna, Licking County	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Other:										
Franklin County Library	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20
West Licking Joint Fire District	8.50	8.50	8.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50

Source: Franklin, Fairfield and Licking Counties, Ohio: County Auditors

**SPECIAL ASSESSMENT BILLINGS AND COLLECTIONS
LAST TEN YEARS**

Collection Year	Amount Billed	Amount Collected	Percent Collected
1996	\$34,705	\$34,602	99.70%
1997	34,752	38,195	109.91%
1998	31,760	38,499	121.22%
1999	85,078	60,444	71.05%
2000	82,439	50,139	60.82%
2001	74,622	43,340	58.08%
2002	60,673	54,725	90.20%
2003	57,932	51,895	89.58%
2004	56,907	48,752	85.67%
2005	56,300	48,955	86.95%

Source: Franklin and Licking County Auditors

**COMPUTATION OF LEGAL DEBT MARGIN
DECEMBER 31, 2005**

	Total Debt	Unvoted Debt
Net Assessed Valuation	\$726,596,481	\$726,596,481
Legal Debt Limitation (%) (1)	10.50%	5.50%
Legal Debt Limitation (\$) (1)	76,292,631	39,962,806
City Debt Outstanding (2)	19,138,857	19,138,857
Less Applicable Debt Service Fund Amounts	(1,003,880)	(1,003,880)
Net Indebtedness Subject to Limitation	18,134,977	18,134,977
Legal Debt Margin	\$58,157,654	\$21,827,829

(1) Direct Debt Limitation based upon Section 133, The Uniform Bond Act of the Ohio Revised Code.

(2) City Debt Outstanding includes Non Self-Supporting General Obligation Bonds and Notes only.

Enterprise Debt is not considered in the computation of the Legal Debt Margin.

Taylor Square and Brice Main Tax Increment Equivalent Bonds are not considered in the computation of the Legal Debt Margin.

CITY OF REYNOLDSBURG, OHIO

**RATIO OF NET GENERAL OBLIGATION BONDED DEBT TO ASSESSED VALUE
AND NET GENERAL OBLIGATION BONDED DEBT PER CAPITA
LAST TEN YEARS**

Year	Population (1)	Assessed Value (2) (In Thousands)	Gross Bonded Debt (3)	Debt Service Funds Available	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Valuation	Net Bonded Debt Per Capita
1996	30,687	\$413,644,962	\$7,003,000	\$406,792	\$6,596,208	1.59%	\$214.95
1997	31,200	433,170,041	6,584,150	420,453	6,163,697	1.42%	197.55
1998	33,400	452,584,072	6,851,850	444,799	6,407,051	1.42%	191.83
1999	35,000	517,412,274	6,764,200	632,700	6,131,500	1.19%	175.19
2000	32,069	537,752,082	12,407,650	435,098	11,972,552	2.23%	373.34
2001	32,069	563,294,199	11,754,660	1,919,102	9,835,558	1.75%	306.70
2002	32,796	630,595,305	11,085,030	1,459,244	9,625,786	1.53%	293.50
2003	32,796	644,711,884	10,498,102	1,443,091	9,055,011	1.40%	276.10
2004	32,878	659,659,756	9,762,674	1,716,173	8,046,501	1.22%	244.74
2005	32,943	726,596,481	19,138,857	1,003,880	18,134,977	2.50%	550.50

(1) Source: Mid Ohio Regional Planning Commission and Population Division, .U.S. Census Bureau

(2) Source: Franklin, Licking, and Fairfield County Auditors

(3) Includes all general obligation bonded debt supported by property taxes.

Does not include the Taylor Square and Brice-Main Tax Increment Equivalent Bonds (part of Commercial Corridor Phase I) which are supported by payments in lieu of taxes.

**RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL OBLIGATION
BONDED DEBT TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES
LAST TEN YEARS**

<u>Year</u>	<u>Debt Principal</u>	<u>Debt Interest</u>	<u>Total Bonded Debt Service</u>	<u>Total General Governmental Expenditures(1)</u>	<u>Debt Service to Total General Governmental Expenditures</u>
1996	\$404,950	\$402,521	\$807,471	\$8,870,289	9.10%
1997	418,850	376,483	795,333	8,909,694	8.93%
1998	425,800	366,218	792,018	9,531,537	8.31%
1999	477,650	653,837	1,131,487	10,789,424	10.49%
2000	521,550	703,251	1,224,801	11,516,367	10.64%
2001	670,450	1,012,506	1,682,956	12,894,666	13.05%
2002	714,630	952,851	1,667,481	13,937,368	11.96%
2003	719,590	1,017,669	1,737,259	14,113,578	12.31%
2004	1,180,428	978,478	2,158,906	16,047,076	13.45%
2005	1,136,846	1,082,819	2,219,665	16,286,787	13.63%

(1) Includes General Fund, Special Revenue Funds, and Debt Service Fund.

CITY OF REYNOLDSBURG, OHIO

**COMPUTATION OF ALL DIRECT AND OVERLAPPING GOVERNMENT DEBT
DECEMBER 31, 2005**

<u>Jurisdiction</u>	<u>Net Debt Outstanding</u>	<u>Percentage Applicable to the City of Reynoldsburg</u>	<u>Amount Applicable to the City of Reynoldsburg</u>
Direct			
City of Reynoldsburg	\$18,134,977	100.00%	\$18,134,977
Overlapping Subdivisions			
Reynoldsburg City School District	41,423,617	66.75%	27,650,264
Jefferson Township	1,699,090	11.53%	195,905
Violet Township	80,000	3.09%	2,472
Franklin County	144,596,863	2.04%	2,949,776
Licking County	21,185,063	5.00%	1,059,253
Fairfield County	13,000,000	0.81%	105,040
Licking Heights Local School District	21,411,046	6.15%	1,316,779
Licking County Joint Vocational School District	513,000	0.74%	3,796
Pickerington Local School District	122,000,000	1.90%	2,318,000
West Licking Joint Fire District	247,891	0.17%	413
		Subtotal	<u>35,601,698</u>
		Total	<u><u>\$53,736,675</u></u>

The percentage of gross indebtedness of the City's overlapping political subdivisions was determined by dividing each overlapping subdivision's assessed value within the City by its total assessed value.

Source: Franklin, Licking and Fairfield County Auditors.

CITY OF REYNOLDSBURG, OHIO

**DEMOGRAPHIC STATISTICS
LAST TEN YEARS**

<u>Year</u>		<u>Population (1)</u>	<u>School Enrollment (2)</u>	<u>Unemployment Rate(3)</u>
1996	(a)	30,687	5,300	1.8%
1997	(a)	31,200	5,541	1.7%
1998	(a)	33,400	5,685	1.6%
1999	(a)	35,000	5,699	1.5%
2000	(b)	32,069	5,935	1.5%
2001	(b)	32,069	5,924	1.7%
2002	(b)	32,796	6,224	2.7%
2003	(b)	32,796	6,450	3.0%
2004	(b)	32,878	6,607	3.1%
2005	(b)	32,943	6,268	5.1%
U.S. Bureau of Census of Population			2005 State of Ohio	5.9%
			2005 United States	5.1%

(1) Source: (a) Mid Ohio Regional Planning Commission
(b) Population Division, U.S. Census Bureau

(2) Source: Ohio Department of Education

(3) Source: U.S. Department of Labor

**PROPERTY VALUE AND CONSTRUCTION PERMITS
LAST TEN YEARS**

Year	Residential (1)		Commercial (1)	
	Number of Permits	Property Value	Number of Permits	Property Value
1996	258	\$29,827,668	88	\$41,656,275
1997	209	23,075,677	54	5,708,023
1998	241	28,262,164	5	6,361,000
1999	281	35,591,408	34	17,150,704
2000	253	36,434,516	90	8,064,078
2001	287	35,703,995	176	10,482,225
2002	230	30,246,904	165	6,118,477
2003	211	28,927,609	287	17,220,884
2004	180	26,431,290	142	32,187,827
2005	111	18,450,843	296	38,280,439

(1) Source: City of Reynoldsburg Building Department.

CITY OF REYNOLDSBURG, OHIO

**PRINCIPAL TAXPAYERS (PERSONAL PROPERTY TAX)
DECEMBER 31, 2005**

<u>Taxpayer</u>	<u>Type of Business</u>	<u>2005 Assessed Valuation (Tax Duplicate)</u>	<u>Percentage of Total Assessed Valuation</u>
1. Walmart	Retail	\$2,153,980	10.42%
2. Meijer Stores Limited Partnership	Retail	1,952,798	9.45%
3. Limited Logistics Services Inc.	Retail	1,902,510	9.20%
4. Limited Technology Services Inc	Service	1,732,515	8.38%
5. Victoria's Secret Stores, Inc. (Division of The Limited)	Retail	1,216,508	5.89%
6. Bath & Body Works, Inc. (Division of The Limited)	Retail	1,094,693	5.30%
7. Insight Communications of Central Ohio	Cable Television	1,005,968	4.87%
8. Home Depot USA, Inc.	Retail	927,620	4.49%
9. Lane Bryant, Inc.	Retail	731,430	3.54%
10. Pitney Bowes Credit Corporation	Finance	885,670	4.27%
Sub-Total		13,603,692	65.81%
All Others		7,066,169	34.19%
Total		\$20,669,861	100.00%

Source: Franklin County, Ohio: County Auditor
Licking County, Ohio: County Auditor
Fairfield County, Ohio: County Auditor

CITY OF REYNOLDSBURG, OHIO

**PRINCIPAL TAXPAYERS (REAL PROPERTY TAX)
DECEMBER 31, 2005**

<u>Taxpayer</u>	<u>Type of Business</u>	<u>2005 Assessed Valuation (Tax Duplicate)</u>	<u>Percentage of Total Assessed Valuation</u>
1. Distribution Land Corporation	Real Estate	\$7,386,900	1.06%
2. Eastgreen Apartments Limited Partnership	Real Estate	3,748,160	0.54%
3. Donley Enterprises	Real Estate	2,905,000	0.42%
4. Century City Apartments	Real Estate	2,870,000	0.41%
5. Wind River Apartments Limited Partnership	Real Estate	2,800,010	0.40%
6. Indiancreek Columbus Limited Partnership	Real Estate	2,761,500	0.40%
7. Millstream LTD	Real Estate	2,730,000	0.39%
8. Chablis Villas LLC	Real Estate	2,474,510	0.36%
9. Oakbrook Apartments LLC	Real Estate	2,471,010	0.36%
10. Woodview Plaza Associates	Real Estate	2,439,420	0.35%
Sub-Total		32,586,510	4.69%
All Others		662,230,260	95.31%
Total		\$694,816,770	100.00%

Sources: Franklin County, Licking County, Fairfield County, Ohio: County Auditor

CITY OF REYNOLDSBURG, OHIO

**PRINCIPAL TAXPAYERS (INCOME TAX)
DECEMBER 31, 2005**

<u>Taxpayer</u>	<u>Type of Business</u>
1. Bath & Body Works Inc. (Division of The Limited)	Retail
2. Victoria's Secret Stores, Inc. (Division of The Limited)	Retail
3. Limited Logistics Services (Division of The Limited)	Warehousing
4. Reynoldsburg City Schools	Education
5. Charming Shoppes of Delaware	Retail
6. State of Ohio Department of Administrative Services	Government
7. Wal-Mart	Retail
8. Limited Service Corp. (Division of The Limited)	Retail
9. City of Reynoldsburg	Government
10. Victoria's Secret Stores Brand (Division of The Limited)	Retail

Source: Reynoldsburg City Auditor

CITY OF REYNOLDSBURG, OHIO

**MISCELLANEOUS STATISTICS
DECEMBER 31, 2005**

Year of Incorporation	1839	Area - square miles	13
Form of Government	Mayor - Council	Miles of Streets	111
		Elevation (feet above sea level)	833
Police Services:		Sewers:	
Number of Stations	1	Miles of Sanitary Sewers	137.64
Number of Full time Police Personnel and Officers	68	Miles of Storm Sewers	111.00
Number of Patrol Units	14	Number of Service Connections	10,750
Recreation and Culture:		Water:	
Number of Parks	6	Miles of Water Mains	139.34
Park Acreage	285	Number of Service Connections	10,868
Fire Protection:		Number of Fire Hydrants	1,600
Provided by Truro Township, Jefferson Township, Violet Township, and West Licking Joint Fire District		Daily average consumption in gallons	3,520,500
(Columbus Metropolitan Area)		Transportation:	
Number of Hospitals	8	Highways:	
Media		Interstate Routes	0
Newspapers:		U.S. Routes	1
Daily	1	State Routes	1
Weekly	3	Airports:	
Television Stations	8	Port Columbus International Airport	1
Radio Stations	27		

Source: Reynoldsburg City Auditor



**Auditor of State
Betty Montgomery**

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140

Telephone 614-466-4514
800-282-0370

Facsimile 614-466-4490

CITY OF REYNOLDSBURG

FRANKLIN COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JULY 11, 2006**