

Franklin, Fairfield and Licking Counties, Ohio



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2002



**Auditor of State
Betty Montgomery**

Mayor and Members of Council
City of Reynoldsburg

We have reviewed the Independent Auditor's Report of the City of Reynoldsburg, Franklin County, prepared by Wolfe, Wilson & Phillips, Inc. for the audit period January 1, 2002 through December 31, 2002. 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

September 8, 2003

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THE CITY OF REYNOLDSBURG, OHIO

FAIRFIELD, FRANKLIN AND LICKING COUNTIES

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2002

Prepared by:
Howard R. Whitney, Ph.D.
City Auditor

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FRANKLIN, FAIRFIELD AND LICKING COUNTIES, OHIO**

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INTRODUCTORY SECTION



CITY OF REYNOLDSBURG

7232 East Main Street • Reynoldsburg, Ohio 43068
Howard R. Whitney, City Auditor

phone (614) 322-6858

fax (614)-322-6857

July 25, 2003

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 fiscal year ended December 31, 2002. This report has been prepared in conformity with generally accepted accounting principles (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.

Generally Accepted Accounting Principles 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 accountants.

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, 2002

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,"* 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 twelve 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.

*Letter of Transmittal
For the Year Ended December 31, 2002*

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 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 Intimate Brands, Inc., consisting of office, shipping, and distribution facilities on a 360 acre site. The Intimate 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 \$2,000,000 dollars a year in income tax receipts since 1991. 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 2002:

<u>Project</u>	<u>Jobs</u>	<u>Estimated Payroll</u>	<u>Construction Costs</u>
Retail Space (Taylor Sq)	110 new	\$1,500,000	\$10,000,000
Sam's Club	219 new	3,000,000	8,000,000
Panera Bread	58 new	547,000	800,000
Ritters	12 new	200,000	700,000
Fairfield Inn	15 new	200,000	3,000,000

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 is scheduled for occupancy in the spring of 2003 and is estimated to provide 125 new job opportunities.

***Letter of Transmittal
For the Year Ended December 31, 2002***

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.

City Council recently adopted a set of design guidelines and standards for Main Street and Brice Road. We expect to begin a streetscape project on Main Street in 2003. 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 2002 when the state experienced an unemployment rate of 5.7% and the nation an unemployment rate of 5.8% Reynoldsburg experienced an unemployment rate estimated to average fewer than 3%.

MAJOR INITIATIVES

Capital Improvements

Given the significant decline in tax revenue throughout the year, there was a major cutback in capital projects started during the year. There were some major clean-up expenditures made during the year such as \$421,708 to finish up the Public Safety Building and \$365,807 for the 2001 Street Program. There was also a \$748,177 enterprise expenditure for water line up-grades. Other capital improvement projects were:

- 2002 Street Improvement Program
This is a continuing program to repair defective pavement, curbs and gutters in Reynoldsburg. In 2002 \$944,400 was spent for street work.
- Main Street – Brice Road Streetscape
This was the beginning of a 6 phase program to revitalize two main corridors. \$339,431 was spent for design and engineering for phase 1- the Main Street western boundary to Rose Hill Road. Phase 1 will cost approximately \$6,000,000.
- Taylor Road / Windsor Drive
This was a storm water drainage project to control flooding of private properties. \$62,379 was spent for the project.
- State Route 256 Streetscape
\$152,148 was spent for the landscaping of State Route 256 from Taylor Road to Livingston Avenue.

CITY OF REYNOLDSBURG, OHIO

**Letter of Transmittal
For the Year Ended December 31, 2002**

Employee Relations

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

Elected Officials	3
Classified Employees	47
Non-Classified Employees	<u>16</u>
Total	66

The police department profile is as follows:

Sworn Officers	51
Dispatchers	6
Others	<u>8</u>
Total	65

City Council consists of the following:

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

A collective bargaining agreement between the City of Reynoldsburg and the Fraternal Order of Police, Capital City Lodge #9, which represents 48 sworn officers, is effective January 1, 2001 through December 31, 2003. The contract between the City and the Fraternal Order of Police, Ohio Labor Council, which represents the six dispatchers, is effective January 1, 2001 through December 31, 2003. 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.

CITY OF REYNOLDSBURG, OHIO

Letter of Transmittal

For the Year Ended December 31, 2002

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

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 and certain debt service and trust and agency funds.

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.

CITY OF REYNOLDSBURG, OHIO

**Letter of Transmittal
For the Year Ended December 31, 2002**

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

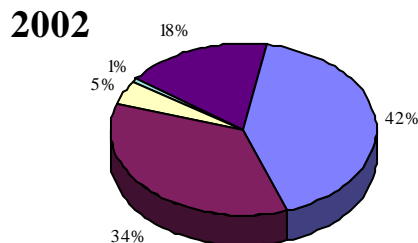
Once each quarter, the City Auditor/Treasurer submits a report to City Council and the Treasury Investment Board that provides a summary of investment transactions and performance results for the preceding quarter. Prior to February 1 of each year, the City Auditor/Treasurer submits a report to City 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.
- 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, 2002 as follows:

<u>Cash Resources</u>		
1 Investments	\$8,084,759	42%
2 STAR Ohio	6,810,283	34%
3 Certificates of Deposit	884,672	5%
4 Repurchase Agreement	114,772	1%
5 Cash	3,429,037	18%
Total Resources	\$19,323,523	100%



The City also maintained cash with fiscal agents in the amount of \$687,585.

CITY OF REYNOLDSBURG, OHIO

**Letter of Transmittal
For the Year Ended December 31, 2002**

The City earned interest of \$474,065 on investments for fiscal year 2002. Interest earned was allocated to the governmental funds.

At December 31, 2002, the City had deposits of \$4,313,709, \$200,000 of the deposits were covered by the Federal Depository Insurance and 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. Since the collateral is held as a pool rather than in the name of the City, the deposits protected by the pool are classified as Category 3 (see Note 3 of the financial statements). 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 the Personal Services Insurance Company, public officials and law enforcement liability coverages with National Casualty Company and boiler and machinery coverage with CNA Insurance through Buckeye Union Insurance Company.

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	
Public Officials Wrongful Act Liability	1,000,000	2,000,000	\$10,000/occurrence
Law Enforcement Agency Officers	1,000,000	2,000,000	10,000/occurrence
Employee Benefits Liability	1,000,000	3,000,000	1,000
Automobile Liability	1,000,000		100 Comprehensive 250 Collision Varies per schedule
Commercial Umbrella/Excess	3,000,000	3,000,000	

OTHER INFORMATION

Independent Audit

The basic financial statements of the City of Reynoldsburg were audited by Wolfe, Wilson, and Phillips, Inc. The independent auditors' unqualified opinion has been included in this report.

CITY OF REYNOLDSBURG, OHIO

Letter of Transmittal For the Year Ended December 31, 2002

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, 2001. This was the eleventh consecutive year (1991-2001) 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.

Acknowledgments

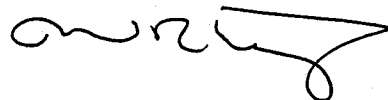
Sincere appreciation is extended to the individuals who have contributed their time and effort in gathering data for this report, particularly Mike Turner and Brenda Browning of the staff of the City Auditor and the offices of the Auditors of Franklin, Licking and Fairfield Counties.

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,



Howard R. Whitney
City Auditor

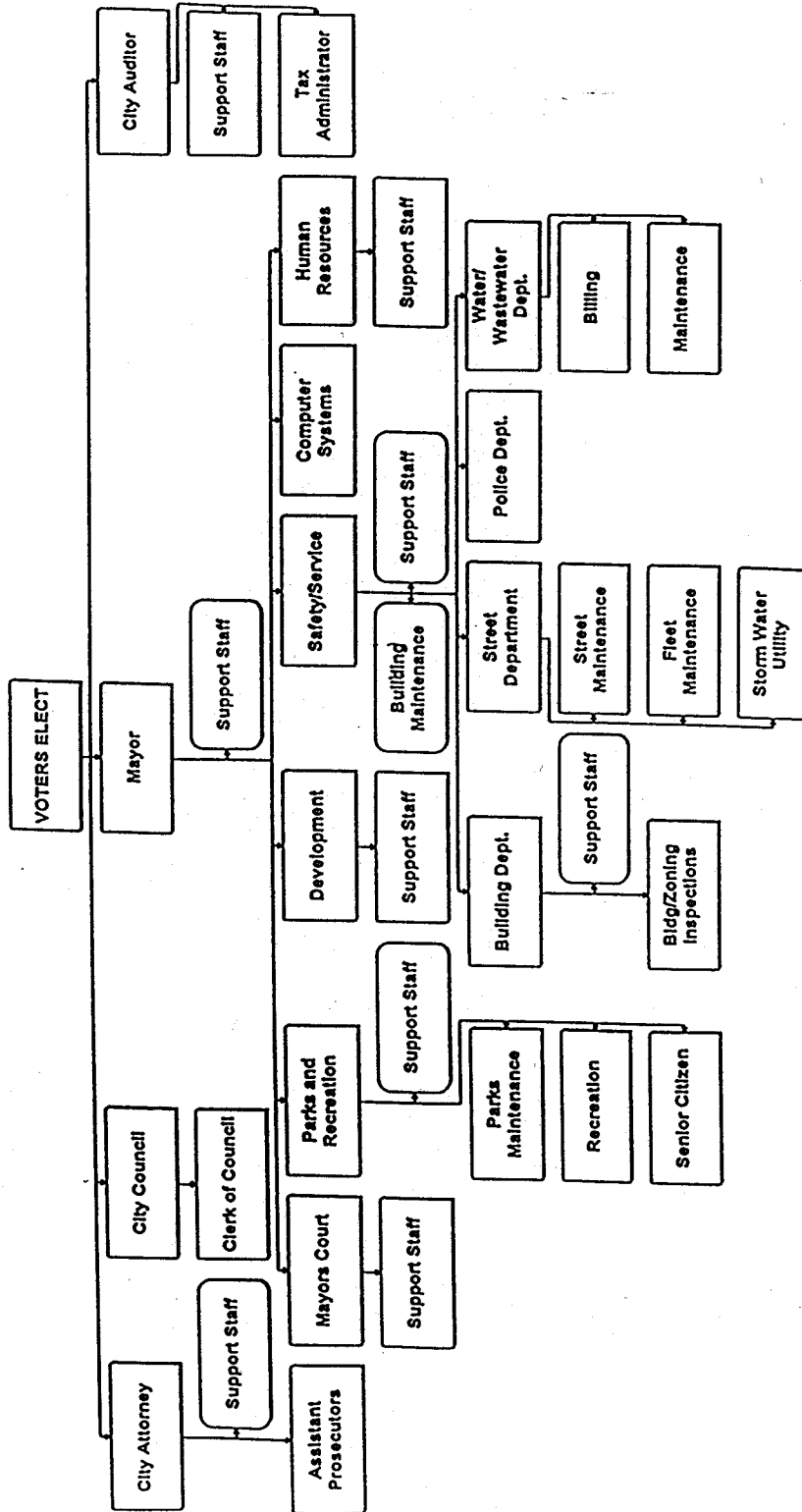
CITY OF REYNOLDSBURG, OHIO

***List of Principal Officials
For the Year Ended December 31, 2002***

<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	14	16		12/31/2003
Auditor	Howard R. Whitney	1	1		12/31/2005
City Attorney	William F. Underwood	22	22		12/31/2003
President of Council	Bradley L. McCloud	10	10	Attorney	12/31/2003
Members of Council	Lane Beougher	2	2	Architect	12/21/2005
	William Hills	8	8	Attorney	12/21/2005
	Ron Stake	1	1	Insurance	12/21/2005
	Sarah Cannella	6	10	Retired	12/31/2003
	Eric Gilbert	5	5	Banking	12/31/2003
	Mel Clemens	2	12	Retired	12/31/2003
	Jim Wade	2	2	Business Owner	12/31/2003

CITY OF REYNOLDSBURG, OHIO

**City Organizational Chart
For the Year Ended December 31, 2002**



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, 2001

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.



William Robert Harte

President

Jeffrey R. Emery

Executive Director

FINANCIAL SECTION

WOLFE, WILSON, & PHILLIPS, INC.

CERTIFIED PUBLIC ACCOUNTANTS

37 S. SEVENTH STREET • ZANESVILLE, OHIO 43701

(740) 453-9600 • FAX - (740) 453-9763

INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members of City Council
City of Reynoldsburg
Reynoldsburg, Ohio 43068

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 the City of Reynoldsburg as of and for the year ended December 31, 2002. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion 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 and *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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 as of December 31, 2002, and the respective changes in financial position and cash flows, where applicable, and the respective budgetary comparison for the General Fund and each other major fund, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 2, the City of Reynoldsburg has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, *Basic Financial Statements and Managements Discussion and Analysis for State and Local Governments* as of December 31, 2002. The City has also adopted GASB Statements Nos. 37, and 38, and Interpretation No. 6 for the year ending December 31, 2002.

In accordance with *Government Auditing Standards*, we have also issued a report dated July 23, 2003, on our consideration of City of Reynoldsburg's internal control structure over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The management's discussion and analysis on pages 3 through 12, 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 have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Brad Wolfe, J.D., M.B.A., CPA
Joseph W. Wilson, M.B.A., CPA, CMA
Kenneth B. Phillips, CPA

Independent Auditors Report
Page 2.

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

Wolf, Wilson, & Phillips, Inc

Zanesville, Ohio
July 23, 2003

The 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, 2002. The intent of this 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 2002 are as follows:

- ❑ In total, net assets increased \$4,199,494. Net assets of governmental activities increased \$1,433,364 which represents a 4.2% increase from 2001. Net assets of business-type activities increased \$2,766,130 or 3.5% from 2001.
- ❑ General revenues accounted for \$14,163,854 in revenue or 51.8% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$13,201,493, 48.2% of total revenues of \$27,365,347.
- ❑ The City had \$14,142,196 in expenses related to governmental activities; only \$1,299,066 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$14,276,494 were adequate to provide for these programs.
- ❑ Among major funds, the general fund had \$9,328,267 in revenues and other financing sources and \$10,393,100 in expenditures. The general fund's fund balance declined from \$4,742,369 to \$3,677,340.

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* 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 government'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 nonfinancial 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 educational programs. The City's major funds are the General, Income Tax, Permissive Tax, General Debt Retirement and Capital Improvement. 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, 2002**

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 government. 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 Net Assets.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

This is the first year for government-wide financial statements using the full accrual basis of accounting, therefore a comparison with prior year's information is not available. A comparative analysis will be provided in future years when prior year's information is available.

	Governmental Activities	Business-type Activities	Total
	2002	2002	2002
Current and other assets	\$17,287,373	\$9,878,644	\$27,166,017
Capital assets, Net	40,701,710	79,577,585	120,279,295
Total assets	57,989,083	89,456,229	147,445,312
Long-term debt outstanding	20,591,412	5,728,620	26,320,032
Other liabilities	1,505,724	1,240,988	2,746,712
Total liabilities	22,097,136	6,969,608	29,066,744
Net assets			
Invested in capital assets, net of related debt	20,757,751	74,006,331	94,764,082
Restricted	8,263,443	0	8,263,443
Unrestricted	6,870,753	8,480,290	15,351,043
Total net assets	\$35,891,947	\$82,486,621	\$118,378,568

CITY OF REYNOLDSBURG, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2002**

Unaudited

Changes in Net Assets – The following table shows the changes in net assets for the fiscal year 2002:

	Governmental Activities	Business-type Activities	Total
	2002	2002	2002
Revenues			
Program revenues:			
Charges for Services and Sales	\$968,070	\$7,486,538	\$8,454,608
Operating Grants and Contributions	175,151	0	175,151
Capital Grants and Contributions	155,845	4,415,889	4,571,734
General revenues:			
Property Taxes	1,322,058	0	1,322,058
Income Taxes	7,944,339	0	7,944,339
Other Local Taxes	253,545	0	253,545
Shared Revenues	3,227,178	0	3,227,178
Contributions not restricted to Specific Programs	874,997	0	874,997
Investment Earnings	474,065	0	474,065
Miscellaneous	67,672	0	67,672
Total revenues	<u>15,462,920</u>	<u>11,902,427</u>	<u>27,365,347</u>
Program Expenses			
Security of Persons and Property	5,923,598	0	5,923,598
Public Health and Welfare Services	149,813	0	149,813
Leisure Time Activities	951,958	0	951,958
Community Environment	1,412,272	0	1,412,272
Transportation	1,419,933	0	1,419,933
General Government	3,317,939	0	3,317,939
Debt Service:			
Interest and Fiscal Charges	966,683	0	966,683
Water	0	3,024,152	3,024,152
Sewer	0	4,127,247	4,127,247
Storm Water	0	758,878	758,878
Solid Waste	0	1,113,380	1,113,380
Total expenses	<u>14,142,196</u>	<u>9,023,657</u>	<u>23,165,853</u>
Change in Net Assets before transfers	1,320,724	2,878,770	4,199,494
Transfers	112,640	(112,640)	0
Total Change in Net Assets	1,433,364	2,766,130	4,199,494
Beginning Net Assets	34,458,583	79,720,491	114,179,074
Ending Net Assets	<u>\$35,891,947</u>	<u>\$82,486,621</u>	<u>\$118,378,568</u>

Governmental Activities

Net assets of the City's governmental activities increased by \$1,433,364. This was mainly due to making over \$1,000,000 in principal payments on the City's debt.

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 residents living within the City.

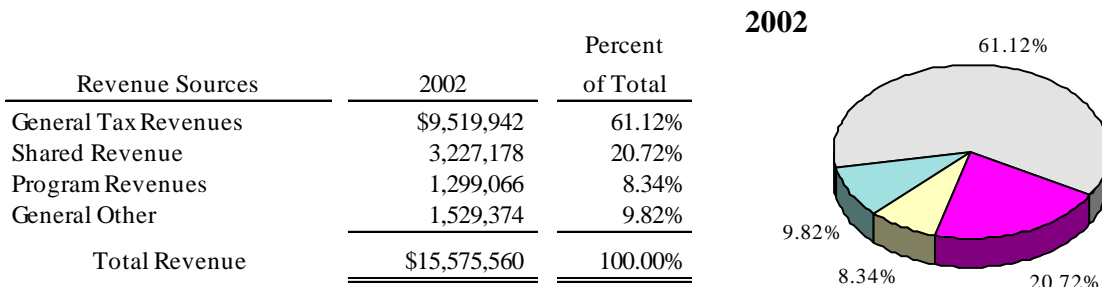
CITY OF REYNOLDSBURG, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2002**

Unaudited

The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. In general, the overall revenue generated by the levy will not increase solely as a result of inflation. As an example, a homeowner with a home valued at \$100,000 and taxed at 1.0 mill would pay \$35.00 annually in taxes. If three years later the home were reappraised and increased to \$200,000 (and this inflationary increase in value is comparable to other property owners) the effective tax rate would become .5 mills and the owner would still pay \$35.00.

Income taxes and property taxes made up 51% and 8.5% respectively of revenues for governmental activities for the City in fiscal year 2002. The City's reliance upon tax revenues is demonstrated by the following graph indicating 61% of total revenues from general tax revenues:



Business-Type Activities

Net assets of the business-type activities increased by \$2,766,130. This increase was the result of capital donations of water, sewer, and storm water infrastructure by developers.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The City's governmental funds reported a combined fund balance of \$13,812,396, which is a decrease from last year's balance of \$15,312,441. The schedule below indicates the fund balance and the total change in fund balance by fund type as of December 31, 2002 and 2001:

	Fund Balance December 31, 2002	Fund Balance December 31, 2001	Increase (Decrease)
General	\$3,677,340	\$4,742,369	(\$1,065,029)
Income Tax	4,356,884	3,276,575	1,080,309
Permissive Tax	557,003	653,865	(96,862)
General Debt Retirement	1,459,244	1,871,744	(412,500)
Capital Improvement	654,221	1,547,649	(893,428)
Other Governmental	3,107,704	3,220,239	(112,535)
Total	\$13,812,396	\$15,312,441	(\$1,500,045)

CITY OF REYNOLDSBURG, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2002**

Unaudited

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

	2002 Revenues	2001 Revenues	Increase (Decrease)
Property and Other Taxes	\$455,915	\$479,549	(\$23,634)
Intergovernmental Revenue	1,917,388	2,077,641	(160,253)
Charges for Services	93,002	99,879	(6,877)
Licenses and Permits	334,781	388,302	(53,521)
Investment Earnings	426,217	868,492	(442,275)
Fines and Forfeitures	311,096	340,013	(28,917)
All Other Revenue	64,694	59,418	5,276
Total	\$3,603,093	\$4,313,294	(\$710,201)

General Fund revenues in 2002 decreased approximately 16.5% compared to revenues in fiscal year 2001. The most significant factor contributing to this decrease was the decrease in interest rates earned on investments. In addition there were decreases in shared revenues from the State and County.

	2002 Expenditures	2001 Expenditures	Increase (Decrease)
Security of Persons and Property	\$5,582,199	\$5,380,844	\$201,355
Public Health and Welfare Services	149,813	154,792	(4,979)
Leisure Time Activities	864,068	839,601	24,467
Community Environment	1,108,923	1,060,127	48,796
General Government	2,688,097	2,562,033	126,064
Total	\$10,393,100	\$9,997,397	\$395,703

General Fund expenditures increased by \$395,703 or 4.0% over the prior year mostly due to increases in salary and wages, retirement contributions, and health insurance premiums for the City's employees. In response to decreased revenues received, the City maintained its expenditures at a level comparable to 2001.

	2002 Other Financing Sources (Uses)	2001 Other Financing Sources (Uses)	Increase (Decrease)
Operating Transfers In	\$5,722,287	\$5,830,119	(\$107,832)
Operating Transfers Out	0	(2,580,953)	2,580,953
Other	2,887	0	2,887
Total	\$5,725,174	\$3,249,166	\$2,476,008

General Fund other sources increased by \$2,476,008 because no transfers were made out of the fund in 2002. This was due to a conscious effort to conserve income tax dollars. The Operating Transfers In are entirely made up of income tax transfers. This amount was kept level by increasing the percentage of income tax receipts which are to be allocated to the General Fund.

Income Tax Fund – The City's Income Tax Fund revenues decreased from \$9,825,390 to \$8,705,840 due to the overall decrease in corporate profits in 2002 resulting in lower income taxes paid or in some cases refunds made for overpayments in previous years. The fund balance shows an increase due to a larger than normal receivable for 2002.

Permissive Tax Fund – The Permissive Tax Fund balance has remained stable because the City uses funds for street projects at a rate consistent with the receipt of funds.

General Debt Retirement Fund – The General Debt Retirement Fund balance decreased from \$1,871,244 to \$1,459,244 because the City has did not have as much income tax collections to transfer to this fund.

Capital Improvement Fund - The Capital Improvement Fund balance decreased from \$1,547,649 to \$654,221 because the City did not have as much income tax collections to transfer to this fund. Additionally, the percentage of income tax revenue allocated to this fund was eliminated midway through the year when Income Tax Revenues were determined to be significantly less than planned.

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 2002 the City amended its General Fund budget several times, none significant.

For the General Fund, final budget basis revenue of \$11,983,588 did not significantly change over the original budget estimates of \$11,970,460. However, the actual revenues of \$9,488,561 on a budgetary basis were lower than the final amended budget due to decreased income tax revenue collected and available for transfers to the General Fund. The General Fund had an adequate fund balance to cover expenditures.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal 2002 the City had \$120,279,295 net of accumulated depreciation invested in land, buildings, equipment and vehicles. Of this total, \$40,701,710 was related to governmental activities and \$79,577,585 to the business-type activities. The following table shows fiscal year 2002 and 2001 balances:

	Governmental Activities		Increase (Decrease)
	2002	2001	
Land and Land Improvements	\$15,776,026	\$15,421,894	\$354,132
Buildings	11,530,695	11,232,717	297,978
Improvements Other than Buildings	1,068,816	1,068,816	0
Infrastructure	18,363,485	16,958,368	1,405,117
Machinery and Equipment	3,826,712	3,427,985	398,727
Construction In Progress	1,074,293	388,330	685,963
Less: Accumulated Depreciation	(10,938,317)	(10,358,944)	(579,373)
Totals	<u>\$40,701,710</u>	<u>\$38,139,166</u>	<u>\$2,562,544</u>

The primary increases occurred in infrastructure and construction in progress, a combination of streets donated by developers and street projects the City is constructing.

	Business-Type Activities		Increase (Decrease)
	2002	2001	
Land	\$3,000	\$3,000	\$0
Buildings and Improvements	2,695,226	2,695,226	0
Infrastructure	90,999,467	87,845,967	3,153,500
Machinery and Equipment	621,156	591,103	30,053
Construction in Progress	846,301	37,074	809,227
Less: Accumulated Depreciation	(15,587,565)	(13,693,635)	(1,893,930)
Totals	<u>\$79,577,585</u>	<u>\$77,478,735</u>	<u>\$2,098,850</u>

The primary increases occurred in infrastructure and construction in progress, a combination of water, sewer and storm water infrastructure donated by developers and a waterline project constructed by the City.

CITY OF REYNOLDSBURG, OHIO

Management's Discussion and Analysis For the Year Ended December 31, 2002

Unaudited

Debt

At December 31, 2002, the City had \$22,490,775 in bonds outstanding, \$1,100,000 due within one year. The following table summarizes the City's debt outstanding as of December 31, 2002 and 2001:

	<u>2002</u>	<u>2001</u>
Governmental Activities:		
General Obligation Bonds	\$18,960,030	\$19,674,660
Special Assessment Bonds	60,000	70,000
Ohio Public Works Commission Loans	817,929	873,808
Installment Loan	166,000	333,000
Compensated Absences	587,453	596,324
Total Governmental Activities	<u>20,591,412</u>	<u>21,547,792</u>
Business-Type Activities:		
General Obligation Bonds	\$3,530,745	\$3,897,775
Ohio Public Works Commission Loans	2,040,509	1,304,947

Proceeds of a loan from the Ohio Public Works Commission were received during the year to be used to improve the State Route 256 water line.

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, 2002, the City's outstanding debt was below the legal limit. Additional information on the City's long-term debt can be found in Note 10.

ECONOMIC FACTORS

With its diversified service oriented economy, Reynoldsburg is somewhat insulated from relative volatile economic fluctuations experienced throughout the rest of the U. S. and state economies. While unemployment for the United States rose to 5.8 percent and that of the state to 5.7 percent, the unemployment rate for Reynoldsburg rose to only 2.7 percent. During the uncertain economic times of 2002, the City's Administration and Council worked diligently to maintain the City's financial integrity.

Of the 12 major employers in the City, seven are retail or retail related, four are government/education, and one is manufacturing. In 2002, Taylor Square continued to develop with five projects opening. With these openings came 414 retained or added jobs.

With the onset of 2003 will be the beginning of the Brice Road – Main Street Streetscape Project, a revitalization of one of the major east/west and one of the major north-south corridors. This will be a project of approximately 12 years in duration. Phase 1 will be completed in 2003 and will include Main Street from the western boundary of the City to Rose Hill Road, a distance of approximately .6 miles. 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 Streetscape.

Given the decline in revenue during 2002 and with the uncertainty as to when the recession may end, the Administration of the City developed a budget with no increase in operating expenses and a 4% increase in personnel expenses. Since the Capital Improvement Fund was receiving no additional resources, only a limited street program and other capital improvement projects are on the docket for 2003.

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. Howard R. Whitney, City Auditor of the City of Reynoldsburg.

CITY OF REYNOLDSBURG, OHIO

**Statement of Net Assets
December 31, 2002**

	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and Cash Equivalents	\$ 1,994,191	\$ 8,207,259	\$ 10,201,450
Investments	8,969,431	0	8,969,431
Receivables:			
Taxes	3,533,639	0	3,533,639
Accounts	71,281	1,391,045	1,462,326
Intergovernmental	1,603,273	0	1,603,273
Interest	9,085	0	9,085
Special Assessments	251,089	140,743	391,832
Inventory of Supplies at Cost	153,216	54,334	207,550
Prepaid Items	14,583	1,233	15,816
Restricted Assets:			
Cash and Cash Equivalents	0	54,657	54,657
Cash and Cash Equivalents with Fiscal Agent	687,585	0	687,585
Capital Assets, Net	40,701,710	79,577,585	120,279,295
Deferred Charge	0	29,373	29,373
Total Assets	57,989,083	89,456,229	147,445,312
Liabilities:			
Accounts Payable	287,552	109,888	397,440
Accrued Wages and Benefits	454,155	38,267	492,422
Intergovernmental Payable	183,897	888,984	1,072,881
Claims Payable	8,947	0	8,947
Retainage Payable	137,701	0	137,701
Due to Others	0	54,657	54,657
Deferred Revenue	356,071	136,483	492,554
Accrued Interest Payable	77,401	12,709	90,110
Long Term Liabilities:			
Due Within One Year	1,303,855	468,903	1,772,758
Due in More Than One Year	19,287,557	5,259,717	24,547,274
Total Liabilities	22,097,136	6,969,608	29,066,744
Net Assets:			
Invested in Capital Assets, Net of Related Debt	20,757,751	74,006,331	94,764,082
Restricted For:			
Capital Projects	983,085	0	983,085
Debt Service	1,490,629	0	1,490,629
Other Purposes	5,789,729	0	5,789,729
Unrestricted	6,870,753	8,480,290	15,351,043
Total Net Assets	\$ 35,891,947	\$ 82,486,621	\$ 118,378,568

See accompanying notes to the basic financial statements

CITY OF REYNOLDSBURG, OHIO

**Statement of Activities
For the Year Ended December 31, 2002**

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
Current:				
Security of Persons and Property	\$ 5,923,598	\$ 53,312	\$ 174,998	\$ 0
Public Health and Welfare Services	149,813	0	0	0
Leisure Time Activities	951,958	88,553	153	36,760
Community Environment	1,412,272	475,866	0	0
Transportation	1,419,933	50,010	0	119,085
General Government	3,317,939	300,329	0	0
Debt Service:				
Interest and Fiscal Charges	966,683	0	0	0
Total Governmental Activities	14,142,196	968,070	175,151	155,845
Business-Type Activities:				
Water	3,024,152	2,612,891	0	1,500,495
Sewer	4,127,247	3,296,641	0	1,348,001
Storm Water	758,878	335,086	0	1,567,393
Solid Waste	1,113,380	1,241,920	0	0
Total Business-Type Activities	9,023,657	7,486,538	0	4,415,889
Totals	\$ 23,165,853	\$ 8,454,608	\$ 175,151	\$ 4,571,734

General Revenues

Property Taxes Levied for:

General Purposes

Special Purposes

Debt Service

Income Taxes

Other Local Taxes

Shared Revenue

Contributions not restricted to specific programs

Investment Earnings

Miscellaneous

Transfers

Total General Revenues

Change in Net Assets

Restated Net Assets Beginning of Year

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
\$ (5,695,288)	\$ 0	\$ (5,695,288)
(149,813)	0	(149,813)
(826,492)	0	(826,492)
(936,406)	0	(936,406)
(1,250,838)	0	(1,250,838)
(3,017,610)	0	(3,017,610)
<u>(966,683)</u>	<u>0</u>	<u>(966,683)</u>
<u>(12,843,130)</u>	<u>0</u>	<u>(12,843,130)</u>
0	1,089,234	1,089,234
0	517,395	517,395
0	1,143,601	1,143,601
0	128,540	128,540
<u>0</u>	<u>2,878,770</u>	<u>2,878,770</u>
<u>\$ (12,843,130)</u>	<u>\$ 2,878,770</u>	<u>\$ (9,964,360)</u>
196,995	0	196,995
141,621	0	141,621
983,442	0	983,442
7,944,339	0	7,944,339
253,545	0	253,545
3,227,178	0	3,227,178
874,997	0	874,997
474,065	0	474,065
67,672	0	67,672
<u>112,640</u>	<u>(112,640)</u>	<u>0</u>
<u>14,276,494</u>	<u>(112,640)</u>	<u>14,163,854</u>
1,433,364	2,766,130	4,199,494
<u>34,458,583</u>	<u>79,720,491</u>	<u>114,179,074</u>
<u>\$ 35,891,947</u>	<u>\$ 82,486,621</u>	<u>\$ 118,378,568</u>

CITY OF REYNOLDSBURG, OHIO

**Balance Sheet
Governmental Funds
December 31, 2002**

	General	Income Tax	Permissive Tax
Assets:			
Cash and Cash Equivalents	\$ 92,857	\$ 26,147	\$ 10,127
Investments	3,666,759	1,309,833	507,326
Receivables:			
Taxes	266,673	3,107,724	0
Accounts	66,066	0	0
Intergovernmental	967,098	0	120,275
Interest	8,642	0	253
Special Assessments	0	0	0
Due from Other Funds	7,476	0	0
Inventory of Supplies, at Cost	4,611	0	0
Prepaid Items	14,583	0	0
Restricted Assets:			
Cash and Cash Equivalents with Fiscal Agent	0	0	687,585
Total Assets	\$ 5,094,765	\$ 4,443,704	\$ 1,325,566
Liabilities:			
Accounts Payable	113,655	163	888
Accrued Wages and Benefits Payable	426,749	2,792	0
Intergovernmental Payable	81,957	0	0
Claims Payable	0	0	0
Retainage Payable	0	0	0
Due to Other Funds	0	0	0
Deferred Revenue	795,064	83,865	767,675
Total Liabilities	1,417,425	86,820	768,563
Fund Balances:			
Reserved for Encumbrances	198,566	31	0
Reserved for Prepaid Items	14,583	0	0
Reserved for Supplies Inventory	4,611	0	0
Reserved for Debt Service	0	0	0
Unreserved, Undesignated in:			
General Fund	3,459,580	0	0
Special Revenue Funds	0	4,356,853	557,003
Capital Projects Funds	0	0	0
Total Fund Balances	3,677,340	4,356,884	557,003
Total Liabilities and Funds Balances	\$ 5,094,765	\$ 4,443,704	\$ 1,325,566

See accompanying notes to the basic financial statements

CITY OF REYNOLDSBURG, OHIO

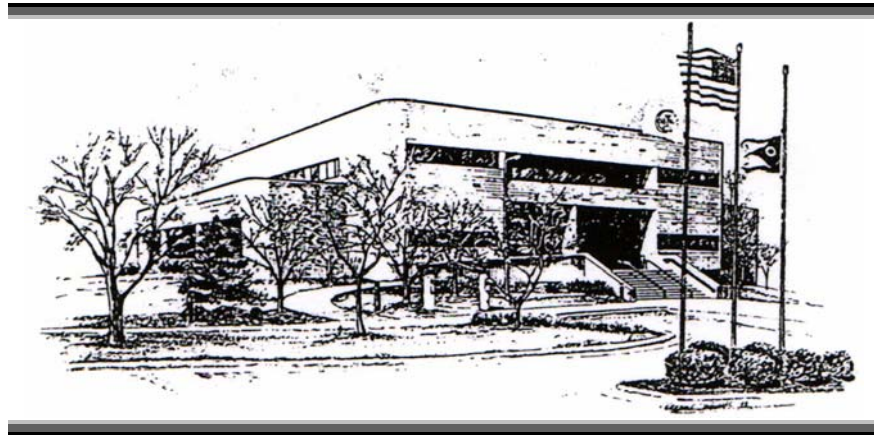
General Debt Retirement	Capital Improvement	Other Governmental Funds	Total Governmental Funds
\$ 28,559	\$ 17,948	\$ 1,818,553	\$ 1,994,191
1,430,685	899,096	1,155,732	8,969,431
0	0	159,242	3,533,639
0	0	5,215	71,281
0	11,087	504,813	1,603,273
0	0	190	9,085
0	0	251,089	251,089
0	0	0	7,476
0	0	148,605	153,216
0	0	0	14,583
0	0	0	687,585
<u>\$ 1,459,244</u>	<u>\$ 928,131</u>	<u>\$ 4,043,439</u>	<u>\$ 17,294,849</u>
0	136,209	36,637	287,552
0	0	24,614	454,155
0	0	101,940	183,897
0	0	8,947	8,947
0	137,701	0	137,701
0	0	7,476	7,476
0	0	756,121	2,402,725
0	273,910	935,735	3,482,453
0	261,890	179,952	640,439
0	0	0	14,583
0	0	148,605	153,216
1,459,244	0	890,083	2,349,327
0	0	0	3,459,580
0	0	1,161,499	6,075,355
0	392,331	727,565	1,119,896
<u>1,459,244</u>	<u>654,221</u>	<u>3,107,704</u>	<u>13,812,396</u>
<u>\$ 1,459,244</u>	<u>\$ 928,131</u>	<u>\$ 4,043,439</u>	<u>\$ 17,294,849</u>

CITY OF REYNOLDSBURG, OHIO

***Reconciliation Of Total Governmental Fund Balances
To Net Assets Of Governmental Activities
December 31, 2002***

Total Governmental Fund Balances		\$ 13,812,396
<i>Amounts reported for governmental activities in the statement of net assets are different because</i>		
Capital Assets used in governmental activities are not resources and therefore are not reported in the funds.		40,701,710
Other long-term assets are not available to pay for current- period expenditures and therefore are deferred in the funds.		2,046,654
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	(18,960,030)	
Special Assessment Bonds Payable	(60,000)	
Ohio Public Works Commission Loans Payable	(817,929)	
Installment Loan Payable	(166,000)	
Compensated Absences Payable	(587,453)	
Accrued Interest Payable	(77,401)	
		<u>(20,668,813)</u>
<i>Net Assets of Governmental Activities</i>		<u><u>\$ 35,891,947</u></u>

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, 2002**

	General	Income Tax	Permissive Tax
Revenues:			
Taxes	\$ 455,915	\$ 8,677,480	\$ 0
Intergovernmental Revenues	1,917,388	0	222,367
Charges for Services	93,002	0	0
Licenses and Permits	334,781	0	0
Investment Earnings	426,217	28,360	5,661
Special Assessments	0	0	0
Fines and Forfeitures	311,096	0	0
All Other Revenue	64,694	0	0
Total Revenue	3,603,093	8,705,840	228,028
Expenditures:			
Current:			
Security of Persons and Property	5,582,199	0	0
Public Health and Welfare Services	149,813	0	0
Leisure Time Activities	864,068	0	0
Community Environment	1,108,923	0	0
Transportation	0	0	4,391
General Government	2,688,097	212,983	0
Capital Outlay	0	0	0
Debt Service:			
Principal Retirement	0	0	0
Interest & Fiscal Charges	0	0	0
Total Expenditures	10,393,100	212,983	4,391
Excess (Deficiency) of Revenues			
Over Expenditures	(6,790,007)	8,492,857	223,637
Other Financing Sources (Uses):			
Proceeds from the Sale of Fixed Assets	2,887	0	0
Operating Transfers In	5,722,287	0	0
Operating Transfers Out	0	(7,412,548)	(320,499)
Total Other Financing Sources (Uses)	5,725,174	(7,412,548)	(320,499)
Net Change in Fund Balances	(1,064,833)	1,080,309	(96,862)
Restated Fund Balances at Beginning of Year	4,742,369	3,276,575	653,865
Increase (Decrease) in Inventory Reserve	(196)	0	0
Fund Balances End of Year	\$ 3,677,340	\$ 4,356,884	\$ 557,003

See accompanying notes to the basic financial statements

CITY OF REYNOLDSBURG, OHIO

General Debt Retirement	Capital Improvement	Other Governmental Funds	Total Governmental Funds
\$ 0	\$ 0	\$ 1,127,603	\$ 10,260,998
0	155,845	1,067,850	3,363,450
0	0	140,323	233,325
0	0	48,811	383,592
0	1,965	8,646	470,849
0	0	47,107	47,107
0	0	15,477	326,573
0	17,637	5,988	88,319
<u>0</u>	<u>175,447</u>	<u>2,461,805</u>	<u>15,174,213</u>
0	0	103,296	5,685,495
0	0	0	149,813
0	0	25,275	889,343
0	0	313,112	1,422,035
0	0	913,103	917,494
0	0	523,022	3,424,102
0	2,300,736	109,312	2,410,048
877,209	0	70,300	947,509
<u>606,977</u>	<u>0</u>	<u>363,368</u>	<u>970,345</u>
<u>1,484,186</u>	<u>2,300,736</u>	<u>2,420,788</u>	<u>16,816,184</u>
(1,484,186)	(2,125,289)	41,017	(1,641,971)
0	0	0	2,887
1,163,926	1,231,861	504,553	8,622,627
<u>(92,240)</u>	<u>0</u>	<u>(684,700)</u>	<u>(8,509,987)</u>
<u>1,071,686</u>	<u>1,231,861</u>	<u>(180,147)</u>	<u>115,527</u>
(412,500)	(893,428)	(139,130)	(1,526,444)
1,871,744	1,547,649	3,220,239	15,312,441
<u>0</u>	<u>0</u>	<u>26,595</u>	<u>26,399</u>
<u>\$ 1,459,244</u>	<u>\$ 654,221</u>	<u>\$ 3,107,704</u>	<u>\$ 13,812,396</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, 2002***

Net Change in Fund Balances - Total Governmental Funds \$(1,526,444)

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 depreciation exceeded capital outlays in the current period.

Capital Outlay	2,438,928	
Depreciation Expense	(745,716)	
	1,693,212	1,693,212

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.	874,997	
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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.	(5,665)	
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869,332

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (589,177)

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	714,630	
Special Assessment Bond Principal Payment	10,000	
Ohio Public Works Commission Loan Principal Payment	55,879	
Installment Loan Principal Payment	167,000	
	947,509	947,509

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. 3,662

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	8,871	
Change in Inventory	26,399	
	35,270	35,270

Change in Net Assets of Governmental Activities \$ 1,433,364

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, 2002**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 378,175	\$ 391,303	\$ 456,961	\$ 65,658
Intergovernmental Revenue	1,851,820	1,851,820	1,914,598	62,778
Charges for Services	116,950	116,950	93,111	(23,839)
Licenses and Permits	352,085	352,085	334,781	(17,304)
Investment Earnings	650,000	650,000	502,373	(147,627)
Fines and Forfeitures	393,000	393,000	308,564	(84,436)
All Other Revenues	34,350	34,350	58,285	23,935
Total Revenues	<u>3,776,380</u>	<u>3,789,508</u>	<u>3,668,673</u>	<u>(120,835)</u>
Expenditures:				
Current:				
Security of Persons and Property	5,875,433	5,924,757	5,713,591	211,166
Public Health and Welfare Services	173,600	173,600	149,813	23,787
Leisure Time Activities	922,166	929,495	874,513	54,982
Community Environment	1,325,892	1,373,096	1,198,200	174,896
General Government	3,324,641	3,349,630	2,826,482	523,148
Total Expenditures	<u>11,621,732</u>	<u>11,750,578</u>	<u>10,762,599</u>	<u>987,979</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,845,352)	(7,961,070)	(7,093,926)	867,144
Other Financing Sources (Uses):				
Proceeds from the Sale of Fixed Assets	2,000	2,000	2,887	887
Operating Transfers In	8,192,080	8,192,080	5,817,001	(2,375,079)
Operating Transfers Out	0	(81,875)	(81,875)	0
Total Other Financing Sources (Uses):	<u>8,194,080</u>	<u>8,112,205</u>	<u>5,738,013</u>	<u>(2,374,192)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	348,728	151,135	(1,355,913)	(1,507,048)
Fund Balance at Beginning of Year	4,152,818	4,152,818	4,152,818	0
Prior Year Encumbrances	600,362	600,362	600,362	0
Fund Balance at End of Year	<u>\$ 5,101,908</u>	<u>\$ 4,904,315</u>	<u>\$ 3,397,267</u>	<u>\$ (1,507,048)</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 – Income Tax Fund
For the Year Ended December 31, 2002**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 9,810,000	\$ 9,810,000	\$ 7,648,497	\$ (2,161,503)
Investment Earnings	90,000	90,000	28,360	(61,640)
Total Revenues	<u>9,900,000</u>	<u>9,900,000</u>	<u>7,676,857</u>	<u>(2,223,143)</u>
Expenditures:				
Current:				
General Government	1,248,838	241,019	212,507	28,512
Total Expenditures	<u>1,248,838</u>	<u>241,019</u>	<u>212,507</u>	<u>28,512</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	8,651,162	9,658,981	7,464,350	(2,194,631)
Other Financing Sources (Uses):				
Operating Transfers Out	0	(7,412,548)	(7,412,548)	0
Total Other Financing Sources (Uses):	<u>0</u>	<u>(7,412,548)</u>	<u>(7,412,548)</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	8,651,162	2,246,433	51,802	(2,194,631)
Fund Balance at Beginning of Year	1,284,035	1,284,035	1,284,035	0
Fund Balance at End of Year	<u>\$ 9,935,197</u>	<u>\$ 3,530,468</u>	<u>\$ 1,335,837</u>	<u>\$ (2,194,631)</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 License Tax Fund
For the Year Ended December 31, 2002**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenue	\$ 220,000	\$ 220,000	\$ 217,811	\$ (2,189)
Investment Earnings	20,000	20,000	12,867	(7,133)
Total Revenues	<u>240,000</u>	<u>240,000</u>	<u>230,678</u>	<u>(9,322)</u>
Expenditures:				
Current:				
Transportation	8,787	8,787	4,257	4,530
Total Expenditures	<u>8,787</u>	<u>8,787</u>	<u>4,257</u>	<u>4,530</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	231,213	231,213	226,421	(4,792)
Other Financing Sources (Uses):				
Operating Transfers Out	(120,499)	(320,499)	(320,499)	0
Total Other Financing Sources (Uses):	<u>(120,499)</u>	<u>(320,499)</u>	<u>(320,499)</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	110,714	(89,286)	(94,078)	(4,792)
Fund Balance at Beginning of Year	611,531	611,531	611,531	0
Fund Balance at End of Year	<u>\$ 722,245</u>	<u>\$ 522,245</u>	<u>\$ 517,453</u>	<u>\$ (4,792)</u>

See accompanying notes to the basic financial statements

CITY OF REYNOLDSBURG, OHIO

**Statement of Net Assets
Proprietary Funds
December 31, 2002**

	Business-Type Activities				Total
	Enterprise Funds				
	Water	Sewer	Storm Water Drainage	Solid Waste	
Assets:					
<i>Current Assets:</i>					
Cash and Cash Equivalents	\$ 3,364,980	\$ 3,702,404	\$ 507,191	\$ 632,684	\$ 8,207,259
Receivables:					
Accounts	588,124	802,921	0	0	1,391,045
Special Assessments	0	140,743	0	0	140,743
Inventory of Supplies at Cost	50,972	0	3,362	0	54,334
Prepaid Items	497	736	0	0	1,233
Total Current Assets	4,004,573	4,646,804	510,553	632,684	9,794,614
<i>Non Current Assets:</i>					
Restricted Assets:					
Cash and Cash Equivalents	54,657	0	0	0	54,657
Deferred Charges	6,337	23,036	0	0	29,373
Capital Assets, Net	21,885,340	33,456,535	24,235,710	0	79,577,585
Total Noncurrent Assets	21,946,334	33,479,571	24,235,710	0	79,661,615
Total Assets	25,950,907	38,126,375	24,746,263	632,684	89,456,229
Liabilities:					
<i>Current Liabilities:</i>					
Accounts Payable	2,603	4,254	9,296	93,735	109,888
Accrued Wages and Benefits	19,735	11,948	6,584	0	38,267
Intergovernmental Payable	448,197	440,787	0	0	888,984
Due to Others	54,657	0	0	0	54,657
Accrued Interest Payable	5,463	7,246	0	0	12,709
Deferred Revenue	0	0	30,554	105,929	136,483
General Obligation Bonds - Current	194,800	185,610	0	0	380,410
Ohio Public Works Commission Loan Payable - Current	0	37,272	0	0	37,272
Total Current Liabilities	725,455	687,117	46,434	199,664	1,658,670
<i>Noncurrent Liabilities:</i>					
Compensated Absences Payable	71,309	38,096	47,961	0	157,366
General Obligation Bonds Payable	1,242,500	1,907,835	0	0	3,150,335
OPWC Loans Payable	1,134,413	868,824	0	0	2,003,237
Total Noncurrent Liabilities	2,448,222	2,814,755	47,961	0	5,310,938
Total Liabilities	3,173,677	3,501,872	94,395	199,664	6,969,608
Net Assets:					
Invested in Capital Assets, Net of Related Debt	19,313,627	30,456,994	24,235,710	0	74,006,331
Unrestricted	3,463,603	4,167,509	416,158	433,020	8,480,290
Total Net Assets	\$ 22,777,230	\$ 34,624,503	\$ 24,651,868	\$ 433,020	\$ 82,486,621

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, 2002**

	Business-Type Activities				Total
	Enterprise Funds				
	Water	Sewer	Storm Water Drainage	Solid Waste	
Operating Revenues:					
Charges for Services	\$ 2,612,891	\$ 3,296,641	\$ 335,086	\$ 1,241,920	\$ 7,486,538
Total Operating Revenues	2,612,891	3,296,641	335,086	1,241,920	7,486,538
Operating Expenses:					
Personal Services	414,800	262,195	137,257	0	814,252
Contractual Services	1,898,935	2,919,415	43,786	1,113,291	5,975,427
Materials and Supplies	112,583	11,789	13,470	89	137,931
Depreciation	523,065	807,643	563,393	0	1,894,101
Total Operating Expenses	2,949,383	4,001,042	757,906	1,113,380	8,821,711
Operating Income (Loss)	(336,492)	(704,401)	(422,820)	128,540	(1,335,173)
Nonoperating Revenue (Expenses):					
Interest Expense	(74,769)	(126,205)	0	0	(200,974)
Other Nonoperating Expense	0	0	(972)	0	(972)
Total Nonoperating Revenues (Expenses)	(74,769)	(126,205)	(972)	0	(201,946)
Income(Loss)					
Before Contributions and Operating Transfers	(411,261)	(830,606)	(423,792)	128,540	(1,537,119)
Capital Contributions-Tap Fees	805,316	457,073	0	0	1,262,389
Capital Contributions	695,179	890,928	1,567,393	0	3,153,500
Operating Transfers in	0	222,475	0	0	222,475
Operating Transfers out	(75,000)	(208,960)	(25,577)	(25,578)	(335,115)
Change in Net Assets	1,014,234	530,910	1,118,024	102,962	2,766,130
Restated Net Assets Beginning of Year	21,762,996	34,093,593	23,533,844	330,058	79,720,491
Net Assets End of Year	\$ 22,777,230	\$ 34,624,503	\$ 24,651,868	\$ 433,020	\$ 82,486,621

See accompanying notes to the basic financial statements

CITY OF REYNOLDSBURG, OHIO

**Statement of Cash Flows
Proprietary Funds
December 31, 2002**

	Business-Type Activities				Totals
	Enterprise Funds				
	Water	Sewer	Storm Water	Solid Waste	
Cash Flows from Operating Activities:					
Cash Received from Customers	\$2,562,540	\$3,246,843	\$334,170	\$1,250,039	\$7,393,592
Cash Payments for Goods and Services	(2,032,682)	(2,960,089)	(60,181)	(1,183,583)	(6,236,535)
Cash Payments to Employees	(408,199)	(260,020)	(133,709)	0	(801,928)
Net Cash Provided by Operating Activities	121,659	26,734	140,280	66,456	355,129
Cash Flows from Noncapital Financing Activities:					
Transfers In from Other Funds	0	280,119	0	0	280,119
Transfers Out to Other Funds	(75,000)	(208,960)	(25,577)	(25,578)	(335,115)
Net Cash Provided (Used) by Noncapital Financing Activities	(75,000)	71,159	(25,577)	(25,578)	(54,996)
Cash Flows from Capital and Related Financing Activities:					
Cash Received from Tap-in Fees in Excess of Cost	805,316	457,073	0	0	1,262,389
Proceeds of Ohio Public Works Commission Loans	771,741	0	0	0	771,741
Receipt of Special Assessments	0	7,400	0	0	7,400
Acquisition and Construction of Assets	(779,373)	0	(65,632)	0	(845,005)
Principal Paid on General Obligation Bonds	(187,850)	(182,520)	0	0	(370,370)
Principal Paid on Ohio Public Works Commission Loans	0	(36,179)	0	0	(36,179)
Interest Paid on All Debt	(74,055)	(121,582)	0	0	(195,637)
Net Cash Provided (Used) by Capital and Related Financing Activities	535,779	124,192	(65,632)	0	594,339
Net Increase in Cash and Cash Equivalents	582,438	222,085	49,071	40,878	894,472
Cash and Cash Equivalents at Beginning of Year	2,837,199	3,480,319	458,120	591,806	7,367,444
Cash and Cash Equivalents at End of Year	\$3,419,637	\$3,702,404	\$507,191	\$632,684	\$8,261,916
Reconciliation of Cash and Cash Equivalents per the Balance Sheet:					
Cash and Cash Equivalents	\$3,364,980	\$3,702,404	\$507,191	\$632,684	\$8,207,259
Restricted Cash and Cash Equivalents	54,657	0	0	0	54,657
Cash and Cash Equivalents at End of Year	\$3,419,637	\$3,702,404	\$507,191	\$632,684	\$8,261,916

(continued)

CITY OF REYNOLDSBURG, OHIO

	Business-Type Activities				
	Enterprise Funds				
	Water	Sewer	Storm Water	Solid Waste	Totals
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>					
<u>Provided by Operating Activities:</u>					
Operating Income (Loss)	(\$336,492)	(\$704,401)	(\$422,820)	\$128,540	(\$1,335,173)
Adjustments to Reconcile Operating Income (Loss) to					
Net Cash Provided by Operating Activities:					
Depreciation Expense	523,065	807,643	563,393	0	1,894,101
Miscellaneous Nonoperating Revenue	162	0	0	0	162
Changes in Assets and Liabilities:					
Increase in Accounts Receivable	(50,513)	(49,798)	0	0	(100,311)
(Increase) Decrease in Inventory	(16,219)	0	2,223	0	(13,996)
Increase in Prepaid Items	(497)	(736)	0	0	(1,233)
Decrease in Accounts Payable	(1,002)	(7,875)	(5,040)	(70,203)	(84,120)
Increase in Accrued Wages and Benefits	2,261	1,090	942	0	4,293
Decrease in Intergovernmental Payable	(3,141)	(20,062)	0	0	(23,203)
Increase (Decrease) in Deferred Revenue	0	0	(916)	8,119	7,203
Increase in Compensated Absences	4,035	873	2,498	0	7,406
Total Adjustments	458,151	731,135	563,100	(62,084)	1,690,302
Net Cash Provided by Operating Activities	\$121,659	\$26,734	\$140,280	\$66,456	\$355,129

Schedule of Noncash Investing, Capital and Financing Activities:

At December 31, 2002 the Storm Water Fund had outstanding liabilities of \$8,802 for the purchase of certain capital assets.

During 2002 the Water Fund, Sewer Fund and Storm Water Fund received capital contributions from developers of \$695,179, \$890,928 and \$1,567,393 respectively.

See accompanying notes to the basic financial statements.

CITY OF REYNOLDSBURG, OHIO

**Statement of Net Assets
Fiduciary Funds
December 31, 2002**

	<u>Agency</u>
Assets:	
Cash and Cash Equivalents	\$ 97,985
Receivables:	
Taxes	4,305
Accounts	<u>356</u>
Total Assets	<u>102,646</u>
Liabilities:	
Intergovernmental Payable	67,816
Due to Others	<u>34,830</u>
Total Liabilities	<u>102,646</u>
Net Assets:	
Unrestricted	<u>0</u>
Total Net Assets	<u><u>\$ 0</u></u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2002***

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, 2002 and for the year then ended, and have been prepared in conformity with generally accepted accounting principles (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,"* 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.

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 various funds are summarized by type in the basic financial statements. The following fund types are used by the City:

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2002***

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.

Income Tax Fund - This fund is used to account for the collections of the municipal income tax as required by City Ordinance.

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

General Bond Retirement Fund – This fund is used 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.

Capital Improvement Fund – This fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

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 balance sheet. Proprietary fund type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

Enterprise Funds - These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The City's major enterprise funds are:

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2002***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

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

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

Storm Water 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.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2002***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements (Continued)

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.

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.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2002***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Accounting (Continued)

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 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, 2002 but which are not intended to finance 2002 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.

Pursuant to GASB Statement No. 20, "*Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting*," the City follows GASB guidance as applicable to proprietary funds and 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.

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.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2002***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

1. Tax Budget

All funds, other than agency funds, are legally required to be budgeted and appropriated; however, only governmental funds are required to be reported. 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.

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 on the budgetary statement reflect the amounts in the final amended official certificate of estimated resources issued during 2002.

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, department and object level 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 2002, 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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2002***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

3. Appropriations (Continued)

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 budgetary figures which appear on the "Combined Statement of Revenues, Expenditures, and Changes in Fund Balances--Budget and Actual--All Governmental Fund Types" are presented on a budgetary basis to provide a comparison of actual results to the final budget, including all amendments and modifications.

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 balance is 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 generally accepted accounting principles (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.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2002**

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 governmental funds:

	Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses		
	General Fund	Income Tax Fund	Permissive Tax Fund
GAAP Basis (as reported)	(\$1,064,833)	\$1,080,309	(\$96,862)
Increase (Decrease):			
Accrued Revenues at December 31, 2002 received during 2003	(529,234)	(3,023,859)	(40,438)
Accrued Revenues at December 31, 2001 received during 2002	562,188	1,994,876	36,685
Accrued Expenditures at December 31, 2002 paid during 2003	622,361	2,955	888
Accrued Expenditures at December 31, 2001 paid during 2002	(645,071)	(2,336)	(754)
2001 Prepays for 2002	6,176	0	0
2002 Prepays for 2003	(14,583)	0	0
Adjustment to Fair Value	49,770	0	6,403
Outstanding Encumbrances	(342,687)	(143)	0
Budget Basis	<u>(\$1,355,913)</u>	<u>\$51,802</u>	<u>(\$94,078)</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, 2002***

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. All investment income, including changes in the fair value of investments, are recognized as revenue in the operating statements. Fair value is determined by quoted market prices.

The City has invested funds in the STAR Ohio during 2002. 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, 2002. 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 proprietary funds when used.

I. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2002, 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, 2002***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Capital Assets and Depreciation (Continued)

2. Property, Plant and Equipment – Business Type Activities

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.

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. 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, 2002***

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	Street Construction, Maintenance and Repair Fund, General Debt Retirement Fund, Taylor Square Tax Debt Retirement Fund, Water Fund, Sewer Fund
Special Assessment Bond	General Debt Retirement Fund
Ohio Public Works Commission Loans	General Debt Retirement Fund Water Fund, Sewer Fund
Compensated Absences	General Fund, Income Tax Fund, Street Construction, Maintenance and Repair Fund Water Fund, Sewer Fund, Storm Water Fund
Installment Loan Payable	General Debt Retirement Fund
Capital Leases	General 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, 2002***

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 of improvement of those assets. 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.

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.

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).

Q. Restricted Assets

Customer deposits and cash with fiscal agent are classified as restricted assets on the balance sheet because these funds are being held for specified purposes.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2002***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

NOTE 2 – CHANGES IN ACCOUNTING PRINCIPLE AND RESTATEMENT OF FUND BALANCE

A. Changes in Accounting Principles

For fiscal year 2002, the City has implemented GASB Statement No. 34, “*Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*”; GASB Statement No. 37, “*Basic Financial Statements for State and Local Governments: Omnibus*”; GASB Statement No. 38, “*Certain Financial Statement Note Disclosures*”; and GASB Interpretation No. 6, “*Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statement.*” At December 31, 2001, there was no effect on fund balance as a result of implementing GASB Statements 36, 37 and 38, or Interpretation No. 6.

GASB 34 creates new basic financial statements for reporting on the City’s financial activities. The financial statements now include government-wide financial statements prepared on an accrual basis of accounting and fund financial statements which present information for individual major funds rather than by fund type. Nonmajor funds are presented in total in one column.

The government-wide financial statements split the City’s programs between business-type and governmental activities. Except for the restatement explained below, the beginning net asset amount for the business-type activities equals fund equity of the enterprise funds from last year. The beginning net asset amount for governmental programs reflects the change in fund balance for governmental funds at December 31, 2001, caused by the conversion to the accrual basis of accounting.

CITY OF REYNOLDSBURG, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2002**

NOTE 2 – CHANGES IN ACCOUNTING PRINCIPLE AND RESTATEMENT OF FUND BALANCE (Continued)

B. Prior Period Adjustments

During the year ended December 31, 2002, the City completed a physical inventory and revaluation of all the infrastructure capital assets. The inventory and revaluation resulted in the restatement of the net assets at December 31, 2001 for the enterprise funds as presented in item C of this note. In addition, during 2002 it was determined that Taxes Receivable in the Income Tax Fund (special revenue) was misstated. The restatement had the following effect on fund balance:

	Income Tax Fund
Fund Balance at December 31, 2001 as reported	\$2,419,784
Correction of Accounting Error	856,791
Fund Balance at December 31, 2001 as restated	<u>3,276,575</u>

C. Restatement of Fund Balance/Retained Earnings

The changes to the beginning fund balance/retained earnings, as well as the transition from fund balance/retained earnings to net assets of the governmental activities and the business-type activities are as follows:

	Governmental Activities	<u>Business Type Activities - Enterprise Funds</u>				Total Business-Type Activities
		Water	Sewer	Storm Water	Solid Waste	
Fund Balance/Retained Earnings December 31, 2001	\$14,455,650	\$14,302	\$1,415,088	\$399,109	\$330,058	\$2,158,557
Prior Period Adjustments:						
Correction of Accounting Error	856,791	0	0	0	0	0
Restate Fixed Assets	0	16,935,985	29,000,695	23,086,993	0	69,023,673
Total Prior Period Adjustments	<u>856,791</u>	<u>16,935,985</u>	<u>29,000,695</u>	<u>23,086,993</u>	<u>0</u>	<u>69,023,673</u>
GASB 34 Adjustments:						
Capital Assets	38,139,166	0	0	0	0	0
Contributed Capital	0	4,812,709	3,677,810	47,742	0	8,538,261
Long-Term Liabilities	(21,628,855)	0	0	0	0	0
Long-Term (Deferred) Assets	2,635,831	0	0	0	0	0
Net Assets, December 31, 2001	<u>\$34,458,583</u>	<u>\$21,762,996</u>	<u>\$34,093,593</u>	<u>\$23,533,844</u>	<u>\$330,058</u>	<u>\$79,720,491</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2002***

NOTE 3 - CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash resources of several individual funds are combined to form a pool of cash and investments. In addition, investments are separately held by a number of individual funds.

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 "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 no later than the end of the current period of designation of depositories.

Category 3 consists of "interim" funds - those funds 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;
- 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).

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2002***

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

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. Based upon criteria described in GASB Statement No. 3, "*Deposits With Financial Institutions, Investments (including Repurchase Agreements and Reverse Repurchase Agreements)*," collateral held in single financial collateral pools with securities being held by the pledging financial institutions' agents in the pool's name are classified as Category 3.

The GASB has established risk categories for deposits and investments, as follows:

Deposits:

- Category 1 Insured or collateralized with securities held by the City or by its agent in the City's name.
- Category 2 Collateralized with securities held by the pledging financial institution's trust department or agent in the City's name.
- Category 3 Collateralized with securities held by the pledging financial institution's trust department or agent but not in the City's name.

Investments:

- Category 1 Insured or registered, or securities held by the City or its agent in the City's name.
- Category 2 Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the City's name.
- Category 3 Uninsured and unregistered, with securities held by the counterparty or by its trust department or agent but not in the City's name.

A. Deposits

At year end, the carrying amount of the City's deposits was \$4,313,709 and the bank balance \$4,445,869. Federal depository insurance covered \$200,000 of the bank balance. All remaining deposits were classified as Category 3.

Investment earnings of \$332,546 earned by other funds was credited to the General Fund as required by state statute.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2002**

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

B. Investments

The City's investments at December 31, 2002 are summarized below:

<u>Categorized Investments</u>	<u>Category 1</u>	<u>Category 2</u>	<u>Fair Value</u>
Federal National Mortgage Association	\$4,379,663	\$0	\$4,379,663
Federal Home Loan Bank Note	1,161,912	0	1,161,912
Federal Home Loan Mortgage	1,186,812	0	1,186,812
Federal Farm Credit	408,372	0	408,372
Student Loan Marketing Association	750,000	0	750,000
Negotiable Certificates of Deposit	198,000	0	198,000
Repurchase Agreement	0	114,772	114,772
Total Categorized Investments	8,084,759	114,772	8,199,531
<u>Non-Categorized Investments</u>			
STAR Ohio	N/A	N/A	6,810,283
Total Non-Categorized	N/A	N/A	6,810,283
Total Investments	\$8,084,759	\$114,772	\$15,009,814

C. Cash with Fiscal Agents

In addition to deposits and investments, the City has uninsured and uncollateralized cash in the amount of \$687,585 being held by the Franklin and Fairfield County Engineers. This cash is restricted in its use for various road improvement projects.

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 combined 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 Combined Balance Sheet	\$10,354,092	\$8,969,431
Certificates of Deposit (with maturities of more than 3 months)	884,672	(884,672)
Investments:		
Repurchase Agreement	(114,772)	114,772
STAR Ohio	(6,810,283)	6,810,283
Per GASB Statement No. 3	\$4,313,709	\$15,009,814

* Does not include cash with fiscal agent.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2002***

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 2002 were levied after October 1, 2001 on assessed values as of January 1, 2001, 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.

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, 2002 was \$0.7 per \$1,000 of assessed value. The assessed value upon which the 2002 tax receipts were based was \$563,294,199. This amount constitutes \$519,434,860 in real property assessed value, \$17,282,820 in public utility assessed value and \$26,576,519 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.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2002**

NOTE 4 - TAXES (Continued)

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, 2002 consisted of taxes, interest, accounts receivable, special assessments, interfund receivables and intergovernmental receivables arising from shared revenues.

NOTE 6 - TRANSFERS

Following is a summary of operating transfers in and out for all funds for 2002:

Fund	Transfer In	Transfer Out
Governmental Funds:		
General Fund	\$5,722,287	\$0
Income Tax Fund	0	7,412,548
Permissive Tax Fund	0	320,499
General Debt Retirement Fund	1,163,926	92,240
Capital Improvement Fund	1,231,861	0
Nonmajor Governmental Funds	504,553	684,700
Total Governmental Funds	<u>8,622,627</u>	<u>8,509,987</u>
Proprietary Funds:		
Water Fund	0	75,000
Sewer Fund	222,475	208,960
Storm Water Fund	0	25,577
Solid Waste Fund	0	25,578
Total Proprietary Funds	<u>222,475</u>	<u>335,115</u>
Totals	<u><u>\$8,845,102</u></u>	<u><u>\$8,845,102</u></u>

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and unrestricted revenues collected in the income tax fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; to segregate money for anticipated capital projects; to provide additional resources for current operations or debt service; and to return money to the fund from which it was originally provided once a project is completed.

CITY OF REYNOLDSBURG, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2002**

NOTE 7 - INTERFUND ACCOUNTS

Interfund balances at December 31, 2002 consist of the following individual fund receivables and payables:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$7,476	\$0
Nonmajor Special Revenue Fund	0	7,476
Totals	<u>\$7,476</u>	<u>\$7,476</u>

The interfund balance represents revenue recorded in the Cops in School Fund which should have been recorded in the General Fund.

NOTE 8 - CAPITAL ASSETS

A. Governmental Activities Capital Assets

Summary by category of changes in governmental activities capital assets at December 31, 2002:

<i>Historical Cost:</i>	Restated			December 31,
Class	2001	Additions	Deletions	2002
<i>Capital assets not being depreciated:</i>				
Land	\$15,421,894	\$354,132	\$0	\$15,776,026
<i>Capital assets being depreciated:</i>				
Buildings	11,232,717	297,978	0	11,530,695
Improvements Other than Buildings	1,068,816	0	0	1,068,816
Infrastructure	16,958,368	1,405,117	0	18,363,485
Machinery and Equipment	3,427,985	570,735	(172,008)	3,826,712
Construction in Progress	388,330	685,963	0	1,074,293
Total Cost	<u>\$48,498,110</u>	<u>\$3,313,925</u>	<u>(\$172,008)</u>	<u>\$51,640,027</u>
<i>Accumulated Depreciation:</i>				
Class	Restated			December 31,
Class	2001	Additions	Deletions	2002
Buildings	(\$1,461,266)	(\$292,239)	\$0	(\$1,753,505)
Improvements Other than Buildings	(329,075)	(42,753)	0	(371,828)
Infrastructure	(6,502,200)	(46,535)	0	(6,548,735)
Machinery and Equipment	(2,066,403)	(364,189)	166,343	(2,264,249)
Total Depreciation	<u>(\$10,358,944)</u>	<u>(\$745,716) *</u>	<u>\$166,343</u>	<u>(\$10,938,317)</u>
<i>Net Value:</i>	<u>\$38,139,166</u>			<u>\$40,701,710</u>

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2002**

NOTE 8 – CAPITAL ASSETS (Continued)

A. Governmental Activities Capital Assets (Continued)

* Depreciation expenses were charged to governmental functions as follows:

Security of Persons and Property	\$330,076
Leisure Time Activities	94,463
Community Development	20,729
Transportation	140,079
General Government	160,369
Total Depreciation Expense	<u>\$745,716</u>

B. Business-Type Activities Capital Assets

Summary by Category at December 31, 2002:

Historical Cost:

Class	Restated December 31, 2001	Additions	Deletions	December 31, 2002
Capital assets not being depreciated:				
Land	\$3,000	\$0	\$0	\$3,000
Capital assets being depreciated:				
Buildings and Improvements	2,695,226	0	0	2,695,226
Infrastructure	87,845,967	3,153,500	0	90,999,467
Machinery and Equipment	591,103	31,196	(1,143)	621,156
Construction in Progress	37,074	809,227	0	846,301
Total Cost	<u>\$91,172,370</u>	<u>\$3,993,923</u>	<u>(\$1,143)</u>	<u>\$95,165,150</u>

Accumulated Depreciation:

Class	Restated December 31, 2001	Additions	Deletions	December 31, 2002
Buildings and Improvements	(\$675,068)	(\$54,655)	\$0	(\$729,723)
Infrastructure	(12,726,835)	(1,788,451)	0	(14,515,286)
Machinery and Equipment	(291,732)	(50,995)	171	(342,556)
Total Depreciation	<u>(\$13,693,635)</u>	<u>(\$1,894,101)</u>	<u>\$171</u>	<u>(\$15,587,565)</u>
Net Value:	<u>\$77,478,735</u>	<u>\$2,099,822</u>	<u>(\$972)</u>	<u>\$79,577,585</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2002***

NOTE 9 – 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 the Ohio PERS, a cost-sharing multiple employer defined benefit pension plan. The Ohio PERS provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. 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) 222-6705 or 1-800-222-7377.

The Ohio Revised Code provides statutory authority for employee and employer contributions. The employee contribution rate is 8.5%. The 2002 employer contribution rate for local government employer units was 13.55%, of covered payroll, 8.55% to fund the pension and 5.0% 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, 2002, 2001 and 2000 were \$502,413, \$470,113 and \$348,966, respectively, which were equal to the required contributions for each year.

The Ohio PERS provides postemployment health care benefits to age and service retirants with ten or more years of qualifying Ohio service credit and to primary survivor recipients of such retirants. 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 2002 employer contribution rate (identified above) that was used to fund health care for the year 2002 was 5.0% of covered payroll which amounted to \$185,392.

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, 2001. 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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2002***

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

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

market appreciation or depreciation on investment assets. The investment assumption rate for 2001 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.

Benefits are advanced-funded on an actuarially determined basis. The number of active contributing participants was 402,041. The actuarial value of the Ohio PERS net assets available for OPEB at December 31, 2001 is \$11.6 billion. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$16.4 billion and \$4.8 billion, respectively.

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, 2002, 2001 and 2000 were \$534,287, \$501,224 and \$480,736, 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.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2002**

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

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

The portion of the 2002 covered payroll that was used to fund postemployment health care benefits was \$212,345 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. As of December 31, 2001, the date of the last actuarial evaluation available, the number of participants eligible to receive health care benefits was 13,174 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, 2001 were \$122,298,771, which was net of member contributions of \$6,874,699.

NOTE 10 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS

Long-term debt and other long-term obligations of the City at December 31, 2002 were as follows:

			Balance December 31, 2001	Additions	(Reductions)	Balance December 31, 2002	Due Within One Year
Business-Type Activities							
General Obligation Bonds:							
4.75 - 4.80%	Water System Improvement	1993	\$1,256,600	\$0	(\$155,550)	\$1,101,050	\$161,650
4.4 - 5.05%	Sewer System Improvement	1998	936,200	0	(65,100)	871,100	65,100
3.5 - 4.00%	Water System Improvement	2001	374,850	0	(32,300)	342,550	33,150
	Unamortized Charge		(7,020)	0	720	(6,300)	0
3.5 - 4.00%	Sewer System Improvement	2001	1,362,690	0	(117,420)	1,245,270	120,510
	Unamortized Charge		(25,545)	0	2,620	(22,925)	0
	Total General Obligation Bonds		3,897,775	0	(367,030)	3,530,745	380,410
Ohio Public Works Commission Loans (OPWC):							
Cobblestone Run/							
	Windsor Forest Sanitary Sewers		942,275	0	(36,179)	906,096	37,272
	Old Reynoldsburg North Water Line		362,672	11,793	0	374,465	0
	Route 256 Waterline		0	759,948	0	759,948	0
	Total OPWC Loans		1,304,947	771,741	(36,179)	2,040,509	37,272
	Compensated Absences		149,960	83,906	(76,500)	157,366	51,221
	Total Business-Type Long-Term Debt		\$5,352,682	\$855,647	(\$479,709)	\$5,728,620	\$468,903

CITY OF REYNOLDSBURG, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2002**

NOTE 10 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)

		Balance December 31, 2001	Additions	(Reductions)	Balance December 31, 2002	Due Within One Year	
Governmental Activities Long-Term Debt:							
General Obligation Bonds:							
7.375%	City Hall Construction	1986	\$525,000	\$0	(\$105,000)	\$420,000	\$105,000
4.75 - 4.80%	Street Improvement	1993	3,015,000	0	(190,000)	2,825,000	200,000
4.75 - 4.80%	Parks and Recreation Improvement	1993	803,400	0	(99,450)	703,950	103,350
5.00%	Real Estate Purchase	1993	20,000	0	(20,000)	0	0
4.4 - 5.05%	Street Improvement	1998	573,800	0	(39,900)	533,900	39,900
3.3- 4.80%	Taylor Square TIE	1999	7,920,000	0	(45,000)	7,875,000	45,000
3.3- 4.80%	Downtown Revitalization	1999	315,000	0	(40,000)	275,000	40,000
4.45- 5.63%	Police Facilities	2000	6,035,000	0	(135,000)	5,900,000	145,000
3.5 - 4.00%	Taylor Road Improvement	2001	467,460	0	(40,280)	427,180	41,340
	Total General Obligation Bonds		19,674,660	0	(714,630)	18,960,030	719,590
Special Assessment Bond: with Governmental Commitment							
4.75 - 4.80%	Water Improvement	1991	70,000	0	(10,000)	60,000	10,000
Ohio Public Works Commission Loan (OPWC):							
	Lancaster Avenue Reconstruction Loan	1997	873,808	0	(55,879)	817,929	55,879
Installment Loan:							
5.00%	Capital Equipment	2001	333,000	0	(167,000)	166,000	166,000
	Compensated Absences		596,324	563,203	(572,074)	587,453	352,386
	Total Governmental Activities		\$21,547,792	\$563,203	(\$1,519,583)	\$20,591,412	\$1,303,855

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 \$5,947.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2002**

NOTE 10 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)

A. Principal and Interest Requirements

Principal and interest requirements to retire long-term obligations outstanding at December 31, 2002 are as follows:

Years	General Obligation Bonds		Special Assessment Bond		Ohio Public Works Commission Loans		Installment Loan Payable	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2003	\$1,100,000	\$1,070,171	\$10,000	\$2,880	\$135,369	\$60,937	\$166,000	\$6,192
2004	1,345,000	1,018,874	10,000	2,400	137,764	58,545	0	0
2005	1,395,000	958,061	10,000	1,920	140,227	56,079	0	0
2006	1,440,000	894,966	10,000	1,440	142,767	53,540	0	0
2007	1,395,000	829,492	10,000	960	145,384	50,925	0	0
2008-2012	5,870,000	3,285,210	10,000	480	768,993	212,543	0	0
2013-2017	3,995,000	2,111,740	0	0	809,193	134,272	0	0
2018-2022	4,175,000	1,141,996	0	0	578,741	44,939	0	0
2023-2025	1,805,000	167,894	0	0	0	0	0	0
Totals	<u>\$22,520,000</u>	<u>\$11,478,404</u>	<u>\$60,000</u>	<u>\$10,080</u>	<u>\$2,858,438</u>	<u>\$671,780</u>	<u>\$166,000</u>	<u>\$6,192</u>

B. Ohio Public Works Commission Loan

In 2000 and 2001, the City entered into loan agreements with the Ohio Public Works Commission (OPWC), for the City to receive \$569,645 and \$1,136,000, respectively. The interest rate on these loans is 3.0% per annum. Uniquely, the loans can only be received by the City in increments as the project is completed. As of December 31, 2002, the City had received \$1,134,413 from OPWC. The City will begin repaying the loans in semiannual payments in 2003 based on a loan amounts of \$374,465 and \$1,136,000, respectively, to be paid through 2022. An estimate of future financing requirements has been made based on the current loan balance of \$1,134,413 at December 31, 2002.

C. 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 \$1,975,000 at December 31, 2002, are not included in the City's outstanding debt since the City has in-substance satisfied its obligations through the advance refunding.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2002**

NOTE 10 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)

C. Defeased Debt (Continued)

In October 2001, the City defeased \$450,000 of General Obligation Bonds for Street Improvement, \$360,000 of General Obligation Bonds for Water System Improvement, and \$1,310,000 of General Obligation Bonds for Sewer Improvement dated March 1, 1991 (the "1991 Bonds") through the issuance of \$467,460 of General Obligation Bonds for Street Improvement, \$374,850 of General Obligation Bonds for Water System Improvement, and \$1,362,690 of General Obligation Bonds for Sewer Improvement (the "2001 Bonds"). The net proceeds of the 2001 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 \$2,120,000 at December 31, 2002, are not included in the City's outstanding debt since the City has in-substance satisfied its obligations through the advance refunding. The refunding was undertaken to reduce total debt service payments over the next 10 years by \$312,452 of which \$53,194 is the Water Fund's share and \$192,943 is the Sewer Fund's share and resulted in an economic gain of \$263,978 of which \$44,876 is the Water Fund's share and \$163,139 is the Sewer Fund's share. The acquisition price exceeded the net carrying amount of the old debt by \$7,200 for the Water Fund and \$26,200 for the Sewer Fund. These amounts are being netted against the new debt and amortized over the new debt's life which is equal to the remaining life of the old debt.

NOTE 11 - 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 2002 the City contracted with several different insurance providers for various insurance coverages, as follows:

Insurance Provider	Coverage	Deductible
Westfield Company	Automobile	\$100/500 Comprehensive; 250/500/1,000 Collision
St. Paul Mercury Insurance Company	General Liability	0
St. Paul Mercury Insurance Company	Property Casualty	1,000
St. Paul Mercury Insurance Company	Electronic Data Processing	1,000
St. Paul Mercury Insurance Company	Fine Arts	250
St. Paul Mercury Insurance Company	Difference in Conditions	25,000
St. Paul Mercury Insurance Company	Miscellaneous Equipment	250
CNA Insurance	Boiler and Machinery	500
St. Paul Mercury Insurance Company	Law Enforcement Liability	10,000
St. Paul Mercury Insurance Company	Public Officials Liability	10,000
St. Paul Mercury Insurance Company	Museum	250
St. Paul Mercury Insurance Company	Employee Benefits Liability	1,000
St. Paul Mercury Insurance Company	Umbrella Excess Liability	10,000
St. Paul Mercury Insurance Company	Employment Practices Liability	10,000

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2002***

NOTE 11 - RISK MANAGEMENT (Continued)

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.

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 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.

*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 expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

Court Computerization Fund

To account for fees collected for the computerization needs of the Clerk of Courts. (This fund only exists on a GAAP basis and is not part of the City's appropriated budget, therefore no budgetary schedule is presented.)

Police Pension Fund

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

Street Construction, Maintenance and Repair Fund

To account for State levied and controlled gasoline tax and motor vehicle registration fees designated for street maintenance and repair.

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.

Diversion Grant Fund

To account for state grant monies designated for the cost of counseling and police personnel services aimed at juvenile misdemeanor delinquency offenders.

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.

Local Law Enforcement Block Grant Fund

To account for grant monies for equipment purchases for Police Department.

Local Law Enforcement Block Grant 2002 Fund

To account for grant monies for equipment purchases for Police Department.

(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.

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 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 (TIE) 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 Equipment Fund

To account for financial resources used for the major capital equipment purchases of the City.

Sidewalk Construction Fund

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

Taylor Square Tax Increment Equivalent (TIE) Fund

To account for financial resources and expenditures related to the Taylor Square Municipal Public Improvement Project.

CITY OF REYNOLDSBURG, OHIO

**Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2002**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Cash and Cash Equivalents	\$ 811,648	\$ 992,023	\$ 14,882	\$ 1,818,553
Investments	410,156	0	745,576	1,155,732
Receivables (net of allowance for doubtful accounts):				
Taxes	159,242	0	0	159,242
Accounts	5,215	0	0	5,215
Intergovernmental	459,383	45,430	0	504,813
Interest	190	0	0	190
Special Assessments	0	55,483	195,606	251,089
Inventory of Supplies, at Cost	148,605	0	0	148,605
Total Assets	\$ 1,994,439	\$ 1,092,936	\$ 956,064	\$ 4,043,439
Liabilities:				
Accounts Payable	\$ 34,035	\$ 0	\$ 2,602	\$ 36,637
Accrued Wages and Benefits Payable	24,614	0	0	24,614
Intergovernmental Payable	0	101,940	0	101,940
Claims Payable	8,947	0	0	8,947
Due to Other Funds	7,476	0	0	7,476
Deferred Revenue	459,602	100,913	195,606	756,121
Total Liabilities	534,674	202,853	198,208	935,735
Fund Balances:				
Reserved for Encumbrances	149,661	0	30,291	179,952
Reserved for Supplies Inventory	148,605	0	0	148,605
Reserved for Debt Service	0	890,083	0	890,083
Unreserved, Undesignated in:				
Special Revenue Funds	1,161,499	0	0	1,161,499
Capital Projects Funds	0	0	727,565	727,565
Total Fund Balances	1,459,765	890,083	757,856	3,107,704
Total Liabilities and Funds Balances	\$ 1,994,439	\$ 1,092,936	\$ 956,064	\$ 4,043,439

CITY OF REYNOLDSBURG, OHIO

***Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2002***

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Taxes	\$ 144,161	\$ 983,442	\$ 0	\$ 1,127,603
Intergovernmental Revenues	1,067,850	0	0	1,067,850
Charges for Services	140,323	0	0	140,323
Licenses and Permits	0	0	48,811	48,811
Investment Earnings	5,295	0	3,351	8,646
Special Assessments	0	11,256	35,851	47,107
Fines and Forfeitures	15,477	0	0	15,477
All Other Revenue	5,988	0	0	5,988
Total Revenue	1,379,094	994,698	88,013	2,461,805
Expenditures:				
Current:				
Security of Persons and Property	89,499	0	13,797	103,296
Leisure Time Activities	0	0	25,275	25,275
Community Environment	299,338	0	13,774	313,112
Transportation	749,733	0	163,370	913,103
General Government	2,354	268,116	252,552	523,022
Capital Outlay	0	0	109,312	109,312
Debt Service:				
Principal Retirement	15,300	55,000	0	70,300
Interest & Fiscal Charges	5,933	357,435	0	363,368
Total Expenditures	1,162,157	680,551	578,080	2,420,788
Excess (Deficiency) of Revenues				
Over Expenditures	216,937	314,147	(490,067)	41,017
Other Financing Sources (Uses):				
Operating Transfers In	1,183	231,835	271,535	504,553
Operating Transfers Out	(378,385)	0	(306,315)	(684,700)
Total Other Financing Sources (Uses)	(377,202)	231,835	(34,780)	(180,147)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under)				
Expenditures and Other Financing Uses	(160,265)	545,982	(524,847)	(139,130)
Fund Balances at Beginning of Year	1,593,435	344,101	1,282,703	3,220,239
Increase in Inventory Reserve	26,595	0	0	26,595
Fund Balances End of Year	\$ 1,459,765	\$ 890,083	\$ 757,856	\$ 3,107,704

CITY OF REYNOLDSBURG, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2002**

	Court Computerization Fund	Police Pension Fund	Street Construction, Maintenance and Repair Fund	State Highway Fund
Assets:				
Cash and Cash Equivalents	\$ 525	\$ 94,384	\$ 5,266	\$ 2,922
Investments	0	0	263,790	146,366
for doubtful accounts):				
Taxes	0	159,242	0	0
Accounts	0	0	0	0
Intergovernmental	0	9,976	389,864	31,530
Interest	0	0	131	59
Inventory of Supplies, at Cost	0	0	148,605	0
Total Assets	\$ 525	\$ 263,602	\$ 807,656	\$ 180,877
Liabilities:				
Accounts Payable	\$ 0	\$ 0	\$ 6,693	\$ 8,030
Accrued Wages and Benefits Payable	0	0	24,614	0
Claims Payable	0	0	0	0
Due to Other Funds	0	0	0	0
Deferred Revenue	0	168,602	260,046	21,021
Total Liabilities	0	168,602	291,353	29,051
Fund Balances:				
Reserved for Encumbrances	0	0	4,037	0
Reserved for Supplies Inventory	0	0	148,605	0
Unreserved, Undesignated in:				
Special Revenue Funds	525	95,000	363,661	151,826
Total Fund Balances	525	95,000	516,303	151,826
Total Liabilities and Funds Balances	\$ 525	\$ 263,602	\$ 807,656	\$ 180,877

CITY OF REYNOLDSBURG, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2002**

<u>COPS Fast Grant Fund</u>	<u>Diversion Grant Fund</u>	<u>COPS in School Fund</u>	<u>COPS More 2000 Grant Fund</u>	<u>Enforcement Block Grant Fund</u>	<u>Enforcement Block Grant 2002 Fund</u>	<u>Law Enforcement Fund</u>
\$ 242,218	\$ 75,766	\$ 29,550	\$ 13,600	\$ 956	\$ 1,183	\$ 13,866
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
5,282	0	0	18,603	0	0	200
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>247,500</u>	<u>75,766</u>	<u>29,550</u>	<u>32,203</u>	<u>956</u>	<u>1,183</u>	<u>14,066</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	7,476	0	0	0	0
5,282	0	0	4,651	0	0	0
<u>5,282</u>	<u>0</u>	<u>7,476</u>	<u>4,651</u>	<u>0</u>	<u>0</u>	<u>0</u>
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>242,218</u>	<u>75,766</u>	<u>22,074</u>	<u>27,552</u>	<u>956</u>	<u>1,183</u>	<u>14,066</u>
<u>242,218</u>	<u>75,766</u>	<u>22,074</u>	<u>27,552</u>	<u>956</u>	<u>1,183</u>	<u>14,066</u>
<u>\$ 247,500</u>	<u>\$ 75,766</u>	<u>\$ 29,550</u>	<u>\$ 32,203</u>	<u>\$ 956</u>	<u>\$ 1,183</u>	<u>\$ 14,066</u>

(Continued)

CITY OF REYNOLDSBURG, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2002**

	Drug Enforcement Fund	Safety Belt Program Fund	DUI Education/ Enforcement Fund	Federal Forfeiture Fund
Assets:				
Cash and Cash Equivalents	\$ 3,077	\$ 5,497	\$ 14,629	\$ 5,075
Investments	0	0	0	0
for doubtful accounts):				
Taxes	0	0	0	0
Accounts	0	0	0	0
Intergovernmental	3,830	0	98	0
Interest	0	0	0	0
Inventory of Supplies, at Cost	0	0	0	0
Total Assets	\$ 6,907	\$ 5,497	\$ 14,727	\$ 5,075
Liabilities:				
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0
Accrued Wages and Benefits Payable	0	0	0	0
Claims Payable	0	0	0	0
Due to Other Funds	0	0	0	0
Deferred Revenue	0	0	0	0
Total Liabilities	0	0	0	0
Fund Balances:				
Reserved for Encumbrances	0	0	0	0
Reserved for Supplies Inventory	0	0	0	0
Unreserved, Undesignated in:				
Special Revenue Funds	6,907	5,497	14,727	5,075
Total Fund Balances	6,907	5,497	14,727	5,075
Total Liabilities and Funds Balances	\$ 6,907	\$ 5,497	\$ 14,727	\$ 5,075

CITY OF REYNOLDSBURG, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2002**

Community Environment Fund	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
\$ 20,710	\$ 241,623	\$ 17,831	\$ 8,947	\$ 508	\$ 13,515	\$ 811,648
0	0	0	0	0	0	410,156
0	0	0	0	0	0	159,242
0	0	1,148	0	22	4,045	5,215
0	0	0	0	0	0	459,383
0	0	0	0	0	0	190
0	0	0	0	0	0	148,605
<u>\$ 20,710</u>	<u>\$ 241,623</u>	<u>\$ 18,979</u>	<u>\$ 8,947</u>	<u>\$ 530</u>	<u>\$ 17,560</u>	<u>\$ 1,994,439</u>
\$ 0	\$ 11,723	\$ 289	\$ 0	\$ 0	\$ 7,300	\$ 34,035
0	0	0	0	0	0	24,614
0	0	0	8,947	0	0	8,947
0	0	0	0	0	0	7,476
0	0	0	0	0	0	459,602
<u>0</u>	<u>11,723</u>	<u>289</u>	<u>8,947</u>	<u>0</u>	<u>7,300</u>	<u>534,674</u>
0	139,431	5,850	0	0	343	149,661
0	0	0	0	0	0	148,605
<u>20,710</u>	<u>90,469</u>	<u>12,840</u>	<u>0</u>	<u>530</u>	<u>9,917</u>	<u>1,161,499</u>
<u>20,710</u>	<u>229,900</u>	<u>18,690</u>	<u>0</u>	<u>530</u>	<u>10,260</u>	<u>1,459,765</u>
<u>\$ 20,710</u>	<u>\$ 241,623</u>	<u>\$ 18,979</u>	<u>\$ 8,947</u>	<u>\$ 530</u>	<u>\$ 17,560</u>	<u>\$ 1,994,439</u>

CITY OF REYNOLDSBURG, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2002**

	Court Computerization Fund	Police Pension Fund	Street Construction, Maintenance and Repair Fund	State Highway Fund
Revenues:				
Taxes	\$ 0	\$ 144,161	\$ 0	\$ 0
Intergovernmental Revenues	0	18,352	799,763	64,845
Charges for Services	0	0	0	0
Investment Earnings	0	0	3,119	2,176
Fines and Forfeitures	525	0	0	0
All Other Revenue	0	0	1,075	0
Total Revenue	525	162,513	803,957	67,021
Expenditures:				
Current:				
Security of Persons and Property	0	1,933	0	0
Community Environment	0	0	0	0
Transportation	0	0	710,414	39,319
General Government	0	0	0	0
Debt Service:				
Principal Retirement	0	0	15,300	0
Interest & Fiscal Charges	0	0	5,933	0
Total Expenditures	0	1,933	731,647	39,319
Excess (Deficiency) of Revenues				
Over Expenditures	525	160,580	72,310	27,702
Other Financing Sources (Uses):				
Operating Transfers In	0	0	0	0
Operating Transfers Out	0	(125,000)	(124,202)	0
Total Other Financing Sources (Uses)	0	(125,000)	(124,202)	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	525	35,580	(51,892)	27,702
Fund Balances at Beginning of Year	0	59,420	541,600	124,124
Increase in Inventory Reserve	0	0	26,595	0
Fund Balances End of Year	\$ 525	\$ 95,000	\$ 516,303	\$ 151,826

CITY OF REYNOLDSBURG, OHIO

***Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2002***

<u>COPS Fast Grant Fund</u>	<u>Diversion Grant Fund</u>	<u>COPS in School Fund</u>	<u>COPS More 2000 Grant Fund</u>	<u>Enforcement Block Grant Fund</u>	<u>Enforcement Block Grant 2002 Fund</u>	<u>Law Enforcement Fund</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
125,961	0	42,411	16,518	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	4,688
0	0	0	0	0	0	2,900
<u>125,961</u>	<u>0</u>	<u>42,411</u>	<u>16,518</u>	<u>0</u>	<u>0</u>	<u>7,588</u>
0	0	53,013	0	10,823	0	10,912
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>53,013</u>	<u>0</u>	<u>10,823</u>	<u>0</u>	<u>10,912</u>
125,961	0	(10,602)	16,518	(10,823)	0	(3,324)
0	0	0	0	0	1,183	0
<u>0</u>	<u>0</u>	<u>(125,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(1,183)</u>
<u>0</u>	<u>0</u>	<u>(125,000)</u>	<u>0</u>	<u>0</u>	<u>1,183</u>	<u>(1,183)</u>
125,961	0	(135,602)	16,518	(10,823)	1,183	(4,507)
116,257	75,766	157,676	11,034	11,779	0	18,573
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$ 242,218</u>	<u>\$ 75,766</u>	<u>\$ 22,074</u>	<u>\$ 27,552</u>	<u>\$ 956</u>	<u>\$ 1,183</u>	<u>\$ 14,066</u>

(Continued)

CITY OF REYNOLDSBURG, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2002**

	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	4,211	1,074	4,979	0
All Other Revenue	0	0	0	0
Total Revenue	4,211	1,074	4,979	0
Expenditures:				
Current:				
Security of Persons and Property	679	0	12,139	0
Community Environment	0	0	0	0
Transportation	0	0	0	0
General Government	0	0	0	0
Debt Service:				
Principal Retirement	0	0	0	0
Interest & Fiscal Charges	0	0	0	0
Total Expenditures	679	0	12,139	0
Excess (Deficiency) of Revenues				
Over Expenditures	3,532	1,074	(7,160)	0
Other Financing Sources (Uses):				
Operating Transfers In	0	0	0	0
Operating Transfers Out	(3,000)	0	0	0
Total Other Financing Sources (Uses)	(3,000)	0	0	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses				
	532	1,074	(7,160)	0
Fund Balances at Beginning of Year	6,375	4,423	21,887	5,075
Increase in Inventory Reserve	0	0	0	0
Fund Balances End of Year	\$ 6,907	\$ 5,497	\$ 14,727	\$ 5,075

CITY OF REYNOLDSBURG, OHIO

***Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2002***

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	\$ 144,161
0	0	0	0	0	1,067,850
0	84,084	11,750	0	44,489	140,323
0	0	0	0	0	5,295
0	0	0	0	0	15,477
153	0	0	1,860	0	5,988
<u>153</u>	<u>84,084</u>	<u>11,750</u>	<u>1,860</u>	<u>44,489</u>	<u>1,379,094</u>
0	0	0	0	0	89,499
30	233,713	13,978	0	51,617	299,338
0	0	0	0	0	749,733
0	0	0	2,354	0	2,354
0	0	0	0	0	15,300
0	0	0	0	0	5,933
<u>30</u>	<u>233,713</u>	<u>13,978</u>	<u>2,354</u>	<u>51,617</u>	<u>1,162,157</u>
123	(149,629)	(2,228)	(494)	(7,128)	216,937
0	0	0	0	0	1,183
0	0	0	0	0	(378,385)
0	0	0	0	0	(377,202)
123	(149,629)	(2,228)	(494)	(7,128)	(160,265)
20,587	379,529	20,918	1,024	17,388	1,593,435
0	0	0	0	0	26,595
<u>\$ 20,710</u>	<u>\$ 229,900</u>	<u>\$ 18,690</u>	<u>\$ 530</u>	<u>\$ 10,260</u>	<u>\$ 1,459,765</u>



CITY OF REYNOLDSBURG, OHIO

**Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2002**

	Special Assessment Debt Retirement Fund	Taylor Square TIEF Debt Retirement Fund	Brice Main Debt Retirement Fund	Total Nonmajor Debt Service Funds
Assets:				
Cash and Cash Equivalents for doubtful accounts):	\$ 45,254	\$ 473,310	\$ 473,459	\$ 992,023
Intergovernmental	0	35,571	9,859	45,430
Special Assessments	55,483	0	0	55,483
Total Assets	<u>\$ 100,737</u>	<u>\$ 508,881</u>	<u>\$ 483,318</u>	<u>\$ 1,092,936</u>
Liabilities:				
Intergovernmental Payable	\$ 0	\$ 12,290	\$ 89,650	\$ 101,940
Deferred Revenue	55,483	35,571	9,859	100,913
Total Liabilities	<u>55,483</u>	<u>47,861</u>	<u>99,509</u>	<u>202,853</u>
Fund Balances:				
Reserved for Debt Service	45,254	461,020	383,809	890,083
Total Fund Balances	<u>45,254</u>	<u>461,020</u>	<u>383,809</u>	<u>890,083</u>
Total Liabilities and Funds Balances	<u>\$ 100,737</u>	<u>\$ 508,881</u>	<u>\$ 483,318</u>	<u>\$ 1,092,936</u>

CITY OF REYNOLDSBURG, OHIO

***Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Debt Service Funds
For the Year Ended December 31, 2002***

	Special Assessment Debt Retirement Fund	Taylor Square TIEF Debt Retirement Fund	Brice Main TIEF Debt Retirement Fund	Total Nonmajor Debt Service Funds
Revenues:				
Taxes	\$ 0	\$ 504,504	\$ 478,938	\$ 983,442
Special Assessments	11,256	0	0	11,256
Total Revenue	<u>11,256</u>	<u>504,504</u>	<u>478,938</u>	<u>994,698</u>
Expenditures:				
General Government	0	158,118	109,998	268,116
Debt Service:				
Principal Retirement	10,000	45,000	0	55,000
Interest & Fiscal Charges	3,360	354,075	0	357,435
Total Expenditures	<u>13,360</u>	<u>557,193</u>	<u>109,998</u>	<u>680,551</u>
Excess (Deficiency) of Revenues				
Over Expenditures	(2,104)	(52,689)	368,940	314,147
Other Financing Sources (Uses):				
Operating Transfers In	0	231,835	0	231,835
Total Other Financing Sources (Uses)	<u>0</u>	<u>231,835</u>	<u>0</u>	<u>231,835</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(2,104)	179,146	368,940	545,982
Fund Balances at Beginning of Year	<u>47,358</u>	<u>281,874</u>	<u>14,869</u>	<u>344,101</u>
Fund Balances End of Year	<u>\$ 45,254</u>	<u>\$ 461,020</u>	<u>\$ 383,809</u>	<u>\$ 890,083</u>

CITY OF REYNOLDSBURG, OHIO

**Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2002**

	Capital Equipment Fund	Sidewalk Construction Fund	Taylor Square TIEF Fund	Total Nonmajor Capital Projects Funds
Assets:				
Cash and Cash Equivalents	\$ 3,503	\$ 11,379	\$ 0	\$ 14,882
Investments	175,514	570,062	0	745,576
Receivables (net of allowance for doubtful accounts):				
Special Assessments	0	195,606	0	195,606
Total Assets	<u>\$ 179,017</u>	<u>\$ 777,047</u>	<u>\$ 0</u>	<u>\$ 956,064</u>
Liabilities:				
Accounts Payable	\$ 0	\$ 2,602	\$ 0	\$ 2,602
Deferred Revenue	0	195,606	0	195,606
Total Liabilities	<u>0</u>	<u>198,208</u>	<u>0</u>	<u>198,208</u>
Fund Balances:				
Reserved for Encumbrances	0	30,291	0	30,291
Unreserved, Undesignated in:				
Capital Projects Funds	179,017	548,548	0	727,565
Total Fund Balances	<u>179,017</u>	<u>578,839</u>	<u>0</u>	<u>757,856</u>
Total Liabilities and Funds Balances	<u>\$ 179,017</u>	<u>\$ 777,047</u>	<u>\$ 0</u>	<u>\$ 956,064</u>

CITY OF REYNOLDSBURG, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2002**

	Capital Equipment Fund	Sidewalk Construction Fund	Taylor Square TIEF Fund	Total Nonmajor Capital Project Funds
Revenues:				
Licenses and Permits	\$ 0	\$ 48,811	\$ 0	\$ 48,811
Investment Earnings	0	0	3,351	3,351
Special Assessments	0	35,851	0	35,851
Total Revenue	0	84,662	3,351	88,013
Expenditures:				
Current:				
Security of Persons and Property	13,797	0	0	13,797
Leisure Time Activities	25,275	0	0	25,275
Community Environment	13,774	0	0	13,774
Transportation	163,370	0	0	163,370
General Government	252,552	0	0	252,552
Capital Outlay	0	60,876	48,436	109,312
Total Expenditures	468,768	60,876	48,436	578,080
Excess (Deficiency) of Revenues Over Expenditures	(468,768)	23,786	(45,085)	(490,067)
Other Financing Sources (Uses):				
Operating Transfers In	271,535	0	0	271,535
Operating Transfers Out	(74,480)	0	(231,835)	(306,315)
Total Other Financing Sources (Uses)	197,055	0	(231,835)	(34,780)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(271,713)	23,786	(276,920)	(524,847)
Fund Balances at Beginning of Year	450,730	555,053	276,920	1,282,703
Fund Balances End of Year	\$ 179,017	\$ 578,839	\$ 0	\$ 757,856

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, 2002**

	GENERAL FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Taxes:				
Property Taxes	\$ 190,475	\$ 203,603	\$ 201,493	\$ (2,110)
Other Local Taxes	187,700	187,700	255,468	67,768
Total Taxes	<u>378,175</u>	<u>391,303</u>	<u>456,961</u>	<u>65,658</u>
Intergovernmental Revenues	1,851,820	1,851,820	1,914,598	62,778
Charges for Services	116,950	116,950	93,111	(23,839)
Licenses and Permits	352,085	352,085	334,781	(17,304)
Investment Earnings	650,000	650,000	502,373	(147,627)
Fines and Forfeitures	393,000	393,000	308,564	(84,436)
All Other Revenues	34,350	34,350	58,285	23,935
Total Revenues	<u>3,776,380</u>	<u>3,789,508</u>	<u>3,668,673</u>	<u>(120,835)</u>
Expenditures:				
Security of Persons and Property:				
Police Department:				
Personal Services	4,748,186	4,789,401	4,685,765	103,636
Materials and Supplies	239,194	233,503	209,834	23,669
Contractual Services	718,758	731,758	663,705	68,053
Capital Outlay	169,295	170,095	154,287	15,808
Total Security of Persons and Property	<u>5,875,433</u>	<u>5,924,757</u>	<u>5,713,591</u>	<u>211,166</u>
Public Health and Welfare Services:				
Miscellaneous:				
Contractual Services	173,600	173,600	149,813	23,787
Total Public Health and Welfare Services	<u>173,600</u>	<u>173,600</u>	<u>149,813</u>	<u>23,787</u>
Leisure Time Activities:				
Recreation Department:				
Personal Services	613,548	626,492	613,438	13,054
Materials and Supplies	86,210	86,210	71,016	15,194
Contractual Services	212,208	206,593	187,373	19,220
Capital Outlay	10,200	10,200	2,686	7,514
Total Leisure Time Activities	<u>922,166</u>	<u>929,495</u>	<u>874,513</u>	<u>54,982</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, 2002***

	GENERAL FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Community Environment:				
Building Department:				
Personal Services	484,449	448,971	429,998	18,973
Materials and Supplies	17,082	17,082	9,279	7,803
Contractual Services	125,436	125,436	82,813	42,623
Capital Outlay	1,700	1,700	590	1,110
Total Building Department	<u>628,667</u>	<u>593,189</u>	<u>522,680</u>	<u>70,509</u>
Service Department:				
Personal Services	334,204	406,886	362,400	44,486
Materials and Supplies	46,200	46,200	24,948	21,252
Contractual Services	314,521	324,521	286,035	38,486
Capital Outlay	2,300	2,300	2,137	163
Total Service Department	<u>697,225</u>	<u>779,907</u>	<u>675,520</u>	<u>104,387</u>
Total Community Environment	<u>1,325,892</u>	<u>1,373,096</u>	<u>1,198,200</u>	<u>174,896</u>
General Government:				
Mayor:				
Personal Services	154,603	156,141	154,872	1,269
Materials and Supplies	7,552	7,552	3,668	3,884
Contractual Services	42,724	42,724	31,967	10,757
Capital Outlay	1,500	1,500	800	700
Total Mayor	<u>206,379</u>	<u>207,917</u>	<u>191,307</u>	<u>16,610</u>
City Council:				
Personal Services	244,791	248,917	241,459	7,458
Materials and Supplies	1,500	11,500	6,439	5,061
Contractual Services	57,280	57,280	50,938	6,342
Total City Council	<u>303,571</u>	<u>317,697</u>	<u>298,836</u>	<u>18,861</u>
Auditor:				
Personal Services	286,989	289,776	289,665	111
Materials and Supplies	5,365	5,365	5,194	171
Contractual Services	122,032	124,732	112,136	12,596
Capital Outlay	2,300	2,300	2,251	49
Total Auditor	<u>416,686</u>	<u>422,173</u>	<u>409,246</u>	<u>12,927</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, 2002***

	GENERAL FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
City Attorney:				
Personal Services	292,109	293,647	287,498	6,149
Materials and Supplies	2,232	2,232	1,522	710
Contractual Services	219,214	219,214	78,511	140,703
Total City Attorney	<u>513,555</u>	<u>515,093</u>	<u>367,531</u>	<u>147,562</u>
Development Director:				
Personal Services	203,616	205,434	196,030	9,404
Materials and Supplies	3,702	3,702	1,682	2,020
Contractual Services	121,019	121,019	77,330	43,689
Capital Outlay	7,279	7,279	2,138	5,141
Total Development Director	<u>335,616</u>	<u>337,434</u>	<u>277,180</u>	<u>60,254</u>
Clerk of Court:				
Personal Services	179,749	184,056	183,420	636
Materials and Supplies	7,625	7,625	6,446	1,179
Contractual Services	99,374	99,374	92,763	6,611
Capital Outlay	1,500	1,500	1,131	369
Total Clerk of Court	<u>288,248</u>	<u>292,555</u>	<u>283,760</u>	<u>8,795</u>
Human Resources:				
Personal Services	121,765	122,814	122,662	152
Materials and Supplies	22,333	22,333	13,882	8,451
Contractual Services	105,600	105,600	83,498	22,102
Capital Outlay	3,600	3,600	601	2,999
Total Human Resources	<u>253,298</u>	<u>254,347</u>	<u>220,643</u>	<u>33,704</u>
Computer Systems:				
Personal Services	140,087	143,075	142,947	128
Materials and Supplies	7,000	7,000	6,303	697
Contractual Services	43,009	43,009	27,235	15,774
Capital Outlay	8,500	8,500	7,826	674
Total Computer Systems	<u>198,596</u>	<u>201,584</u>	<u>184,311</u>	<u>17,273</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, 2002**

	GENERAL FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Vehicle Maintenance:				
Personal Services	106,839	108,977	108,838	139
Materials and Supplies	64,400	64,400	55,725	8,675
Contractual Services	29,018	29,018	18,696	10,322
Total Vehicle Maintenance	<u>200,257</u>	<u>202,395</u>	<u>183,259</u>	<u>19,136</u>
Commissions:				
Personal Services	20,724	20,724	16,630	4,094
Materials and Supplies	400	400	146	254
Contractual Services	29,046	29,046	9,664	19,382
Capital Outlay	2,000	2,000	1,988	12
Total Commissions	<u>52,170</u>	<u>52,170</u>	<u>28,428</u>	<u>23,742</u>
General Administrative:				
Personal Services	80,000	80,000	11,136	68,864
Materials and Supplies	18,667	18,667	8,687	9,980
Contractual Services	445,598	435,598	350,547	85,051
Capital Outlay	12,000	12,000	11,611	389
Total General Administrative	<u>556,265</u>	<u>546,265</u>	<u>381,981</u>	<u>164,284</u>
Total General Government	<u>3,324,641</u>	<u>3,349,630</u>	<u>2,826,482</u>	<u>523,148</u>
Total Expenditures	<u>11,621,732</u>	<u>11,750,578</u>	<u>10,762,599</u>	<u>987,979</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,845,352)	(7,961,070)	(7,093,926)	867,144
Other Financing Sources (Uses):				
Proceeds from the Sale of Fixed Assets	2,000	2,000	2,887	887
Operating Transfers In	8,192,080	8,192,080	5,817,001	(2,375,079)
Operating Transfers Out	0	(81,875)	(81,875)	0
Total Other Financing Sources (Uses)	<u>8,194,080</u>	<u>8,112,205</u>	<u>5,738,013</u>	<u>(2,374,192)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	348,728	151,135	(1,355,913)	(1,507,048)
Fund Balance at Beginning of Year	4,152,818	4,152,818	4,152,818	0
Prior Year Encumbrances	600,362	600,362	600,362	0
Fund Balance at End of Year	<u>\$ 5,101,908</u>	<u>\$ 4,904,315</u>	<u>\$ 3,397,267</u>	<u>\$ (1,507,048)</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
For the Year Ended December 31, 2002**

	INCOME TAX FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Taxes	\$ 9,810,000	\$ 9,810,000	\$ 7,648,497	\$ (2,161,503)
Investment Earnings	90,000	90,000	28,360	(61,640)
Total Revenues	<u>9,900,000</u>	<u>9,900,000</u>	<u>7,676,857</u>	<u>(2,223,143)</u>
Expenditures:				
General Government:				
Personal Services	52,427	52,707	52,157	550
Materials and Supplies	1,600	1,600	436	1,164
Contractual Services	28,950	186,152	159,795	26,357
Capital Outlay	560	560	119	441
Total Expenditures	<u>83,537</u>	<u>241,019</u>	<u>212,507</u>	<u>28,512</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	9,816,463	9,658,981	7,464,350	(2,194,631)
Other Financing Sources (Uses):				
Operating Transfers Out	0	(7,412,548)	(7,412,548)	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>(7,412,548)</u>	<u>(7,412,548)</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	9,816,463	2,246,433	51,802	(2,194,631)
Fund Balance at Beginning of Year	<u>1,284,035</u>	<u>1,284,035</u>	<u>1,284,035</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 11,100,498</u>	<u>\$ 3,530,468</u>	<u>\$ 1,335,837</u>	<u>\$ (2,194,631)</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
For the Year Ended December 31, 2002***

PERMISSIVE TAX FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Intergovernmental Revenues	\$ 220,000	\$ 220,000	\$ 217,811	\$ (2,189)
Investment Earnings	20,000	20,000	12,867	(7,133)
Total Revenues	<u>240,000</u>	<u>240,000</u>	<u>230,678</u>	<u>(9,322)</u>
Expenditures:				
Transportation:				
Contractual Services	8,787	8,787	4,257	4,530
Total Expenditures	<u>8,787</u>	<u>8,787</u>	<u>4,257</u>	<u>4,530</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	231,213	231,213	226,421	(4,792)
Other Financing Sources (Uses):				
Operating Transfers Out	(120,499)	(320,499)	(320,499)	0
Total Other Financing Sources (Uses)	<u>(120,499)</u>	<u>(320,499)</u>	<u>(320,499)</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	110,714	(89,286)	(94,078)	(4,792)
Fund Balance at Beginning of Year	611,531	611,531	611,531	0
Fund Balance at End of Year	<u>\$ 722,245</u>	<u>\$ 522,245</u>	<u>\$ 517,453</u>	<u>\$ (4,792)</u>

CITY OF REYNOLDSBURG, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Debt Service Fund
For the Year Ended December 31, 2002**

GENERAL DEBT RETIREMENT FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures:				
Debt Service:				
Principal Retirement	877,209	877,209	877,209	0
Interest and Fiscal Charges	607,367	607,367	606,854	513
Total Expenditures	<u>1,484,576</u>	<u>1,484,576</u>	<u>1,484,063</u>	<u>513</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,484,576)	(1,484,576)	(1,484,063)	513
Other Financing Sources (Uses):				
Operating Transfers In	1,310,891	1,310,891	1,163,926	(146,965)
Operating Transfers Out	<u>0</u>	<u>(149,884)</u>	<u>(149,884)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>1,310,891</u>	<u>1,161,007</u>	<u>1,014,042</u>	<u>(146,965)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(173,685)	(323,569)	(470,021)	(146,452)
Fund Balance at Beginning of Year	<u>1,929,265</u>	<u>1,929,265</u>	<u>1,929,265</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 1,755,580</u>	<u>\$ 1,605,696</u>	<u>\$ 1,459,244</u>	<u>\$ (146,452)</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
For the Year Ended December 31, 2002**

CAPITAL IMPROVEMENT FUND				Variance with Final Budget Positive Negative
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>(Negative)</u>
Revenues:				
Intergovernmental Revenues	\$ 0	\$ 0	\$ 144,758	\$ 144,758
Investment Earnings	0	0	1,965	1,965
All Other Revenues	<u>0</u>	<u>0</u>	<u>17,637</u>	<u>17,637</u>
Total Revenues	<u>0</u>	<u>0</u>	<u>164,360</u>	<u>164,360</u>
Expenditures:				
Capital Outlay	<u>1,908,362</u>	<u>3,355,114</u>	<u>3,039,961</u>	<u>315,153</u>
Total Expenditures	<u>1,908,362</u>	<u>3,355,114</u>	<u>3,039,961</u>	<u>315,153</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,908,362)	(3,355,114)	(2,875,601)	479,513
Other Financing Sources (Uses):				
Operating Transfers In	<u>5,000,000</u>	<u>5,000,000</u>	<u>1,231,861</u>	<u>(3,768,139)</u>
Total Other Financing Sources (Uses)	<u>5,000,000</u>	<u>5,000,000</u>	<u>1,231,861</u>	<u>(3,768,139)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	3,091,638	1,644,886	(1,643,740)	(3,288,626)
Fund Balance at Beginning of Year	1,060,684	1,060,684	1,060,684	0
Prior Year Encumbrances	<u>1,102,000</u>	<u>1,102,000</u>	<u>1,102,000</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 5,254,322</u>	<u>\$ 3,807,570</u>	<u>\$ 518,944</u>	<u>\$ (3,288,626)</u>

CITY OF REYNOLDSBURG, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2002***

POLICE PENSION FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Taxes	\$ 140,081	\$ 148,089	\$ 144,156	\$ (3,933)
Intergovernmental Revenues	17,901	17,901	18,352	451
Total Revenues	<u>157,982</u>	<u>165,990</u>	<u>162,508</u>	<u>(3,482)</u>
Expenditures:				
Security of Persons and Property:				
Contractual Services	0	1,933	1,933	0
Total Expenditures	<u>0</u>	<u>1,933</u>	<u>1,933</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	157,982	164,057	160,575	(3,482)
Other Financing Sources (Uses):				
Operating Transfers Out	(125,000)	(125,000)	(125,000)	0
Total Other Financing Sources (Uses)	<u>(125,000)</u>	<u>(125,000)</u>	<u>(125,000)</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	32,982	39,057	35,575	(3,482)
Fund Balance at Beginning of Year	<u>58,809</u>	<u>58,809</u>	<u>58,809</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 91,791</u>	<u>\$ 97,866</u>	<u>\$ 94,384</u>	<u>\$ (3,482)</u>

CITY OF REYNOLDSBURG, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2002***

STREET CONSTRUCTION, MAINTENANCE AND REPAIR FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Intergovernmental Revenues	\$ 740,000	\$ 740,000	\$ 794,353	\$ 54,353
Investment Earnings	10,000	10,000	6,773	(3,227)
All Other Revenues	0	0	1,490	1,490
Total Revenues	<u>750,000</u>	<u>750,000</u>	<u>802,616</u>	<u>52,616</u>
Expenditures:				
Transportation:				
Personal Services	499,758	505,141	488,512	16,629
Materials and Supplies	141,040	141,040	115,109	25,931
Contractual Services	116,580	116,580	106,483	10,097
Debt Service:				
Principal Retirement	15,300	15,300	15,300	0
Interest and Fiscal Charges	5,933	5,933	5,933	0
Total Expenditures	<u>778,611</u>	<u>783,994</u>	<u>731,337</u>	<u>52,657</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(28,611)	(33,994)	71,279	105,273
Other Financing Sources (Uses):				
Operating Transfers Out	0	(124,202)	(124,202)	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>(124,202)</u>	<u>(124,202)</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(28,611)	(158,196)	(52,923)	105,273
Fund Balance at Beginning of Year	311,127	311,127	311,127	0
Prior Year Encumbrances	3,163	3,163	3,163	0
Fund Balance at End of Year	<u>\$ 285,679</u>	<u>\$ 156,094</u>	<u>\$ 261,367</u>	<u>\$ 105,273</u>

CITY OF REYNOLDSBURG, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2002***

	STATE HIGHWAY FUND			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>(Negative)</u>
Revenues:				
Intergovernmental Revenues	\$ 57,000	\$ 57,000	\$ 64,406	\$ 7,406
Investment Earnings	3,000	3,000	3,496	496
Total Revenues	<u>60,000</u>	<u>60,000</u>	<u>67,902</u>	<u>7,902</u>
Expenditures:				
Transportation:				
Materials and Supplies	38,000	38,000	15,228	22,772
Contractual Services	<u>28,000</u>	<u>28,000</u>	<u>25,116</u>	<u>2,884</u>
Total Expenditures	<u>66,000</u>	<u>66,000</u>	<u>40,344</u>	<u>25,656</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,000)	(6,000)	27,558	33,558
Fund Balance at Beginning of Year	<u>113,775</u>	<u>113,775</u>	<u>113,775</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 107,775</u>	<u>\$ 107,775</u>	<u>\$ 141,333</u>	<u>\$ 33,558</u>

CITY OF REYNOLDSBURG, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2002***

	COPS FAST GRANT FUND			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Intergovernmental Revenues	<u>\$ 160,000</u>	<u>\$ 160,000</u>	<u>\$ 125,961</u>	<u>\$ (34,039)</u>
Total Revenues	<u>160,000</u>	<u>160,000</u>	<u>125,961</u>	<u>(34,039)</u>
Expenditures:				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	160,000	160,000	125,961	(34,039)
Fund Balance at Beginning of Year	<u>116,257</u>	<u>116,257</u>	<u>116,257</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 276,257</u>	<u>\$ 276,257</u>	<u>\$ 242,218</u>	<u>\$ (34,039)</u>

CITY OF REYNOLDSBURG, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2002***

DIVERSION GRANT FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>(Negative)</u>
Revenues:				
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Expenditures:				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0	0
Fund Balance at Beginning of Year	<u>75,766</u>	<u>75,766</u>	<u>75,766</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 75,766</u></u>	<u><u>\$ 75,766</u></u>	<u><u>\$ 75,766</u></u>	<u><u>\$ 0</u></u>

CITY OF REYNOLDSBURG, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2002***

COPS IN SCHOOL FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Intergovernmental Revenues	\$ 55,000	\$ 55,000	\$ 49,887	\$ (5,113)
Total Revenues	<u>55,000</u>	<u>55,000</u>	<u>49,887</u>	<u>(5,113)</u>
Expenditures:				
Security of Persons and Property:				
Personal Services	58,615	58,615	56,876	1,739
Total Expenditures	<u>58,615</u>	<u>58,615</u>	<u>56,876</u>	<u>1,739</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,615)	(3,615)	(6,989)	(3,374)
Other Financing Sources (Uses):				
Operating Transfers Out	0	(125,000)	(125,000)	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>(125,000)</u>	<u>(125,000)</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(3,615)	(128,615)	(131,989)	(3,374)
Fund Balance at Beginning of Year	161,539	161,539	161,539	0
Fund Balance at End of Year	<u>\$ 157,924</u>	<u>\$ 32,924</u>	<u>\$ 29,550</u>	<u>\$ (3,374)</u>

CITY OF REYNOLDSBURG, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2002***

COPS MORE 2000 GRANT FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>(Negative)</u>
Revenues:				
Intergovernmental Revenues	\$ 55,000	\$ 55,000	\$ 2,566	\$ (52,434)
Total Revenues	<u>55,000</u>	<u>55,000</u>	<u>2,566</u>	<u>(52,434)</u>
Expenditures:				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	55,000	55,000	2,566	(52,434)
Fund Balance at Beginning of Year	<u>11,034</u>	<u>11,034</u>	<u>11,034</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 66,034</u></u>	<u><u>\$ 66,034</u></u>	<u><u>\$ 13,600</u></u>	<u><u>\$ (52,434)</u></u>

CITY OF REYNOLDSBURG, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2002***

LOCAL LAW ENFORCEMENT BLOCK GRANT FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>(Negative)</u>
Revenues:				
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Expenditures:				
Security of Persons and Property:				
Capital Outlay	<u>11,367</u>	<u>11,629</u>	<u>11,367</u>	<u>262</u>
Total Expenditures	<u>11,367</u>	<u>11,629</u>	<u>11,367</u>	<u>262</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(11,367)	(11,629)	(11,367)	262
Fund Balance at Beginning of Year	956	956	956	0
Prior Year Encumbrances	<u>11,367</u>	<u>11,367</u>	<u>11,367</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 956</u>	<u>\$ 694</u>	<u>\$ 956</u>	<u>\$ 262</u>

CITY OF REYNOLDSBURG, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2002***

LOCAL LAW ENFORCEMENT BLOCK GRANT 2002 FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>(Negative)</u>
Revenues:				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures:				
Security of Persons and Property:				
Capital Outlay	0	1,183	0	1,183
Total Expenditures	<u>0</u>	<u>1,183</u>	<u>0</u>	<u>1,183</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	(1,183)	0	1,183
Other Financing Sources (Uses):				
Operating Transfers In	0	1,183	1,183	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>1,183</u>	<u>1,183</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	0	0	1,183	1,183
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,183</u>	<u>\$ 1,183</u>

CITY OF REYNOLDSBURG, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2002***

LAW ENFORCEMENT FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Fines and Forfeitures	\$ 6,000	\$ 6,000	\$ 4,688	\$ (1,312)
All Other Revenues	0	0	2,700	2,700
Total Revenues	<u>6,000</u>	<u>6,000</u>	<u>7,388</u>	<u>1,388</u>
Expenditures:				
Security of Persons and Property:				
Materials and Supplies	0	10,923	10,912	11
Total Expenditures	<u>0</u>	<u>10,923</u>	<u>10,912</u>	<u>11</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	6,000	(4,923)	(3,524)	1,399
Other Financing Sources (Uses):				
Operating Transfers Out	0	(1,183)	(1,183)	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>(1,183)</u>	<u>(1,183)</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	6,000	(6,106)	(4,707)	1,399
Fund Balance at Beginning of Year	18,573	18,573	18,573	0
Fund Balance at End of Year	<u>\$ 24,573</u>	<u>\$ 12,467</u>	<u>\$ 13,866</u>	<u>\$ 1,399</u>

CITY OF REYNOLDSBURG, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2002***

DRUG ENFORCEMENT FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>(Negative)</u>
Revenues:				
Fines and Forfeitures	\$ 1,000	\$ 1,000	\$ 381	\$ (619)
Total Revenues	<u>1,000</u>	<u>1,000</u>	<u>381</u>	<u>(619)</u>
Expenditures:				
Security of Persons and Property:				
Materials and Supplies	0	350	350	0
Total Expenditures	<u>0</u>	<u>350</u>	<u>350</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,000	650	31	(619)
Other Financing Sources (Uses):				
Operating Transfers Out	0	(3,000)	(3,000)	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>(3,000)</u>	<u>(3,000)</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	1,000	(2,350)	(2,969)	(619)
Fund Balance at Beginning of Year	6,046	6,046	6,046	0
Fund Balance at End of Year	<u>\$ 7,046</u>	<u>\$ 3,696</u>	<u>\$ 3,077</u>	<u>\$ (619)</u>

CITY OF REYNOLDSBURG, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2002***

SAFETY BELT PROGRAM FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>(Negative)</u>
Revenues:				
Fines and Forfeitures	\$ 1,000	\$ 1,000	\$ 1,074	\$ 74
Total Revenues	<u>1,000</u>	<u>1,000</u>	<u>1,074</u>	<u>74</u>
Expenditures:				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,000	1,000	1,074	74
Fund Balance at Beginning of Year	<u>4,423</u>	<u>4,423</u>	<u>4,423</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 5,423</u></u>	<u><u>\$ 5,423</u></u>	<u><u>\$ 5,497</u></u>	<u><u>\$ 74</u></u>

CITY OF REYNOLDSBURG, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2002***

DUI EDUCATION/ENFORCEMENT FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>(Negative)</u>
Revenues:				
Fines and Forfeitures	\$ 7,000	\$ 7,000	\$ 4,836	\$ (2,164)
Total Revenues	<u>7,000</u>	<u>7,000</u>	<u>4,836</u>	<u>(2,164)</u>
Expenditures:				
Security of Persons and Property				
Materials and Supplies	<u>0</u>	<u>12,671</u>	<u>11,764</u>	<u>907</u>
Total Expenditures	<u>0</u>	<u>12,671</u>	<u>11,764</u>	<u>907</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	7,000	(5,671)	(6,928)	(1,257)
Fund Balance at Beginning of Year	<u>21,512</u>	<u>21,512</u>	<u>21,512</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 28,512</u>	<u>\$ 15,841</u>	<u>\$ 14,584</u>	<u>\$ (1,257)</u>

CITY OF REYNOLDSBURG, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2002***

	FEDERAL FORFEITURE 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:				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0	0
Fund Balance at Beginning of Year	<u>5,075</u>	<u>5,075</u>	<u>5,075</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 5,075</u>	<u>\$ 5,075</u>	<u>\$ 5,075</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 Funds
For the Year Ended December 31, 2002***

	COMMUNITY ENVIRONMENT FUND			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
All Other Revenues	\$ 750	\$ 750	\$ 153	\$ (597)
Total Revenues	<u>750</u>	<u>750</u>	<u>153</u>	<u>(597)</u>
Expenditures:				
Materials and Supplies	6,697	6,850	30	6,820
Total Expenditures	<u>6,697</u>	<u>6,850</u>	<u>30</u>	<u>6,820</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,947)	(6,100)	123	6,223
Fund Balance at Beginning of Year	20,587	20,587	20,587	0
Fund Balance at End of Year	<u>\$ 14,640</u>	<u>\$ 14,487</u>	<u>\$ 20,710</u>	<u>\$ 6,223</u>

CITY OF REYNOLDSBURG, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2002***

	SUPERVISION AND INSPECTION FUND			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Charges for Services	\$ 20,000	\$ 200,000	\$ 84,084	\$ (115,916)
Total Revenues	<u>20,000</u>	<u>200,000</u>	<u>84,084</u>	<u>(115,916)</u>
Expenditures:				
Contractual Services	392,553	473,637	399,984	73,653
Total Expenditures	<u>392,553</u>	<u>473,637</u>	<u>399,984</u>	<u>73,653</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(372,553)	(273,637)	(315,900)	(42,263)
Fund Balance at Beginning of Year	79,483	79,483	79,483	0
Prior Year Encumbrances	332,946	332,946	332,946	0
Fund Balance at End of Year	<u>\$ 39,876</u>	<u>\$ 138,792</u>	<u>\$ 96,529</u>	<u>\$ (42,263)</u>

CITY OF REYNOLDSBURG, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2002***

	PLOT, GRADE AND UTILITY PLANS FUND			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>(Negative)</u>
Revenues:				
Charges for Services	\$ 18,000	\$ 18,000	\$ 10,602	\$ (7,398)
Total Revenues	<u>18,000</u>	<u>18,000</u>	<u>10,602</u>	<u>(7,398)</u>
Expenditures:				
Contractual Services	17,272	27,874	21,122	6,752
Total Expenditures	<u>17,272</u>	<u>27,874</u>	<u>21,122</u>	<u>6,752</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	728	(9,874)	(10,520)	(646)
Fund Balance at Beginning of Year	10,829	10,829	10,829	0
Prior Year Encumbrances	11,383	11,383	11,383	0
Fund Balance at End of Year	<u>\$ 22,940</u>	<u>\$ 12,338</u>	<u>\$ 11,692</u>	<u>\$ (646)</u>

CITY OF REYNOLDSBURG, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2002***

UNCLAIMED FUNDS FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
All Other Revenues	\$ 3,000	\$ 5,320	\$ 5,319	\$ (1)
Total Revenues	<u>3,000</u>	<u>5,320</u>	<u>5,319</u>	<u>(1)</u>
Expenditures:				
Other Operating Expenditures	7,322	7,322	495	6,827
Total Expenditures	<u>7,322</u>	<u>7,322</u>	<u>495</u>	<u>6,827</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,322)	(2,002)	4,824	6,826
Other Financing Sources (Uses):				
Operating Transfers Out	0	(5,825)	(5,825)	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>(5,825)</u>	<u>(5,825)</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(4,322)	(7,827)	(1,001)	6,826
Fund Balance at Beginning of Year	9,948	9,948	9,948	0
Fund Balance at End of Year	<u>\$ 5,626</u>	<u>\$ 2,121</u>	<u>\$ 8,947</u>	<u>\$ 6,826</u>

CITY OF REYNOLDSBURG, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2002***

	EMPLOYEES FUND			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>(Negative)</u>
Revenues:				
All Other Revenues	\$ 3,000	\$ 3,000	\$ 1,838	\$ (1,162)
Total Revenues	<u>3,000</u>	<u>3,000</u>	<u>1,838</u>	<u>(1,162)</u>
Expenditures:				
Materials and Supplies	1,024	3,020	2,354	666
Total Expenditures	<u>1,024</u>	<u>3,020</u>	<u>2,354</u>	<u>666</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,976	(20)	(516)	(496)
Fund Balance at Beginning of Year	825	825	825	0
Prior Year Encumbrances	199	199	199	0
Fund Balance at End of Year	<u>\$ 3,000</u>	<u>\$ 1,004</u>	<u>\$ 508</u>	<u>\$ (496)</u>

CITY OF REYNOLDSBURG, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2002***

ENGINEERING FEES/PLAN REVIEW DEPOSITS FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>(Negative)</u>
Revenues:				
Charges for Services	\$ 40,000	\$ 40,000	\$ 40,444	\$ 444
Total Revenues	<u>40,000</u>	<u>40,000</u>	<u>40,444</u>	<u>444</u>
Expenditures:				
Contractual Services	19,994	59,977	53,052	6,925
Total Expenditures	<u>19,994</u>	<u>59,977</u>	<u>53,052</u>	<u>6,925</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	20,006	(19,977)	(12,608)	7,369
Fund Balance at Beginning of Year	13,380	13,380	13,380	0
Prior Year Encumbrances	8,000	8,000	8,000	0
Fund Balance at End of Year	<u>\$ 41,386</u>	<u>\$ 1,403</u>	<u>\$ 8,772</u>	<u>\$ 7,369</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, 2002**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Special Assessments	\$ 15,000	\$ 414,075	\$ 11,256	\$ (402,819)
Total Revenues	<u>15,000</u>	<u>414,075</u>	<u>11,256</u>	<u>(402,819)</u>
Expenditures:				
Debt Service:				
Principal Retirement	10,000	10,000	10,000	0
Interest and Fiscal Charges	<u>3,360</u>	<u>3,360</u>	<u>3,360</u>	<u>0</u>
Total Expenditures	<u>13,360</u>	<u>13,360</u>	<u>13,360</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,640	400,715	(2,104)	(402,819)
Fund Balance at Beginning of Year	<u>47,358</u>	<u>47,358</u>	<u>47,358</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 48,998</u>	<u>\$ 448,073</u>	<u>\$ 45,254</u>	<u>\$ (402,819)</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, 2002**

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	\$ 0	\$ 504,504	\$ 504,504	\$ 0
Total Revenues	<u>0</u>	<u>504,504</u>	<u>504,504</u>	<u>0</u>
Expenditures:				
General Government:				
Contractual Services	0	26,149	26,149	0
Other Operating Expenditures	0	130,000	119,679	10,321
Debt Service:				
Principal Retirement	45,000	45,000	45,000	0
Interest and Fiscal Charges	<u>354,075</u>	<u>354,075</u>	<u>354,075</u>	<u>0</u>
Total Expenditures	<u>399,075</u>	<u>555,224</u>	<u>544,903</u>	<u>10,321</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(399,075)	(50,720)	(40,399)	10,321
Other Financing Sources (Uses):				
Operating Transfers In	399,075	630,910	630,910	0
Operating Transfers Out	<u>0</u>	<u>(399,075)</u>	<u>(399,075)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>399,075</u>	<u>231,835</u>	<u>231,835</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	0	181,115	191,436	10,321
Fund Balance at Beginning of Year	<u>281,874</u>	<u>281,874</u>	<u>281,874</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 281,874</u>	<u>\$ 462,989</u>	<u>\$ 473,310</u>	<u>\$ 10,321</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, 2002***

BRICE-MAIN TIF FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Taxes	\$ 0	\$ 478,938	\$ 478,938	\$ 0
Total Revenues	<u>0</u>	<u>478,938</u>	<u>478,938</u>	<u>0</u>
Expenditures:				
General Government:				
Contractual Services	0	20,348	20,348	0
Other Operating Expenditures	<u>0</u>	<u>89,650</u>	<u>89,650</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>109,998</u>	<u>109,998</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	368,940	368,940	0
Fund Balance at Beginning of Year	<u>14,869</u>	<u>14,869</u>	<u>14,869</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 14,869</u></u>	<u><u>\$ 383,809</u></u>	<u><u>\$ 383,809</u></u>	<u><u>\$ 0</u></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, 2002**

CAPITAL EQUIPMENT FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures:				
Security of Persons and Property:				
Police Department:				
Capital Outlay	25,403	25,403	25,219	184
Total Security of Persons and Property	<u>25,403</u>	<u>25,403</u>	<u>25,219</u>	<u>184</u>
Leisure Time Activities:				
Recreation Department:				
Capital Outlay	97,275	97,275	25,275	72,000
Total Leisure Time Activities	<u>97,275</u>	<u>97,275</u>	<u>25,275</u>	<u>72,000</u>
Community Environment:				
Building Department:				
Capital Outlay	20,000	20,000	13,774	6,226
Total Community Environment	<u>20,000</u>	<u>20,000</u>	<u>13,774</u>	<u>6,226</u>
Transportation:				
Street Department:				
Capital Outlay	163,511	163,511	163,370	141
Total Transportation	<u>163,511</u>	<u>163,511</u>	<u>163,370</u>	<u>141</u>
General Government:				
Mayor:				
Capital Outlay	25,000	25,000	0	25,000
Auditor:				
Capital Outlay	65,000	65,000	52,192	12,808
City Attorney:				
Capital Outlay	4,000	4,000	0	4,000
General Administrative:				
Capital Outlay	202,094	202,094	201,110	984
Total General Government	<u>296,094</u>	<u>296,094</u>	<u>253,302</u>	<u>42,792</u>
Total Expenditures	<u>602,283</u>	<u>602,283</u>	<u>480,940</u>	<u>121,343</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(602,283)	(602,283)	(480,940)	121,343

(Continued)

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, 2002***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Other Financing Sources (Uses):				
Operating Transfers In	600,000	600,000	271,535	(328,465)
Operating Transfers Out	0	(74,480)	(74,480)	0
Total Other Financing Sources (Uses)	<u>600,000</u>	<u>525,520</u>	<u>197,055</u>	<u>(328,465)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(2,283)	(76,763)	(283,885)	(207,122)
Fund Balance at Beginning of Year	200,130	200,130	200,130	0
Prior Year Encumbrances	262,772	262,772	262,772	0
Fund Balance at End of Year	<u>\$ 460,619</u>	<u>\$ 386,139</u>	<u>\$ 179,017</u>	<u>\$ (207,122)</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, 2002***

SIDEWALK CONSTRUCTION FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Licenses and Permits	\$ 50,000	\$ 50,000	\$ 48,811	\$ (1,189)
Special Assessments	0	0	35,851	35,851
Total Revenues	<u>50,000</u>	<u>50,000</u>	<u>84,662</u>	<u>34,662</u>
Expenditures:				
Capital Outlay	35,655	91,167	91,166	1
Total Expenditures	<u>35,655</u>	<u>91,167</u>	<u>91,166</u>	<u>1</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	14,345	(41,167)	(6,504)	34,663
Fund Balance at Beginning of Year	519,398	519,398	519,398	0
Prior Year Encumbrances	35,655	35,655	35,655	0
Fund Balance at End of Year	<u>\$ 569,398</u>	<u>\$ 513,886</u>	<u>\$ 548,549</u>	<u>\$ 34,663</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, 2002***

TAYLOR SQUARE TIEF FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Investment Earnings	\$ 0	\$ 3,559	\$ 3,351	\$ (208)
Total Revenues	<u>0</u>	<u>3,559</u>	<u>3,351</u>	<u>(208)</u>
Expenditures:				
Capital Outlay	2,858	48,644	48,436	208
Total Expenditures	<u>2,858</u>	<u>48,644</u>	<u>48,436</u>	<u>208</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,858)	(45,085)	(45,085)	0
Other Financing Sources (Uses):				
Operating Transfers Out	0	(231,835)	(231,835)	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>(231,835)</u>	<u>(231,835)</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(2,858)	(276,920)	(276,920)	0
Fund Balance at Beginning of Year	276,712	276,712	276,712	0
Prior Year Encumbrances	208	208	208	0
Fund Balance at End of Year	<u>\$ 274,062</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</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 Agency 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.

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, 2002**

	Balance December 31, 2001	Additions	Deductions	Balance December 31, 2002
Mayor's Court:				
Assets:				
Cash and Cash Equivalents	\$10,048	\$395,105	(\$399,753)	\$5,400
Total Assets	<u>\$10,048</u>	<u>\$395,105</u>	<u>(\$399,753)</u>	<u>\$5,400</u>
Liabilities:				
Due to Other Funds	\$0	\$268,620	(\$268,620)	\$0
Intergovernmental Payable	3,490	53,330	(52,520)	4,300
Due to Others	6,558	73,155	(78,613)	1,100
Total Liabilities	<u>\$10,048</u>	<u>\$395,105</u>	<u>(\$399,753)</u>	<u>\$5,400</u>
School Activities:				
Assets:				
Cash and Cash Equivalents	\$12,230	\$23,817	(\$18,485)	\$17,562
Accounts Receivable	437	55	(437)	55
Total Assets	<u>\$12,667</u>	<u>\$23,872</u>	<u>(\$18,922)</u>	<u>\$17,617</u>
Liabilities:				
Due to Others	\$12,667	\$23,872	(\$18,922)	\$17,617
Total Liabilities	<u>\$12,667</u>	<u>\$23,872</u>	<u>(\$18,922)</u>	<u>\$17,617</u>
Miscellaneous:				
Assets:				
Cash and Cash Equivalents	\$19,049	\$62,351	(\$65,588)	\$15,812
Accounts Receivable	0	301	0	301
Total Assets	<u>\$19,049</u>	<u>\$62,652</u>	<u>(\$65,588)</u>	<u>\$16,113</u>
Liabilities:				
Due to Others	\$19,049	\$62,652	(\$65,588)	\$16,113
Total Liabilities	<u>\$19,049</u>	<u>\$62,652</u>	<u>(\$65,588)</u>	<u>\$16,113</u>
Board of Building Standards:				
Assets:				
Cash and Cash Equivalents	\$8,942	\$2,758	(\$2,758)	\$8,942
Total Assets	<u>\$8,942</u>	<u>\$2,758</u>	<u>(\$2,758)</u>	<u>\$8,942</u>
Liabilities:				
Intergovernmental Payable	\$8,942	\$2,758	(\$2,758)	\$8,942
Total Liabilities	<u>\$8,942</u>	<u>\$2,758</u>	<u>(\$2,758)</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, 2002***

	Balance December 31, 2001	Additions	Deductions	Balance December 31, 2002
<u>Reynoldsburg Visitors and Activities Bureau:</u>				
Assets:				
Cash and Cash Equivalents	\$0	\$63,478	(\$58,486)	\$4,992
Taxes Receivable	2,050	4,305	(2,050)	4,305
Total Assets	<u>\$2,050</u>	<u>\$67,783</u>	<u>(\$60,536)</u>	<u>\$9,297</u>
Liabilities:				
Intergovernmental Payable	<u>\$2,050</u>	<u>\$67,783</u>	<u>(\$60,536)</u>	<u>\$9,297</u>
Total Liabilities	<u>\$2,050</u>	<u>\$67,783</u>	<u>(\$60,536)</u>	<u>\$9,297</u>
<u>Columbus Sewer Capacity:</u>				
Assets:				
Cash and Cash Equivalents	<u>\$52,594</u>	<u>\$179,726</u>	<u>(\$187,043)</u>	<u>\$45,277</u>
Total Assets	<u>\$52,594</u>	<u>\$179,726</u>	<u>(\$187,043)</u>	<u>\$45,277</u>
Liabilities:				
Intergovernmental Payable	<u>\$52,594</u>	<u>\$179,726</u>	<u>(\$187,043)</u>	<u>\$45,277</u>
Total Liabilities	<u>\$52,594</u>	<u>\$179,726</u>	<u>(\$187,043)</u>	<u>\$45,277</u>
<u>Totals - All Agency Funds:</u>				
Assets:				
Cash and Cash Equivalents	\$102,863	\$727,235	(\$732,113)	\$97,985
Taxes Receivable	2,050	4,305	(2,050)	4,305
Accounts Receivable	437	356	(437)	356
Total Assets	<u>\$105,350</u>	<u>\$731,896</u>	<u>(\$734,600)</u>	<u>\$102,646</u>
Liabilities:				
Intergovernmental Payable	\$67,076	\$303,597	(\$302,857)	\$67,816
Due to Others	38,274	159,679	(163,123)	34,830
Due to Other Funds	0	268,620	(268,620)	0
Total Liabilities	<u>\$105,350</u>	<u>\$731,896</u>	<u>(\$734,600)</u>	<u>\$102,646</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, 2002***

Capital Assets:

Land	\$15,776,026
Buildings	11,530,695
Improvements	1,068,816
Infrastructure	18,363,485
Machinery and Equipment	3,826,712
Construction in Progress	1,074,293
	<hr/>
Total Capital Assets	<u>\$51,640,027</u>

Investment in Capital Assets:

General Fund	\$2,647,983
Special Revenue Funds	975,291
Capital Project Funds	16,905,363
Expendable Trust Funds	6,282
Enterprise Funds	4,189
Internal Service Fund	45,560
Contributions	31,055,359
	<hr/>
Total Investment in Capital Assets	<u>\$51,640,027</u>

CITY OF REYNOLDSBURG, OHIO

**Capital Assets Used in the Operation of Governmental Funds
Schedule by Function and Activity
December 31, 2002**

<u>Function and Activity</u>	<u>Land</u>	<u>Buildings</u>	<u>Improvements</u>	<u>Infrastructure</u>
<u>General Government:</u>				
General	\$876,996	\$3,597,753	\$443,023	\$0
Income Tax	0	0	0	0
Public Land and Buildings	0	0	0	0
Mayor	0	0	0	0
Auditor	0	0	0	0
Attorney	0	0	0	0
City Council	0	0	0	0
Human Resources	0	0	0	0
Computer Systems	0	0	0	0
Clerk of Court	0	0	0	0
Mechanic	0	0	0	0
Total General Government	<u>876,996</u>	<u>3,597,753</u>	<u>443,023</u>	<u>0</u>
<u>Security of Persons and Property:</u>				
Police	<u>0</u>	<u>7,013,146</u>	<u>0</u>	<u>0</u>
<u>Transportation:</u>				
Street	<u>14,430,672</u>	<u>386,804</u>	<u>0</u>	<u>18,363,485</u>
<u>Leisure Time Activities:</u>				
Recreation/Seniors	<u>468,358</u>	<u>532,992</u>	<u>625,793</u>	<u>0</u>
<u>Community Environment:</u>				
Development Director	0	0	0	0
Economic Development	0	0	0	0
Service Director	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Community Environment	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Capital Assets	<u><u>\$15,776,026</u></u>	<u><u>\$11,530,695</u></u>	<u><u>\$1,068,816</u></u>	<u><u>\$18,363,485</u></u>

CITY OF REYNOLDSBURG, OHIO

<u>Machinery and Equipment</u>	<u>Construction in Progress</u>	<u>Total</u>
\$291,900	\$0	\$5,209,672
1,259	0	1,259
80,411	0	80,411
39,678	0	39,678
97,079	0	97,079
17,217	0	17,217
30,563	0	30,563
12,809	0	12,809
52,013	0	52,013
28,012	0	28,012
51,842	0	51,842
<u>702,783</u>	<u>0</u>	<u>5,620,555</u>
<u>1,443,249</u>	<u>0</u>	<u>8,456,395</u>
<u>1,040,170</u>	<u>457,950</u>	<u>34,679,081</u>
<u>520,828</u>	<u>616,343</u>	<u>2,764,314</u>
7,298	0	7,298
1,513	0	1,513
<u>110,871</u>	<u>0</u>	<u>110,871</u>
<u>119,682</u>	<u>0</u>	<u>119,682</u>
<u>\$3,826,712</u>	<u>\$1,074,293</u>	<u>\$51,640,027</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, 2002***

Function and Activity	December 31, 2001	Transfers	Additions	Deletions	December 31, 2002
<u>General Government:</u>					
General	\$4,994,195	\$0	\$215,477	\$0	\$5,209,672
Income Tax	3,851	0	0	(2,592)	1,259
Public Land and Buildings	81,579	0	13,104	(14,272)	80,411
Mayor	55,272	(13,655)	0	(1,939)	39,678
Auditor	46,301	0	50,778	0	97,079
Attorney	17,217	0	0	0	17,217
City Council	32,716	0	0	(2,153)	30,563
Human Resources	12,809	0	0	0	12,809
Computer Systems	52,013	0	0	0	52,013
Clerk of Court	26,881	0	1,131	0	28,012
Mechanic	51,842	0	0	0	51,842
Total General Government	5,374,676	(13,655)	280,490	(20,956)	5,620,555
<u>Security of Persons and Property:</u>					
Police	8,108,047	15,455	434,666	(101,773)	8,456,395
<u>Transportation:</u>					
Street	32,350,118	0	2,364,253	(35,290)	34,679,081
<u>Leisure Time Activities:</u>					
Recreation/Seniors	2,546,505	0	230,699	(12,890)	2,764,314
<u>Community Development:</u>					
Development Director	5,269	0	2,029	0	7,298
Economic Development	3,313	(1,800)	0	0	1,513
Service Director	110,182	0	1,788	(1,099)	110,871
Total Community Development	118,764	(1,800)	3,817	(1,099)	119,682
Total Capital Assets	\$48,498,110	\$0	\$3,313,925	(\$172,008)	\$51,640,027

STATISTICAL SECTION

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

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	Capital Outlay	Debt Service	Other	Total
1993	\$3,180,775	\$88,480	\$473,437	\$625,979	\$500,000	\$892,405	\$284,171	\$641,968	\$9,784	\$6,696,999
1994 a	3,303,867	94,360	494,830	658,099	978,653	1,331,969	0	879,069	0	7,740,847
1995 a	3,417,961	96,977	544,743	673,289	916,080	1,283,085	0	868,027	0	7,800,162
1996 a	3,745,512	102,678	651,651	606,577	1,397,705	1,505,775	0	860,391	0	8,870,289
1997 a	3,908,378	113,188	747,768	669,914	1,001,407	1,640,206	0	828,833	0	8,909,694
1998 a	4,323,208	113,408	778,545	793,798	763,613	1,864,728	0	894,237	0	9,531,537
1999 a	4,693,960	126,324	789,794	918,188	782,729	2,232,396	0	1,246,033	0	10,789,424
2000 a	4,833,788	141,032	811,806	1,005,299	732,232	2,561,455	0	1,430,755	0	11,516,367
2001 a	5,437,131	154,792	839,601	1,060,127	730,591	2,737,704	0	1,934,720	0	12,894,666
2002 a	5,671,698	149,813	864,068	1,408,261	754,124	3,171,550	0	1,917,854	0	13,937,368

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a - Capital Outlay is reported as part of each individual function.

(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
1993	\$4,545,388	\$1,734,027	\$52,849	\$209,763	\$317,768	\$257,114	\$290,016	\$7,406,925
1994	4,938,210	2,594,584	52,800	201,334	378,407	251,437	94,141	8,510,913
1995	5,572,319	2,935,030	67,207	300,078	576,990	287,914	92,329	9,831,867
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

(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**

Year	Total Tax Levy	Current Tax Collections	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections To Tax Levy	Accumulated Outstanding Delinquent Taxes	Percentage of Accumulated Delinquent Taxes To Total Tax Levy
1993	\$588,226	\$565,494	\$29,220	\$594,714	101.10%	\$34,794	5.92%
1994	672,696	662,186	45,985	708,171	105.27%	20,692	3.08%
1995	664,835	654,749	14,738	669,487	100.70%	17,025	2.56%
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%

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	
1993	\$298,212,840	\$852,036,686	\$16,064,130	\$45,897,514	\$9,425,618	\$37,702,472	\$323,702,588	\$935,636,672	34.60%
1994	315,847,770	902,422,200	17,516,890	70,067,560	20,880,022	59,657,206	354,244,682	1,032,146,966	34.32%
1995	331,555,740	947,302,114	17,278,710	49,367,743	19,129,245	58,346,540	367,963,695	1,055,016,397	34.88%
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%

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	
1993	\$26,554,140	\$75,877,540	\$602,550	\$1,721,571	\$1,133,980	\$3,239,940	\$28,290,670	\$80,839,051	35.00%
1994	35,330,730	100,944,950	1,050,960	3,002,740	6,332,250	18,092,140	42,713,940	122,039,830	35.00%
1995	43,389,680	123,970,514	1,359,070	3,883,057	3,281,890	13,127,560	48,030,640	140,981,131	34.07%
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%

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	
1993	\$1,990,320	\$5,686,630	\$184,830	\$528,830	\$679,965	\$2,719,860	\$2,855,115	\$8,935,320	31.95%
1994	2,007,430	5,735,514	190,500	381,000	1,203,993	4,598,308	3,401,923	10,714,822	31.75%
1995	2,462,350	7,035,286	494,490	1,291,086	1,218,110	5,042,880	4,174,950	13,369,252	31.23%
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%

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	
1993	\$326,757,300	\$933,600,856	\$16,851,510	\$48,147,915	\$11,239,563	\$43,662,272	\$354,848,373	\$1,025,411,043	34.61%
1994	353,185,930	1,009,102,664	18,758,350	73,451,300	28,416,265	82,347,654	400,360,545	1,164,901,618	34.37%
1995	377,407,770	1,078,307,914	19,132,270	54,541,886	23,629,245	76,516,980	420,169,285	1,209,366,780	34.74%
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%

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	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
General Fund	2.50	2.50	2.50	2.50	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	0.14	0.11	0.10	0.10	0.09	0.08	0.07	0.06	0.06	0.00
Total City	2.94	2.91	2.90	2.90	0.79	0.78	0.77	0.76	0.76	0.70
Counties:										
Franklin	14.57	14.57	14.57	14.82	15.12	15.22	15.22	17.64	17.64	17.64
Fairfield	8.55	8.55	7.05	7.05	7.05	7.05	7.05	7.05	7.05	7.05
Licking	7.20	8.63	6.70	6.70	7.20	7.20	7.20	7.20	7.20	7.20
School Districts:										
Reynoldsburg City	51.56	51.31	50.24	51.13	54.20	54.02	54.02	55.49	55.39	55.28
Eastland Joint Vocational	1.24	1.23	1.20	1.20	1.20	1.20	2.00	2.00	2.00	2.00
Licking Heights City	n/a	n/a	n/a	40.70	40.70	40.70	40.10	39.60	48.50	48.10
Pickerington Local	n/a	n/a	n/a	65.00	65.00	68.96	66.36	66.36	70.30	70.10
Townships:										
Truro, Franklin County	10.40	10.40	12.65	12.65	12.65	12.65	12.65	12.65	12.65	12.65
Jefferson, Franklin County	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	10.28	10.25
Violet, Fairfield County	5.70	7.20	7.20	8.30	8.55	8.55	8.55	8.30	8.30	8.30
Etna, Licking County	5.30	1.50	2.30	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	n/a	n/a	n/a	8.50	8.50	8.50	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
1993	\$40,703	\$36,171	88.87%
1994	40,875	44,988	110.06%
1995	35,826	44,744	124.89%
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%

**COMPUTATION OF LEGAL DEBT MARGIN
DECEMBER 31, 2002**

	Total Debt	Unvoted Debt
Net Assessed Valuation	\$630,595,305	\$630,595,305
Legal Debt Limitation (%) (1)	10.50%	5.50%
Legal Debt Limitation (\$) (1)	66,212,507	34,682,742
City Debt Outstanding (2)	11,085,030	11,085,030
Less Applicable Debt Service Fund Amounts	(1,459,244)	(1,459,244)
Net Indebtedness Subject to Limitation	9,625,786	9,625,786
Legal Debt Margin	\$56,586,721	\$25,056,956

(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 Tax Increment Equivalent Bond is 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

<u>Year</u>	<u>Population (1)</u>	<u>Assessed Value (2) (In Thousands)</u>	<u>Gross Bonded Debt (3)</u>	<u>Debt Service Funds Available</u>	<u>Net Bonded Debt</u>	<u>Ratio of Net Bonded Debt to Assessed Valuation</u>	<u>Net Bonded Debt Per Capita</u>
1993	26,037	\$304,995,231	\$3,720,000	\$393,349	\$3,326,651	1.09%	\$127.77
1994	27,631	400,360,545	7,803,485	718,172	7,085,313	1.77%	256.43
1995	28,627	420,169,285	7,407,950	716,632	6,691,318	1.59%	233.74
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

(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 Tax Increment Equivalent Bond which is supported by payments in lieu of taxes.

CITY OF REYNOLDSBURG, OHIO

**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>
1993	\$210,000	\$273,590	\$483,590	\$6,696,999	7.22%
1994	385,465	442,657	828,122	7,740,847	10.70%
1995	395,535	411,139	806,674	7,800,162	10.34%
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%

(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, 2002**

<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	\$9,625,786	100.00%	\$9,625,786
Overlapping Subdivisions			
Reynoldsburg City School District	16,284,020	68.30%	11,121,986
Jefferson Township	1,864,090	12.19%	227,233
Franklin County	151,355,625	2.55%	3,859,568
Licking County	14,970,133	4.80%	718,566
Fairfield County	2,210,000	0.69%	15,249
Licking Heights Local School District	24,688,024	5.53%	1,365,248
Licking County Joint Vocational School District	834,525	0.56%	4,673
Pickerington Local School District	120,534,228	1.91%	2,302,204
		Subtotal	<u>19,614,727</u>
		Total	<u><u>\$29,240,513</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>
1993	(a)	26,732	4,829	4.4%
1994	(a)	27,631	4,905	2.9%
1995	(a)	28,627	5,198	2.9%
1996	(a)	30,687	5,545	2.9%
1997	(a)	31,200	5,782	2.8%
1998	(a)	33,400	5,663	2.7%
1999	(a)	35,000	5,808	2.7%
2000	(b)	32,069	5,892	2.5%
2001	(b)	32,069	6,160	2.8%
2002	(b)	32,796	5,850	2.7%

U.S. Bureau of Census of Population	2002 State of Ohio	5.7%
	2002 United States	5.8%

- (1) Source: (a) Mid Ohio Regional Planning Commission
(b) Population Division, U.S. Census Bureau
- (2) Source: Reynoldsburg School District Board of Education.
- (3) Source: U.S. Department of Labor

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

<u>Year</u>	<u>Residential (1)</u>		<u>Commercial (1)</u>	
	<u>Number of Permits</u>	<u>Property Value</u>	<u>Number of Permits</u>	<u>Property Value</u>
1993	282	\$32,419,194	25	\$4,366,916
1994	284	34,041,583	3	417,000
1995	212	24,328,551	25	5,454,000
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

(1) Source: City of Reynoldsburg Building Department.

CITY OF REYNOLDSBURG, OHIO

**PRINCIPAL TAXPAYERS (PERSONAL PROPERTY TAX)
DECEMBER 31, 2002**

<u>Taxpayer</u>	<u>Type of Business</u>	<u>2002 Assessed Valuation (Tax Duplicate)</u>	<u>Percentage of Total Assessed Valuation</u>
1. Bath & Body Works, Inc. (Division of The Limited)	Retail	\$5,300,080	19.50%
2. Victoria's Secret Stores, Inc. (Division of The Limited)	Retail	2,417,910	8.90%
3. Home Depot USA, Inc.	Retail	1,589,860	5.85%
4. Lane Bryant, Inc.	Retail	1,323,670	4.87%
5. Insight Communications of Central Ohio	Cable Television	1,162,950	4.28%
6. Dynalab Inc.	Manufacturing	864,460	3.18%
7. K Mart Corporation	Retail	727,730	2.68%
8. Penn Traffic Company	Warehousing	505,130	1.86%
9. Value City Department Stores, Inc.	Retail	451,820	1.66%
10. Kroger Company	Retail	422,540	1.55%
Sub-Total		14,766,150	54.33%
All Others		12,411,305	45.67%
Total		\$27,177,455	100.00%

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

CITY OF REYNOLDSBURG, OHIO

**PRINCIPAL TAXPAYERS (REAL PROPERTY TAX)
DECEMBER 31, 2002**

<u>Taxpayer</u>	<u>Type of Business</u>	<u>2002 Assessed Valuation (Tax Duplicate)</u>	<u>Percentage of Total Assessed Valuation</u>
1. Distribution Land Corporation	Real Estate	\$6,501,230	1.11%
2. NOCA Apartments One Limited	Real Estate	6,031,060	1.03%
3. C-K Eastgreen	Real Estate	3,619,020	0.62%
4. Indiancreek Columbus Limited Partnership	Real Estate	3,113,920	0.53%
5. Admore of Ohio LTD	Real Estate	2,781,030	0.47%
6. Wind River Apartments Limited Partnership	Real Estate	2,773,410	0.47%
7. Donley Enterprises	Real Estate	2,733,500	0.47%
8. Century City Apartments	Real Estate	2,733,500	0.46%
9. Reyno Holding Company	Real Estate	2,733,500	0.46%
10. Millstream LTD	Real Estate	2,708,730	0.46%
Sub-Total		35,728,900	6.08%
All Others		551,440,250	93.92%
Total		\$587,169,150	100.00%

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

CITY OF REYNOLDSBURG, OHIO

**PRINCIPAL TAXPAYERS (INCOME TAX)
DECEMBER 31, 2002**

<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	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. City of Reynoldsburg	Government
9. Limited Service Corp. (Division of The Limited)	Retail
10. Home Depot	Retail

Source: Reynoldsburg City Auditor

CITY OF REYNOLDSBURG, OHIO

MISCELLANEOUS STATISTICS DECEMBER 31, 2002

Year of Incorporation	1839	Area - square miles	12
Form of Government	Mayor - Council	Miles of Streets	102
		Elevation (feet above sea level)	833
Police Services:		Sewers:	
Number of Stations	1	Miles of Sanitary Sewers	136.20
Number of Police Personnel and Officers	66	Miles of Storm Sewers	101.66
Number of Patrol Units	14	Number of Service Connections	9,928
Recreation and Culture:		Water:	
Number of Parks	6	Miles of Water Mains	129.80
Park Acreage	285	Number of Service Connections	10,077
Fire Protection:		Number of Fire Hydrants	1,482
Provided by Truro Township		Daily average consumption in gallons	2,955,000
(Columbus Metropolitan Area)		Transportation:	
Number of Hospitals	8	Highways:	
Media		Interstate Routes	2
Newspapers:		U.S. Routes	1
Daily	1	State Routes	2
Weekly	3	Airports:	
Television Stations	8	Port Columbus International Airport	1
Radio Stations	27		

Source: Reynoldsburg City Auditor

WOLFE, WILSON, & PHILLIPS, INC.
CERTIFIED PUBLIC ACCOUNTANTS
37 S. SEVENTH STREET • ZANESVILLE, OHIO 43701
(740) 453-9600 • FAX - (740) 453-9763

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

Honorable Mayor and Members of City Council
City of Reynoldsburg
Reynoldsburg, Ohio 43068

We have audited the financial statements of City of Reynoldsburg as of and for the year ended December 31, 2002, and have issued our report thereon dated July 23, 2003, wherein we noted the City adopted Government Accounting Standards Board Statements 34, 37, 38, and Interpretation 6. 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.

Compliance

As part of obtaining reasonable assurance about whether City of Reynoldsburg's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance, which we have reported to the management of The City of Reynoldsburg in a separate letter dated July 23, 2003.

Internal Control Over Financial Reporting

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

This report is intended for the information of the Mayor, City Council, the Auditor of State, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Wolfe, Wilson, & Phillips, Inc.

Zanesville, Ohio
July 23, 2003

Brad Wolfe, J.D., M.B.A., CPA
Joseph W. Wilson, M.B.A., CPA, CMA
Kenneth B. Phillips, CPA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**FINANCIAL CONDITION
CITY OF REYNOLDSBURG
DECEMBER 31, 2002**

1. AUDITOR'S RESULTS

<i>(d)(1)(I)</i>	Type of Financial Statement Opinion	Unqualified
<i>(d)(1)(ii)</i>	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	NO
<i>(d)(1)(II)</i>	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	NO
<i>(d)(1)(iii)</i>	Was there any reported non-compliance at the financial statement level (GAGAS)?	NO

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

NONE



**Auditor of State
Betty Montgomery**

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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
SEPTEMBER 30, 2003**