



*Violet Capital of Ohio*

*City of  
Pickerington, Ohio*

**Comprehensive Annual  
Financial Report**

**For The Year Ended December 31, 2004**

*City of*  
*Pickerington, Ohio*

*Issued by*  
*Department of Finance*  
*Linda A. Fersch, Director*

**Comprehensive Annual  
Financial Report**  
**For The Year Ended December 31, 2004**

*City of Pickerington, Ohio*

**Introductory Section**

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# City of Pickerington

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August 25, 2005

To the Honorable Mayor David Shaver and Members of City Council,  
And Citizens of the City of Pickerington:

The Comprehensive Annual Financial Report (CAFR) of the City of Pickerington, Ohio (City), for the year ended December 31, 2004, is submitted herewith. The report has a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards and *government auditing standards* by the office of Betty Montgomery, Auditor of the State of Ohio.

## **Contents of the Report**

This report is prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) and in conformance with standards of financial reporting in the United States of America as established by the Governmental Accounting Standards Board (GASB) using guidelines as recommended by the Government Finance Officers Association of the United States and Canada (GFOA). Based on these guidelines, the report consists of three sections:

1. Introductory section, including the letter of transmittal, organizational chart and list of city officials.
2. Financial section, including the complete financial statements of the City accompanied by the Independent Accountants' Report, management discussion and analysis, notes to the basic financial statements, and other schedules.
3. Statistical section, including tables of unaudited data depicting the financial history of the City for the last ten years where available, information of other governmental units overlapping the City, and other selected financial and demographic information.

The City's Finance Department is responsible for management's representations concerning the finances of the City. Consequently management assumes full responsibility for the accuracy of the data presented and the completeness and fairness of the presentation. To provide a reasonable basis for making these representations, management of the City has implemented a comprehensive internal control structure, which meets the objectives of management.

In developing and revising the City's accounting and reporting control systems, consideration is given to the adequacy of internal controls to provide reasonable but not absolute assurance regarding:

- The safeguarding of assets from loss, theft or misuse, and
- Reliability of financial records for preparing the City's financial statements in conformity with GAAP and maintaining accountability for assets.

The concept of reasonable assurance recognizes that:

- The cost of a control should not exceed the benefits likely to be derived, and
- The evaluation of costs and benefits requires estimates and judgments by management.

As management, we believe the data presented is accurate in all material aspects and that all disclosures necessary to enable the reader to acquire the maximum understanding of the City's financial activity have been included.

Members of City Council have oversight responsibilities for the selection of the accountant responsible for the GAAP conversion, and meets with the State auditor's office to review the audit results when necessary. The Local Government Services Section of the Auditor of State's Office assists the City with the preparation of the CAFR. The City Council also has the oversight responsibility over significant financial matters of the City. The Office of Betty Montgomery, Auditor of State, has audited the City's financial statements. The audit involved examining, on a test basis, evidence supporting amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The Auditor of State's Office concluded based upon the audit that there was a reasonable basis for rendering an unqualified opinion that the City's financial statements for the year ended December 31, 2004, are fairly presented in conformity with ("GAAP"). The Independent Accountants' Report is presented as the first component of the financial section of this report.

GAAP requires 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's MD&A can be found immediately following the Independent Accountants' Report.

In June 1999, the GASB issued Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments (GASB 34)*. This statement represents a significant change in the way state and local governments present basic financial information. For 2004, the City has implemented this statement.

Additional information on the City's implementation of GASB 34 can be found in Note 3 in the notes to the basic financial statements.

### **Profile of the Government**

The first settlers in the attractive, growing community that is now Pickerington, arrived in the area in 1808. In 1815, Abraham Pickering laid out the original plat of old Pickerington. One hundred fifty years later relatively few people lived in the area, and Pickerington slumbered as an agricultural and dairy community, seemingly distant from the county seat, Lancaster, and the state capital, Columbus.

The growth and prosperity since 1965 have forever changed Pickerington from an old country village to a major city in northwest Fairfield County. Equidistant between Lancaster and Columbus, today Pickerington is both a Columbus suburban community and a transition zone leading to agricultural and open spaces to the east and southeast.

The City's population as estimated by the Mid Ohio Regional Planning Commission (MORPC) for 2004 was 12,159. As a result of reaching an official population of over 5,000 persons, Pickerington was certified as a city by the Ohio Secretary of State in 1991. Pickerington is the second city in Fairfield County and is second in size to Lancaster.

### **Reporting Entity and Services Provided**

The City's reporting entity is comprised of the primary government and other organizations which are included to ensure that the financial statements are not misleading. The reporting entity has been defined in accordance with the principles established by the Governmental Accounting Standards Board (GASB) in Statement No. 14, "The Financial Reporting Entity" and in GASB Statement No. 39, "Determining Whether Certain Organizations are Component Units".

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Component units also include organizations that are fiscally dependent on the City in that the City approves the budget, the issuance of debt or the levying of taxes. No potential component units met these criteria.

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

- Pickerington Local School District
- Pickerington Public Library
- Pickerington Senior Citizens Center, Inc.

The City is associated with two jointly governed organizations and three insurance purchasing pools. These organizations are the Fairfield-Hocking Major Crimes Unit, the Mid-Ohio Regional Planning Commission, the Central Ohio Risk Management Association Inc. (CORMA), the Central Ohio Health Care Consortium, and the Ohio Municipal League Worker's Compensation Group Rating Program.

The Municipal Charter, which was enacted in 1980, became effective January 1, 1981, and was amended in 1990 and again in 2000. This Charter provides for the Mayor-Council-Manager form of government whereby the legislative powers of the City are vested in a seven member City Council. Three members are elected at large for a four-year term and the remaining four are elected at large for a four-year term the following biennium. Council appoints the Law Director, Finance Director, City Engineer and concurs on the Mayor's appointment of the City Manager. Council also makes citizen appointments to several boards and commissions. There are four standing Council Committees that Council appoints: Finance, Rules, Safety and Service. Council sets the compensation guidelines for City officials and employees, and enacts ordinances and resolutions relating to City services, tax levies, appropriations, indebtedness, building permits and licenses and other municipal purposes.

The Mayor is elected by popular vote, performs ceremonial functions, recommends appointment of and acts as supervisor of the City Manager, is presiding officer of Council, is an ex-officio member of all Council Committees, appoints the Clerk of Court, and may veto Council-passed legislation.

The City Manager is the chief administrator of the City appointed by the Mayor with concurrence of Council, and is responsible for the day-to day operations of the municipality and municipal employees and hires all employees not appointed by Council.

The Director of Finance is the chief fiscal and accounting officer of the City. The responsibilities of this office include preparation and management of the capital and operating budgets and debt and treasury programs of the City.

During 2004, the City Council appointed an interim Law Director and also hired outside legal counsel in specialized areas for annexations and litigation.

City engineering duties are performed by a private company hired by City Council.

The City provides the following services: public safety, operation of water, sewer and stormwater utilities, parks and recreation, and a State Certified building department. Fire Department services are provided by Violet Township. Sanitation is awarded on a contract basis every 3 years. The City also contracts with the Fairfield County Health District for Health Department services. The City has the power of appointment for one seat on the eleven-member board. The Mayor has appointed the Finance Director to serve in this capacity.

The annual budget serves as the foundation for the City's financial planning and control. The City complies with the requirements of the Ohio Revised Code in the adoption of the budget. Appropriations for the operation of various City departments are established through the passage of an ordinance by City Council. Budgetary control is facilitated through the maintenance of an encumbrance system for requisitions and purchase orders, and through the use of the City's automated financial system. All departments of the City were required to submit requests for appropriation to the Finance Director before October 15. The Finance Director uses these requests as the starting point for developing a proposed budget. The City adopts a 5-year Capital Improvement Budget that aids in the preparation of the budget. The Finance Director presents the proposed budget for the City Manager's review and approval. The City Manager and the Finance Director then present the proposed budget to the City Council for review 35 days before the end of the current year. Council is required to hold a public hearing on the proposed budget and to adopt the budget by no later than December 31, the close of the City's fiscal year. Failure to do so allows the budget, as presented by the Manager, to become effective.

The City Finance Director prepares the budget by fund, program (e.g., public safety), department (e.g., police) and activity (personal services). However, the legal level of budgetary control is at the department level for the General Fund and the fund level for all other funds. Any budgetary modifications at this level may only be made by resolution of the City Council. The Finance Director is given the authority to further allocate fund appropriations within all funds. The City Council may pass supplemental appropriations at any time by ordinance. Budget-to-actual comparisons are provided in this report for each individual fund for which an appropriated annual budget has been adopted. The general fund and major special revenue fund are presented as part of the basic financial statements beginning on page 22. For other funds, this comparison is presented in the supplementary section of this report, which starts on page 68.

## Economic Condition and Outlook

The City saw an upturn in the pace of nonresidential development in 2004. Thirty new businesses committed to locating in the City and twelve existing Pickerington businesses committed to expanding or relocating within the City. Businesses invested over \$11 million dollars in new construction or renovation of existing buildings in Pickerington, and over 190,000 square feet of newly constructed space was built.

Kohl's opened a new 96,000 square foot department store on State Route 256, which enjoyed sales exceeding expectations during its debut. A 47,000 square foot retail center, anchored by a 26,000 sq ft Drug Mart, was completed in 2004 and is 100 percent leased. New businesses included a family-style restaurant new to the central Ohio area, bakery, and a martial arts instruction facility. Construction of the Shoppes on the Parkway, two 8,000 square foot retail buildings, was completed this year, and the buildings kicked off development of the Creekside Business Park. Construction began on a 17,000 square foot building in the business park in late 2004, which will be completed in 2005.

ReMax Champions Realtors began construction on a 15,000 square foot office building on State Route 204. The building is expected to be completed in 2005, and additional office space adjacent to ReMax will be developed in the future. At Hunter's Run shopping center, an additional 24,000 square feet of retail space was approved, and construction is expected in 2005.

Donley Concrete, a thriving Pickerington business, began construction of a new 8,600 square foot office/warehouse facility in the Olde Pickerington Village. Grissini's Restaurant, also located in the original village, expanded its dining area to accommodate more guests. Another successful Pickerington business, Resale Furniture, relocated from the State Route 256 corridor to a 3,240 square foot building in the Olde Pickerington Village. This relocation included improvements to the existing building.

The annexation of 362 acres on Milnor/Refugee Road was approved by the City subsequent to the approval of an agreement with the Township. Annexation was completed in the spring of 2005. The development of this area will consist of single-family housing including condos and commercial development.

The annexation of 316 acres on Busey/Amanda Northern was approved by the Fairfield County Commissioners and is under appeal by Violet Township. The City is currently exploring settlement options. Another annexation of 387 acres on Busey Road was denied by the Fairfield County Commissioners and is currently under appeal.

Pickerington has also continued to maintain a strong presence in the Central Ohio region through its participation in the Route 33 Southeast Growth Alliance, the Mid-Ohio Regional Planning Commission, and the Mid-Ohio Development Exchange. The City has also been active in the Pickerington Area Chamber of Commerce, helping to coordinate the fall Taste of Pickerington-Community Showcase event and participating on the Economic Development Committee. The City is a co-sponsor of the Pickerington Violet Festival, another venue to showcase the community held in late July bringing an estimated 20,000 visitors into the community.

## Major Initiatives

### For the year:

Numerous studies with regard to growth management were commenced in the City. The Planning and Zoning Department initiated a Growth Management Assessment and Strategy study, which will incorporate the Cost of Community Service Study and the Impact Fee Study reports. Impact fees for Park, Police and Streets are currently being reviewed by Council for implementation in late 2005. The Department contracted with the Fairfield County Auditor GIS Department to create and maintain the City's Zoning Map and various other City maps were created. An Accuglobe Data Explorer Edition was purchased in order to provide current digital mapping of the City.

Commercial expansion was valued at \$30,000,000 while residential housing including condominiums added another \$36,000,000 to the City's real estate evaluation.

With the area growing rapidly, the Police Department hired an additional four patrol officers and 5 auxiliary officers in 2004 in addition to hiring 2 dispatchers. The department, with the help of the Pickerington Lions Club, completed and dedicated the department's "soft interview room" which is designed to have a homelike atmosphere to interview victims of child violence, victims of rape and other crimes of violence. The Police Department received federal funding through Homeland Security for combating terrorism. The additional money will give the department the capability to have interoperability with surrounding departments such as the Fairfield County Sheriff's Department and the Lancaster Police Department. Interoperability gives each department the ability to set up their own communications center at any of the above-mentioned departments. The department has also been awarded a grant through the Office of Criminal Justice for reimbursement of 75 percent of the purchase price of new Tough Book laptop computers. The new computers will replace the computers that the officers currently use in their vehicles.

The Service Department, while performing its standard services of leaf pickup, street sweeping, utility infrastructure maintenance, street maintenance, snow removal and mosquito fogging, also oversaw several construction projects. These included the expansion of a portion of State Route 256 to five lanes from Diley Road to Grandview Avenue, which is the second phase of a five-phase project for the expansion of Diley Road to five lanes by 2009.

The Water Plant realized a 13 percent increase in water distribution over 2003, with the average daily plant production of 1.219 MGD. A record was set with the highest production in one day of 2.2 MGD. A new water main was installed in the Carpenter Addition to provide City water to those citizens. There were 34,187 linear feet of additional mains installed within the other City subdivisions valued at \$1,854,170.

A stress test was conducted on the current Wastewater Treatment Plant to determine if the plant has the capability to process more wastewater than currently approved by the OEPA. The test showed that the plant is able to process at least 33% more than the City's current NPDES permit authorizes. During 2004, a complete overhaul of the tertiary filter system was started. The east side filter has been completed by City personnel resulting in a greatly increased hydraulic flow at a fraction of the cost compared to contractor estimates for the same work. In addition, there were 33,711 linear feet of sanitary sewer collectors installed within the subdivisions underway in the City valued at \$1,184,144.

Over \$70,000 of stormwater system improvements were performed by City personnel including the replacement of culverts on Homestead Drive, western Long Road and various ditch improvements. A new street sweeper was purchased that has the ability to vacuum catch basins and allows City personnel to perform work previously contracted. It will provide additional street sweeping within the subdivisions as well. There were 39,582 linear feet of storm sewer collectors installed within subdivisions underway within the City valued at \$1,833,604.

For the 11<sup>th</sup> year in a row Pickerington was designated “Tree City USA”. Service workers planted 431 trees and removed 42 trees around the City in 2004. All work is performed by City staff with a cost savings of 20 percent compared to contractor costs. The Tree Commission, staff and Service Committee developed a tree brochure, which is accessible on the City’s website. The brochure has tree recommendations for planting within the City and care guidelines for newly planted trees.

The City’s Parks System has grown to include more than 157 acres of passive and active parkland. Pickerington’s largest and most-used park, Sycamore Park provides tennis courts, softball diamonds, picnic shelters, horseshoe courts, fishing, sledding, jogging/walking. The City’s Park Department opened the Randy Hughes Skate Park in April 2004 in the lower level of Sycamore Park. The 8,000 square foot facility is designed for beginner through advanced skill levels and features SkateWave ramps, rails and obstacles. The Sycamore Park Dam repair project was completed in December 2004 funded partly through a NatureWorks grant administered by the Ohio Department of Natural Resources. The Recreation department program participation by citizens surpassed 6,200. The Department sponsored special events including the Fourth of July festivities, the Bunny Hop & Jelly Bean Jam, Friday Night Flicks, summer concert series, little tots “Trick or Treat”, Hometown Halloween for older children, Breakfast with Santa and participated in the Violet Festival and Lions Cub Labor Day Fish Fry. The City is a contributor to the Olde Pickerington Village Business Association events held on the 1<sup>st</sup> Friday of each month. Such events include the December Victorian Olde Town tree lighting, summer Cruisin, Petfest, Jazz & Rib Festival, Harvest Days and Celebrate Pickerington, which brings residents into the historic downtown area which underwent a revitalization and beautification program in 2001-2003.

The Division of Building and Regulations, which includes a Construction Inspection Division, has four full-time inspectors and a part-time code enforcement official that is a part-time inspector. The Department issued 550 building permits that consisted of 250 single-family residential units, 150 multi-family units and 150 new commercial units, collecting \$431,600 in permit fees.

The Finance Department continued to receive a positive return from income tax and personal property tax due to the growth in the area. The one-year moratorium on residential building of 100 homes and the national economy did not adversely affect the revenue collections in this area. Income tax increased 4.6 percent over 2003. The City hired an outside consultant as a financial advisor to assist in the restructuring, evaluating, and consolidating the City’s debt and to formulate a written debt policy. The City obtained a credit rating for the first time with Moody’s Financial Corporation, which rated the City an “A-2” for bond issues and an “MIG 1” for notes. Banking contracts were bid for both active and interim banking depositories. This has resulted in a low cost Visa/MasterCard collection program, higher interest rates and a no-charge daily courier service for picking up bank deposits, which saves employee time as well as providing safety. This year will mark the twelfth year of filing financial statements according to the Generally Accepted Accounting Principles (GAAP). This will be the first year the City has submitted a Comprehensive Annual Financial Report (CAFR) to the Government Finance Officers Association for their Certificate of Achievement program and the first year of GASB No. 34 implementation.

### **For the Future:**

The City is undertaking a major road improvement project to widen Diley Road from a two-lane to a five-lane profile. This major connector between S.R. 256 and S.R. 33 will open a corridor to promote more development of office and retail uses along the northern and southern portions of Diley Road. For 2005, the City recently adopted a 5-year Transportation Improvement Plan as a guideline to handle the influx of residential and commercial traffic. The Diley Road widening project is being accomplished in phases with the first and second phases completed, the third phase to be finished in 2005 and the final phase which is being partially financed with an anticipated \$11,000,000 Federal Highway grant to be started in 2007, ending in 2009.

As a result of an Impact Fee Study conducted by Tischler & Associates of Bethesda, Maryland, the City is currently creating impact fee charges to assist in paying the costs related to street, police, parks & recreation and governmental facilities in order to accommodate future commercial and residential growth. A Growth Management Strategy & Assessment Plan is being prepared to guide the City in making future development decisions.

The City is in the process of reviewing and proposing to adopt residential design guidelines to improve the quality of life and enhance property values. The City is planning to revise and update the existing commercial design guidelines that will also enhance the value of property and add to the aesthetic beauty of the community.

Residential and commercial developments will continue to expand in 2005. Through June 2005, 95 new home permits were issued and in 2004, 250 new home permits were issued with approximately 1,503 remaining platted lots. An 86,000 square foot Giant Eagle supermarket has initiated the preliminary plans for construction with an estimated completion date of February 2006. Sky Bank has applied for a permit to construct a 2,154 square foot facility valued at \$600,000 to be completed by year-end. The Hunters Run Phase IV retail commercial building, 24,000 square feet, is currently under construction to be completed by the fall of 2005. Kroger's supermarket will commence construction of an 85,900 square foot expansion to house their "Market Place" theme commodities and an additional expansion for retail space to the shopping center in the near future. An additional 10,000 square feet of new office space is planned at an estimated value at \$1,000,000. In Creekbend Business Park, a 3,500 square foot medical building has been approved. Due to the restructuring of the Pickerington Square business development, National City Bank is building a 3,170 square foot new facility and Huntington National Bank is building a 4,250 square foot new facility.

The Building Department plans to continue to enhance its records management system by utilizing Franklin Systems software, that can be utilized in the future for code enforcement purposes. The Planning and Zoning Department has improved its operations through the use of Fairfield County's AccuGlobe Data Explorer (GIS) data and mapping system.

The City has recently created two citizen task force committees, the Property Maintenance Task Force, which was formed to make recommendations concerning code enforcement issues and the Utility Fees Review Committee to evaluate the costs of operation and utility rate structure. These additional committees combined with the existing citizen committees of Planning and Zoning Commission, Board of Zoning Appeals, Parks Board, Tax Appeals and Tree Commission give residents a chance for input and involvement in the various aspects of city government.

An agreement to explore the possibility of a Joint Economic Development District has been entered into with Violet Township. This proposed venture will enable the City to collect income tax revenues from commercial enterprises in the township and share part of that tax revenue with Violet Township.

### **Long-term Financial Planning**

The City has recently adopted a Debt Policy in order to better manage the issuance of debt and to secure support services for debt issuance and to set guidelines for selecting professional service vendors on a competitive basis. This will establish a higher level of debt control and has already resulted in consolidation of maturity dates for outstanding note issues. A considerable amount of savings is expected from this endeavor.

Each year the City adopts a Five Year Capital Improvement Plan with appropriate updates of pending capital projects by department, year of desired commencement of the project and funding sources, including grants, and developer contributions to projects. This is a work-in-progress and an excellent planning tool for budgeting purposes.

### **Cash Management Policies and Practice**

Cash management is a vital component of the City's overall financial strategy. Cash temporarily idle during the year was invested in U.S. Treasury Notes, certificates of deposit, pools managed by the State of Ohio and securities issued by governmental agencies, including Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, and Federal Farm Credit Bank. The yields on the portfolio at December 31 ranged from approximately 1.28% to 3.051% and the average for the entire portfolio was 1.81%. Investment income in governmental funds amounted to \$117,419 and \$76,247 in the enterprise funds. All deposits are covered by the federal depository insurance or pooled collateral with a market value equal to at least 105 percent of deposits. Interest earnings are allocated to funds based on the requirements of the Ohio Constitution and State statutes and City ordinances.

The City adopted an Investment Policy as set forth in the Ohio Revised Code that sets guidelines and limits the type of investments the City may utilize and reinforces the State ethics code in investing procedures.

### **Risk Management**

In July 2001, the City established membership in the Central Ohio Risk Management Association (CORMA) Self-Insurance pool for property and liability coverage. Membership in the Pool, which includes other cities, enables the City to have more control over claims and still realize any savings from the insurance pool. The City has purchased general liability insurance through CORMA, which covers up to \$2,000,000 per occurrence and up to \$10,000,000 under the umbrella excess liability protection with a \$100,000 deductible through December 31, 2004. The City also purchases fidelity bond insurance coverage for its employees through CORMA and also has separate bonding requirements for the key employees: Mayor, President ProTempore of Council, Manager, Finance Director, Deputy Finance Director, Tax Department employees, Park Director and Administrative Clerk, Utility Billing Department personnel and Mayor's Court Clerk.

Effective January 1, 2003, the City established membership in the Central Ohio Health Care Consortium (COHCC) Self-Insurance pool for health coverage for City employees which includes major medical, drug, vision, dental and life insurance.

## **Pension And Other Post-Employment Benefits**

All non-uniformed full time (general) City employees participate in a cost sharing multiple employer Ohio Public Employee Retirement System (OPERS). Police officers participate in the Ohio Police and Fire Pension Fund (OP&F). The City provides post retirement health care benefits through the City's pension contributions to OPERS and the OP&F.

Additional information on the City's pension arrangements and post-employment benefits can be found in Notes 11 and 12 in the notes to the financial statements.

## **Awards and Acknowledgments**

GFOA Certificate of Achievement – A Certificate of Achievement for Excellence in Financial Reporting is awarded by the Government Finance Officers Association of the United States and Canada (GFOA). In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report which conforms to program standards. Such a report must satisfy both generally accepted accounting principles and applicable legal requirements.

We believe our report conforms to the Certificate of Achievement Program requirements, and we are submitting it to GFOA for review.

Tree City USA – The City received its eleventh Tree City USA Award for the year ended December 31, 2004. This prestigious award recognized the City for its annual program of planting new trees and maintaining and removing old trees.

The preparation of this comprehensive annual report was made possible by the dedicated service of the executive staff and department heads of the City Manager. I would like to express my appreciation to all staff members who have contributed or assisted in its preparation. I would also to thank the Local Government Services Division of the Auditor of State's Office, whose help made the preparation of this report possible.

Respectfully submitted,

Linda A. Fersch  
Finance Director

Judith A. Gilleland  
City Manager

**City of Pickerington, Ohio  
List of City Officials  
December 31, 2004**

**City Council**

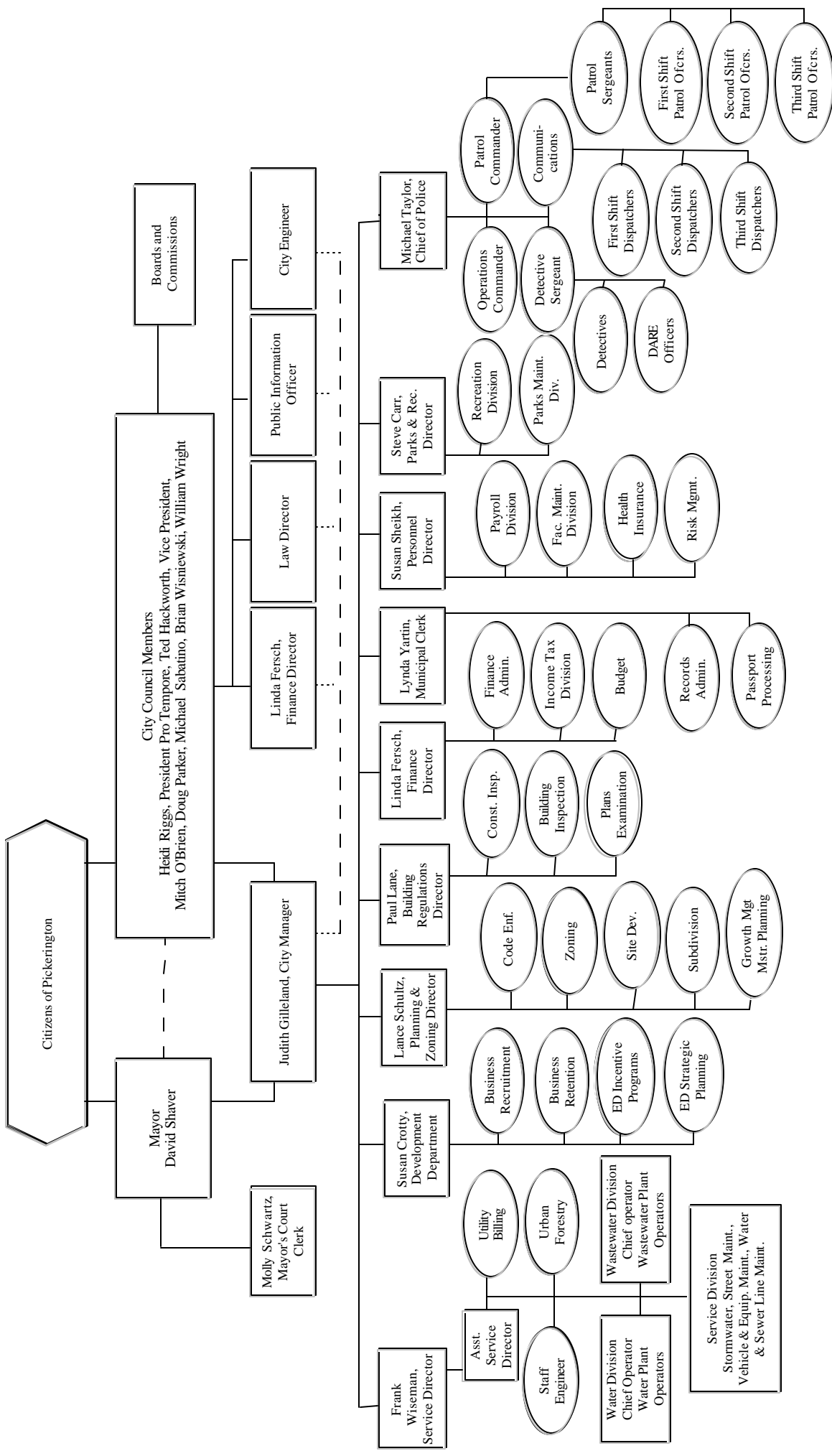
Mayor	David B. Shaver
President Pro Tempore	Heidi F. Riggs
Vice President Pro Tempore	Ted L. Hackworth
Council Member	Mitch W. O'Brien
Council Member	Doug Parker
Council Member	Michael Sabatino
Council Member	Brian Wisniewski
Council Member	William W. Wright

**Appointed Officials**

City Manager	Judith A. Gilleland
Law Director	Robert E. Mapes
Finance Director	Linda A. Fersch
Engineer	Stilson Consulting Group, LLC

**Executive Staff**

Deputy Finance Director	Ann A. Ellis
Development Director	Susan E. Crotty
Income Tax Administrator	Janice M. Eichner
Mayor's Court Clerk	Molly Schwartz
Municipal Clerk	Lynda D. Yartin
Parks and Recreation Director	Stephen A. Carr
Personnel Director	Susan Sheikh
Planning and Zoning Director	Lance A. Schultz
Police Chief	Michael D. Taylor
Service Director	Frank A. Wiseman



*City of Pickerington, Ohio*

**Financial Section**



**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT**

City of Pickerington  
Fairfield County  
100 Lockville Road  
Pickerington, Ohio 43147

To the City Council:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Pickerington, Fairfield County, Ohio (the City), as of and for the year ended December 31, 2004, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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 our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Pickerington, Fairfield County, Ohio, as of December 31, 2004, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the General Fund and Police Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 3, during the year ended December 31, 2004, the City implemented a new financial reporting model, as required by the provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*.

35 N. Fourth St. / Second Floor / Columbus, OH 43215  
Telephone: (614) 466-3402 (800) 443-9275 Fax: (614) 728-7199  
[www.auditor.state.oh.us](http://www.auditor.state.oh.us)

In accordance with *Government Auditing Standards*, we have also issued our report dated August 25, 2005, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information accounting principles generally accepted in the United States of America requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

We conducted our audit to opine on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining nonmajor fund statements and schedules and statistical tables provide additional information and are not a required part of the basic financial statements. We subjected the combining nonmajor fund statements and schedules to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We did not subject the introductory section and statistical tables to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.



**Betty Montgomery**  
Auditor of State

August 25, 2005

**City of Pickerington, Ohio**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended December 31, 2004*  
*Unaudited*

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The discussion and analysis of the City of Pickerington's financial performance provides an overall review of the City's financial activities for the year ended December 31, 2004. 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, the basic financial statements, and the notes to the basic financial statements to enhance their understanding of the City's financial performance.

**Financial Highlights**

Key financial highlights for 2004 are as follows:

- The City's total net assets increased by 12 percent, or \$7,331,443, from the total net assets at the beginning of the year 2004.
- At the end of the current year, the City's governmental activities reported total net assets of \$33,520,056, an increase of \$2,227,801 from the prior year.
- At the end of the current year, unreserved fund balance for the General Fund was \$1,454,927, which represents a 16 percent decrease from the prior year, and represents 43 percent of total General Fund expenditures.
- Capital assets increased \$9,716,549. Capital assets from governmental activities increased \$5,229,169 or 14 percent. Capital assets of business-type activities increased \$4,487,380 or 12 percent.

**Using this Annual Financial Report**

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the City of Pickerington as a financial whole or as an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities and conditions.

The Statement of Net Assets and Statement of Activities provide information about the activities of the whole City, presenting both an aggregate view of the City's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements look at the City's most significant funds with all other nonmajor funds presented in total in one column.

**City of Pickerington, Ohio**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended December 31, 2004*  
*Unaudited*

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***Reporting the City of Pickerington as a Whole***

**Statement of Net Assets and Statement of Activities**

While this document contains information about the funds used by the City to provide services to our citizens, the view of the City as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2004?" The Statement of Net Assets and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the City's net assets and changes in those assets. This change in net assets is important because it tells the reader whether, for the City as a whole, the financial position of the City has improved or diminished. However, in evaluating the overall position of the City, nonfinancial information such as the condition of City capital assets will also need to be evaluated.

In the Statement of Net Assets and the Statement of Activities, the City is divided into two kinds of activities:

Governmental Activities – Most of the City's services are reported here including police, administration, and all departments with the exception of our Water, Sewer, and Stormwater Funds.

Business-Type Activities – Water and sewer services have charges based upon the amount of usage. The City charges fees to recoup the cost of the entire operations of our Water and Sewer Treatment Plants as well as all capital assets associated with the services. The City also charges fees for stormwater services based upon set rates.

***Reporting the City of Pickerington's Most Significant Funds***

***Fund Financial Statements***

The fund financial statements provide more detailed information about the City's most significant funds – not the City as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. Fund financial reports provide detailed information about the City's major funds. Based on the restriction on the use of monies, the City has established many funds that account for the multitude of services provided to its residents. However, these fund financial statements focus on the City's most significant funds. The City's major governmental funds are the General Fund, Police Special Revenue Fund, Debt Service Fund, and the Tax Increment Financing Agreement Windmill/Diley Construction Capital Projects Fund.

**City of Pickerington, Ohio**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended December 31, 2004*  
*Unaudited*

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**Governmental Funds** Governmental Funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on current sources and uses of spendable resources, as well as balances of spendable resources available at the end of the year. Such information may be useful in evaluating the City's near-term financing requirements.

Because the focus of governmental funds is narrower than the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, the reader may better understand the long-term impact of the City's near-term financial decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains a number of individual governmental funds. Information for the major funds, identified earlier, is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures, and changes in fund balances. Data from the other governmental funds are combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report. The individual governmental fund financial statements can be found on pages 75 through 122 of this report.

**Proprietary Funds** The City uses enterprise funds to account for its water, sewer, and stormwater operations. For water and sewer operations, the City charges a fee to customers, based upon the amount of usage, to recover the costs of the services provided, and to cover the capital assets associated with the services. For stormwater operations, the City charges a flat monthly fee.

**Fiduciary Fund** The City accounts for resources held for the benefit of parties outside the government as a fiduciary fund. This fund is not reflected in the government-wide financial statements because the resources of this fund are not available to support the City's own programs. The City uses accrual accounting for fiduciary funds, much like that of the proprietary funds.

**City of Pickerington, Ohio**  
*Management's Discussion and Analysis*  
For the Fiscal Year Ended December 31, 2004  
Unaudited

**The City of Pickerington as a Whole**

Recall that the Statement of Net Assets looks at the City as a whole. Table I provides a summary of the City's net assets for 2004 compared to 2003.

**Table I**  
**Net Assets**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	2004	2003	2004	2003	2004	2003
<b>Assets</b>						
Current and Other Assets	\$7,361,222	\$8,229,430	\$6,507,761	\$6,721,696	\$13,868,983	\$14,951,126
Capital Assets, Net	42,029,588	36,800,419	40,753,728	36,266,348	82,783,316	73,066,767
<i>Total Assets</i>	<u>49,390,810</u>	<u>45,029,849</u>	<u>47,261,489</u>	<u>42,988,044</u>	<u>96,652,299</u>	<u>88,017,893</u>
<b>Liabilities</b>						
Current and Other Liabilities	7,452,290	6,843,703	848,828	256,297	8,301,118	7,100,000
Long-term Liabilities	8,418,464	6,893,891	11,884,392	12,503,220	20,302,856	19,397,111
<i>Total Liabilities</i>	<u>15,870,754</u>	<u>13,737,594</u>	<u>12,733,220</u>	<u>12,759,517</u>	<u>28,603,974</u>	<u>26,497,111</u>
<b>Net Assets</b>						
Invested in Capital Assets, Net of Related Debt	29,828,785	26,727,972	28,356,121	23,094,128	58,184,906	49,822,100
Restricted	5,796,319	2,134,709	0	0	5,796,319	2,134,709
Unrestricted	(2,105,048)	2,429,574	6,172,148	6,330,499	4,067,100	8,760,073
<i>Total Net Assets</i>	<u>\$33,520,056</u>	<u>\$31,292,255</u>	<u>\$34,528,269</u>	<u>\$29,424,627</u>	<u>\$68,048,325</u>	<u>\$60,716,882</u>

Total assets increased \$8,634,406. Current and other assets decreased primarily due to cash and cash equivalents decreasing \$882,511, as governmental activities' capital assets increased \$5,229,169 and capital assets for the business-type activities increased \$4,487,380.

The increase in capital assets for governmental activities is due to capital contributions from developers for roads in the amount of \$2,499,860 and current year capital acquisitions for the Diley Road/ State Route 256 widening project. The increase in capital assets for business-type activities is due to capital contributions from developers for water, sewer, and stormwater lines in the amount of \$4,871,918. Capital asset increases are offset by depreciation on depreciable capital assets.

Net assets of the City's governmental activities increased \$2,227,801. The majority of this increase can be attributed to current year capital acquisitions and capital contributions.

Total governmental activities liabilities increased \$2,133,160. Current liabilities increased \$608,587. This increase is mainly due to an increase in contracts payable in the amount of \$216,108 and an increase in notes payable for \$117,500. During 2004, the City issued \$2,000,000 in revenue anticipation notes for the Windmill/ Diley Road widening project. Long-term liabilities increased \$1,524,573 due to the City issuing \$1,550,000 in Street Improvement general obligation bonds for the purpose of improving Courtright and Diley Roads, realigning East Street, and constructing sidewalks, curbs, and gutters on Refugee and Hill Roads.

**City of Pickerington, Ohio**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended December 31, 2004*  
*Unaudited*

The net assets of the City's business-type activities increased \$5,103,642, with capital assets representing \$4,487,380 of the increase. The City continues to invest heavily in their water and sewer treatment plant facilities. In 2001, the City began the Diley Road water plant expansion which was completed by the end of 2003. Total amounts expended on this expansion were \$4,288,185.

Table 2 shows the changes in net assets for 2004. Since this is the first year that the City has prepared financial statements following GASB Statement No. 34, revenue and expense comparisons to 2003 are not available. In future years, when prior year information is available, a comparative analysis of government-wide data will be presented.

**Changes in Net Assets**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
	2004	2004
<b>Revenues</b>		
Program Revenues		
Charges for Services	\$1,373,241	\$2,179,476
Operating Grants and Contributions	534,987	0
Capital Grants and Contributions	2,529,860	6,862,557
<i>Total Program Revenues</i>	<u>4,438,088</u>	<u>9,042,033</u>
General Revenue		
Property and Other Taxes	1,718,886	0
Income Taxes	3,372,437	0
Franchise Fees	17,365	0
Grants and Entitlements	641,415	0
Investment Earnings	140,672	76,247
Payment in Lieu of Taxes	437,296	0
Miscellaneous	210,754	40,762
Total General Revenues	<u>6,538,825</u>	<u>117,009</u>
Total Revenues	<u>10,976,913</u>	<u>9,159,042</u>
<b>Program Expenses</b>		
General Government	1,902,593	0
Security of Persons and Property	2,956,311	0
Transportation	1,506,242	0
Leisure Time Activities	767,388	0
Public Health Services	103,208	0
Community Environment	1,210,341	0
Interest and Fiscal Charges	265,189	0
Water	0	1,744,618
Sewer	0	1,922,633
Stormwater	0	425,989
<i>Total Program Expenses</i>	<u>8,711,272</u>	<u>4,093,240</u>
Increase before transfers	2,265,641	5,065,802
Transfers	(37,840)	37,840
<i>Change in Net Assets</i>	<u>2,227,801</u>	<u>5,103,642</u>
Net Assets Beginning of Year	31,292,255	29,424,627
<i>Net Assets End of Year</i>	<u>\$33,520,056</u>	<u>\$34,528,269</u>

**City of Pickerington, Ohio**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended December 31, 2004*  
*Unaudited*

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***Governmental Activities***

Grants and contributions accounted for 28 percent of total governmental revenues. Of the 28 percent, operating grants and contributions accounted for 5 percent while capital grants and contributions accounted for 23 percent. Capital grants and contributions consist of \$2,499,860 in capital contributions from developers and \$30,000 in Community Development Block Grant monies.

Tax revenue provided 46 percent of total governmental revenues. Of the 46 percent, 31 percent was generated from income taxes and 15 percent was generated from property and other local taxes. These revenue sources comprise the largest components of City revenues. Income taxes, property and other taxes, and grants and contributions combined together, provided 74 percent of the City's total governmental revenues.

The City received \$1,373,241, or 12 percent, of total governmental revenues, in charges for services. These direct charges to citizens include recreation fees, court fines and forfeitures, police security services, and licenses and permits.

The City's security of persons and property activities accounted for \$2,956,311, or 34 percent, of total expenses. General government activities utilized \$1,902,593, or 22 percent, of total expenses.

The following table presents the total expenses and net cost of each of the City's governmental program activities. The net cost (total program activity expenses less revenues generated by the program) represents the financial burden that was placed on the City's taxpayers by each of these program activities. Costs not covered by program revenues are essentially funded with the City's general revenues, which are primarily composed of income taxes, property taxes, payment in lieu of taxes, intergovernmental revenues, and unrestricted interest earnings. The net cost of the governmental activities was \$4,273,184.

**Table 3**  
**Program Expenses and Net Costs of Governmental Activities, by Program**  
**For the Year Ended December 31, 2004**

	Program Activity Expenses	Net Cost (Gain) of Program Activity	Net Cost (Gain) as Percentage of Total Expenses	
			Program Activity	All Program Activities
General Government	\$1,902,593	\$1,881,277	98.9%	21.6%
Security of Persons and Property	2,956,311	2,649,826	89.6%	30.4%
Transportation	1,506,242	(1,715,890)	-113.9%	-19.7%
Leisure Time Activities	767,388	586,579	76.4%	6.7%
Public Health Services	103,208	103,208	100.0%	1.2%
Community Environment	1,210,341	502,995	41.6%	5.8%
Interest and Fiscal Charges	265,189	265,189	100.0%	3.0%
<b>Totals</b>	<b>\$8,711,272</b>	<b>\$4,273,184</b>		<b>49.1%</b>

**City of Pickerington, Ohio**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended December 31, 2004*  
*Unaudited*

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***Business-Type Activities***

The City's business-type activities are for water, sewer, and stormwater services. During 2004, program revenues exceeded expenses by \$4,948,793.

The minimum water rate is \$2.13 per each thousand gallons of water used up to a maximum of 12,000 gallons plus a \$4.00 per month surcharge. A water fee of \$3.27 is assessed for each thousand gallons used in excess of 12,000 gallons per month. Sewer fees are calculated on the amount of water used. The minimum sewer rate is \$12.87 per month up to 3,000 gallons of water. A sewer fee of \$4.29 is assessed for each thousand gallons of water used in excess of 3,000 per month. Stormwater fees are assessed at a flat rate of a \$1.50 per month.

**The City's Funds**

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds – The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in accessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the City's net resources available for spending at the end of the year.

***General Fund***

The General Fund is the primary operating fund of the City. At the end of 2004, unreserved fund balance was \$1,454,927, while total fund balance was \$1,518,089. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance, to total expenditures. Unreserved fund balance represents 43 percent to total General Fund expenditures, while total fund balance represents 45 percent of General Fund expenditures.

The fund balance of the City's General Fund decreased by \$237,120 during the current fiscal year. The key factor in this decrease is a decline in licenses and permits revenue.

***Other Major Governmental Funds***

***Police Fund***

The fund balance of the Police Fund at December 31, 2004 is \$238,890, a decrease of \$47,937 from the prior year. The decrease in fund balance is due mainly to an increase in property taxes which are offset by an increase in expenditures related to accrued wages and intergovernmental payables.

***Debt Service Fund***

The fund balance of the Debt Service Fund at December 31, 2004 is \$71,926, a decrease of \$14,700 from the prior year due to issuance costs in the amount of \$26,380 for the street improvement general obligation bonds.

**City of Pickerington, Ohio**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended December 31, 2004*  
*Unaudited*

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***Tax Increment Financing Agreement Windmill/ Diley Construction Fund***

The fund balance of the Tax Increment Financing Agreement Windmill/ Diley Construction Fund at December 31, 2004 is (\$2,013,420), a decrease of \$1,789,895 from the prior year. The decrease in fund balance is due the issuance of \$2,000,000 in revenue anticipation notes during 2004.

***Proprietary Funds***

The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The City's major proprietary funds are the Water Fund, the Sewer Fund, and the Stormwater Fund. The Water Fund's net assets increased \$2,028,467, the Sewer Fund's net assets increased \$1,325,384, and the Stormwater Fund's net assets increased \$1,749,791. These increases can be primarily attributed to capital contributions for water, sewer and stormwater lines from developers. The increases in net assets for enterprise funds are offset by an overall operating loss of \$1,492,491.

**General Fund Budgetary Highlights**

The City made numerous revisions to the original appropriations approved by City Council. Overall, these changes resulted in an increase from the original budget of \$379,480. Appropriations were increased for the following functions: general government by \$283,833, security of persons and property by \$10,471, public health services by \$11,300, community environment by \$95,885, with corresponding appropriation offsets for leisure time activities in the amount of \$22,000 and miscellaneous in the amount of \$9. Actual expenditures were less than the final budgeted expenditures by \$808,555. The City's actual revenues were more than the final budgeted revenues by \$16,233.

Because of these factors, the City's economic condition in the General Fund based on actual results (on budgetary basis) at December 31, 2004, the fund balance is \$373,599 better than initially projected in the original budget.

**City of Pickerington, Ohio**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended December 31, 2004*  
*Unaudited*

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**Capital Assets and Debt Administration**

*Capital Assets*

At the end of fiscal year 2004, the City had \$82,783,316 invested in capital assets, net of accumulated depreciation. Table 4 shows fiscal year 2004 balances compared to 2003.

**Table 4**  
**Capital Assets at December 31, 2004 with comparative as of December 31, 2003**  
**(Net of Depreciation)**

	<u>Government Activities</u>		<u>Business-Type Activities</u>		<u>Totals</u>	
	2004	2003	2004	2003	2004	2003
Land	\$2,754,816	\$2,718,976	\$831,267	\$796,857	\$3,586,083	\$3,515,833
Construction in Progress	5,177,743	2,149,927	966,722	712,276	6,144,465	2,862,203
Land Improvements	686,238	745,418	23,134	5,045	709,372	750,463
Buildings	3,893,986	3,870,763	8,738,996	8,851,789	12,632,982	12,722,552
Equipment	673,927	767,269	3,161,265	3,324,579	3,835,192	4,091,848
Infrastructure	28,538,555	26,213,765	26,947,599	22,465,830	55,486,154	48,679,595
Vehicles	304,323	334,301	84,745	109,972	389,068	444,273
<b>Totals</b>	<u>\$42,029,588</u>	<u>\$36,800,419</u>	<u>\$40,753,728</u>	<u>\$36,266,348</u>	<u>\$82,783,316</u>	<u>\$73,066,767</u>

For additional information on capital assets, see Note 10 to the basic financial statements.

The total increase in the City's capital assets, net of accumulated depreciation, for the current year was \$9,716,549 or 13 percent. As further detailed in Note 18 of the notes to the basic financial statements, the City had \$5,389,698 in major construction commitments. During 2004, the City had \$7,371,778 in capital contributions from developers, \$2,499,860 in governmental capital contributions and \$4,871,918 in business-type capital contributions.

**City of Pickerington, Ohio**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended December 31, 2004*  
*Unaudited*

**Debt**

As of December 31, 2004 and December 31, 2003, the City had total long-term debt of \$19,848,538 and \$18,995,961, respectively, as follows:

**Table 5**  
**Outstanding Debt**  
**As of December 31, 2004, with comparative for December 31, 2003**

	Governmental Activities		Business-Type Activities		Totals	
	2004	2003	2004	2003	2004	2003
General Obligation Bonds	\$1,568,356	\$0	\$5,089,460	\$5,375,106	\$6,657,816	\$5,375,106
Bond Anticipation Notes	2,170,000	2,256,000	2,780,000	2,975,000	4,950,000	5,231,000
Revenue Notes	0	0	2,847,244	3,042,244	2,847,244	3,042,244
Long-Term Loans	169,000	0	0	0	169,000	0
Issue Two Notes	0	0	56,715	69,319	56,715	69,319
OWDA Loans	0	0	933,859	978,894	933,859	978,894
Capital Leases	4,120,449	4,288,213	113,455	11,185	4,233,904	4,299,398
<b>Totals</b>	<b>\$8,027,805</b>	<b>\$6,544,213</b>	<b>\$11,820,733</b>	<b>\$12,451,748</b>	<b>\$19,848,538</b>	<b>\$18,995,961</b>

During 2004, the City issued \$7,797,244 and paid off \$8,273,244 in bond anticipation and revenue notes, issued \$1,550,000 and paid down \$310,000 in general obligation bonds, and incurred \$169,000 in long-term loans. Issue Two Notes and OWDA Loans decreased \$12,604 and \$45,035, respectively. Capital lease balances decreased \$65,494.

The City's overall legal debt margin was \$19,626,425 at December 31, 2004. For additional information on debt, see Note 16 to the basic financial statements.

**Economic Factors**

- The City's income tax rate of 1 percent with a ½ percent credit for tax paid to other municipalities has not increased since the inception in 1976, but revenues have continued to increase each year even in times of economic downturn. This is due not only to the influx of residential and commercial development, but mandatory filing and a diligent delinquency program for strict compliance.
- The City has its own certified building department rather than having the State of Ohio conduct commercial inspections. The City's construction division, established under the building department, inspects infrastructure from new developments and the City collects charges from developers for these inspections.
- A contractor registration program was instituted in 1996 that requires all general contractors and individual trades performing work in the City to register with the City. This requirement helps as a control for income tax revenues.
- A hotel/ motel tax of 3 percent was instituted in 1995, which has generated approximately \$90,000 in revenues to the General Fund.

**City of Pickerington, Ohio**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended December 31, 2004*  
*Unaudited*

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- Monies are collected from developers for turn-lanes, traffic lights, detention pond maintenance, and tree planting in subdivisions.
- Right-of-way fees were instituted in 2002 as a charge for the utility companies who use the City right-of-way for their service lines.
- Capacity fee charges for water, sewer, and stormwater increase an automatic 3 percent each year.

**Requests for Information**

This financial report is designed to provide the City's citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have any questions about this report, please contact the City of Pickerington's Office by calling (614) 837-3974 or by writing the City Finance Director at 100 Lockville Road, Pickerington, Ohio 43147.

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**City of Pickerington, Ohio**

Statement of Net Assets

December 31, 2004

	Governmental Activities	Business - Type Activities	Total
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$3,994,232	\$6,138,810	\$10,133,042
Accounts Receivable	19,969	217,938	237,907
Permissive Motor Vehicle Registration Fees Receivable	6,736	0	6,736
Accrued Interest Receivable	51,346	30,540	81,886
Intergovernmental Receivable	563,652	0	563,652
Income Taxes Receivable	384,984	0	384,984
Materials and Supplies Inventory	47,370	53,318	100,688
Prepaid Items	49,424	8,481	57,905
Property and Other Taxes Receivable	1,861,550	0	1,861,550
Payments in Lieu of Taxes Receivable	354,653	0	354,653
Loans Receivable	1,611	0	1,611
Deferred Charges	25,695	58,674	84,369
Non-Depreciable Capital Assets	7,932,559	1,797,989	9,730,548
Depreciable Capital Assets, Net	34,097,029	38,955,739	73,052,768
<i>Total Assets</i>	<u>49,390,810</u>	<u>47,261,489</u>	<u>96,652,299</u>
<b>Liabilities</b>			
Accrued Wages and Benefits	134,039	20,872	154,911
Matured Capital Leases Payable	411	0	411
Matured Interest Payable	38	0	38
Intergovernmental Payable	111,538	18,138	129,676
Accounts Payable	215,264	52,883	268,147
Contracts Payable	321,833	0	321,833
Retainage Payable	75,000	0	75,000
Accrued Interest Payable	84,667	102,935	187,602
Deferred Revenue	1,795,000	0	1,795,000
Notes Payable	4,714,500	650,000	5,364,500
Customer Deposits Payable	0	4,000	4,000
Long-Term Liabilities:			
Due Within One Year	384,133	435,882	820,015
Due In More Than One Year	8,034,331	11,448,510	19,482,841
<i>Total Liabilities</i>	<u>15,870,754</u>	<u>12,733,220</u>	<u>28,603,974</u>
<b>Net Assets</b>			
Invested in Capital Assets, Net of Related Debt	29,828,785	28,356,121	58,184,906
Restricted for:			
Capital Projects	4,820,921	0	4,820,921
Debt Service	19,130	0	19,130
Other Purposes	956,268	0	956,268
Unrestricted (Deficit)	<u>(2,105,048)</u>	<u>6,172,148</u>	<u>4,067,100</u>
<i>Total Net Assets</i>	<u>\$33,520,056</u>	<u>\$34,528,269</u>	<u>\$68,048,325</u>

See accompanying notes to the basic financial statements

**City of Pickerington, Ohio**  
Statement of Activities  
For the Year Ended December 31, 2004

	Program Revenues			
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities:</b>				
General Government	\$1,902,593	\$21,316	\$0	\$0
Security of Persons and Property	2,956,311	243,042	78,314	0
Transportation	1,506,242	128,803	450,349	2,499,860
Leisure Time Activities	767,388	278,187	5,871	0
Public Health	103,208	0	0	0
Community Environment	1,210,341	701,893	453	30,000
Interest and Fiscal Charges	265,189	0	0	0
<i>Total Governmental Activities</i>	<u>8,711,272</u>	<u>1,373,241</u>	<u>534,987</u>	<u>2,529,860</u>
<b>Business-Type Activities:</b>				
Water	1,744,618	781,141	0	2,908,350
Sewer	1,922,633	1,322,484	0	1,856,495
Stormwater	425,989	75,851	0	2,097,712
<i>Total Business-Type Activities</i>	<u>4,093,240</u>	<u>2,179,476</u>	<u>0</u>	<u>6,862,557</u>
<i>Total</i>	<u>\$12,804,512</u>	<u>\$3,552,717</u>	<u>\$534,987</u>	<u>\$9,392,417</u>

**General Revenues**

Property and Other Taxes Levied for General Purposes  
Property Taxes Levied for Security of Persons and Property  
Income Taxes Levied for General Purposes  
Franchise Fees  
Grants and Entitlements not Restricted to Specific Programs  
Investment Earnings  
Payments in Lieu of Taxes  
Miscellaneous  
*Total General Revenues*

Transfers

*Total General Revenues and Transfers*

*Change in Net Assets*

Net Assets Beginning of Year - See Note 3

*Net Assets End of Year*

See accompanying notes to the basic financial statements

Net (Expense) Revenue and  
Change in Net Assets

Governmental Activities	Business - Type Activities	Total
(\$1,881,277)	\$0	(\$1,881,277)
(2,634,955)	0	(2,634,955)
1,572,770	0	1,572,770
(483,330)	0	(483,330)
(103,208)	0	(103,208)
(477,995)	0	(477,995)
(265,189)	0	(265,189)
<u>(4,273,184)</u>	<u>0</u>	<u>(4,273,184)</u>
0	1,944,873	1,944,873
0	1,256,346	1,256,346
0	1,747,574	1,747,574
<u>0</u>	<u>4,948,793</u>	<u>4,948,793</u>
<u>(4,273,184)</u>	<u>4,948,793</u>	<u>675,609</u>
640,080	0	640,080
1,078,806	0	1,078,806
3,372,437	0	3,372,437
17,365	0	17,365
641,415	0	641,415
140,672	76,247	216,919
437,296	0	437,296
210,754	40,762	251,516
<u>6,538,825</u>	<u>117,009</u>	<u>6,655,834</u>
<u>(37,840)</u>	<u>37,840</u>	<u>0</u>
<u>6,500,985</u>	<u>154,849</u>	<u>6,655,834</u>
2,227,801	5,103,642	7,331,443
<u>31,292,255</u>	<u>29,424,627</u>	<u>60,716,882</u>
<u>\$33,520,056</u>	<u>\$34,528,269</u>	<u>\$68,048,325</u>

**City of Pickerington, Ohio**

Balance Sheet  
Governmental Funds  
December 31, 2004

	General	Police	Debt Service	Tax Increment Financing Agreement Windmill/ Diley Construction	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>						
Equity in Pooled Cash and Cash Equivalents	\$1,245,071	\$368,297	\$71,926	\$623,972	\$1,664,774	\$3,974,040
Receivables:						
Permissive Motor Vehicle Registration Fees	0	0	0	0	6,736	6,736
Property and Other Taxes	668,503	1,193,047	0	0	0	1,861,550
Income Taxes	384,984	0	0	0	0	384,984
Payments in Lieu of Taxes	0	0	0	87,956	266,697	354,653
Accounts	19,121	0	0	0	848	19,969
Accrued Interest	48,773	0	0	0	2,573	51,346
Loans	0	0	0	0	1,611	1,611
Intergovernmental	234,168	69,396	0	4,414	255,674	563,652
Materials and Supplies Inventory	10,104	4,631	0	0	34,689	49,424
Prepaid Items	17,346	15,745	0	0	14,279	47,370
<i>Total Assets</i>	<u>\$2,628,070</u>	<u>\$1,651,116</u>	<u>\$71,926</u>	<u>\$716,342</u>	<u>\$2,247,881</u>	<u>\$7,315,335</u>
<b>Liabilities and Fund Balances</b>						
<b>Liabilities</b>						
Accounts Payable	\$79,366	\$5,066	\$0	\$4,337	\$122,042	\$210,811
Contracts Payable	0	0	0	276,431	45,402	321,833
Accrued Wages and Benefits	52,979	64,302	0	0	16,758	134,039
Retainage Payable	0	0	0	75,000	0	75,000
Intergovernmental Payable	20,347	84,811	0	0	6,091	111,249
Deferred Revenue	957,289	1,258,047	0	92,370	457,412	2,765,118
Matured Interest Payable	0	0	0	0	38	38
Capital Leases Payable	0	0	0	0	411	411
Accrued Interest Payable	0	0	0	31,624	18,603	50,227
Notes Payable	0	0	0	2,250,000	2,464,500	4,714,500
<i>Total Liabilities</i>	<u>1,109,981</u>	<u>1,412,226</u>	<u>0</u>	<u>2,729,762</u>	<u>3,131,257</u>	<u>8,383,226</u>
<b>Fund Balances</b>						
Reserved for Encumbrances	60,024	106,061	0	203,951	309,514	679,550
Reserved for Unclaimed Monies	3,138	0	0	0	0	3,138
Reserved for Loans Receivable	0	0	0	0	509	509
Unreserved (Deficit):						
Undesignated, Reported in:						
General Fund	1,454,927	0	0	0	0	1,454,927
Special Revenue Funds	0	132,829	0	0	664,733	797,562
Debt Service Funds	0	0	71,926	0	0	71,926
Capital Projects Funds	0	0	0	(2,217,371)	(1,858,132)	(4,075,503)
<i>Total Fund Balances (Deficits)</i>	<u>1,518,089</u>	<u>238,890</u>	<u>71,926</u>	<u>(2,013,420)</u>	<u>(883,376)</u>	<u>(1,067,891)</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$2,628,070</u>	<u>\$1,651,116</u>	<u>\$71,926</u>	<u>\$716,342</u>	<u>\$2,247,881</u>	<u>\$7,315,335</u>

See accompanying notes to the basic financial statements

**City of Pickerington, Ohio**  
 Reconciliation of Total Governmental Fund Balances to  
 Net Assets of Governmental Activities  
 December 31, 2004

**Total Governmental Fund Balances** (\$1,067,891)

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

Capital Assets used in governmental activities are not  
 financial resources and therefore are not reported in the funds. 42,029,588

Other long-term assets are not available to pay for current-period  
 expenditures and therefore are deferred in the funds:

Property Taxes	59,448	
Income Taxes	102,165	
Payment in Lieu of Taxes	373,884	
Intergovernmental	387,822	
Interest	46,799	
Total		970,118

An internal service fund is used by management to charge the costs  
 of vehicle maintenance to individual funds. The assets and liabilities of the  
 internal service fund are included in governmental activities in the  
 statement of net assets. 15,450

Unamortized issuance costs are reported as deferred charges on the Statement  
 of Net Assets but as an expenditure on the fund financial statements which do not  
 provide current financial resources and, therefore, are not reported in the funds. 25,695

Long-term liabilities and accrued interest are not due and payable  
 in the current period and therefore are not reported in the funds:

General Obligation Bonds	(1,568,356)	
Compensated Absences	(390,659)	
Accrued Interest Payable	(34,440)	
Long - Term Loan Payable	(169,000)	
Long-Term Notes Payable	(2,170,000)	
Capital Leases	(4,120,449)	
Total		(8,452,904)

**Net Assets of Governmental Activities** \$33,520,056

See accompanying notes to the basic financial statements

**City of Pickerington, Ohio**  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
For the Year Ended December 31, 2004

	General	Police	Debt Service	Tax Increment Financing Agreement Windmillier/ Diley Construction	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>						
Property and Other Taxes	\$635,579	\$1,073,566	\$0	\$0	\$0	\$1,709,145
Permissive Motor Vehicle Registration Fees	0	0	0	0	128,803	128,803
Municipal Income Taxes	3,336,898	0	0	0	0	3,336,898
Charges for Services	231,616	145,499	0	0	128,013	505,128
Licenses and Permits	482,840	0	0	0	142,737	625,577
Fines and Forfeitures	96,090	0	0	0	10,206	106,296
Intergovernmental	536,418	165,777	38	11,200	452,458	1,165,891
Interest	72,677	0	10,182	13,004	21,556	117,419
Payments in Lieu of Taxes	0	0	272	100,799	247,288	348,359
Rent	0	0	0	0	7,437	7,437
Contributions and Donations	0	1,385	0	0	5,871	7,256
Other	161,132	58,945	26	0	18,448	238,551
<i>Total Revenues</i>	<u>5,553,250</u>	<u>1,445,172</u>	<u>10,518</u>	<u>125,003</u>	<u>1,162,817</u>	<u>8,296,760</u>
<b>Expenditures</b>						
Current:						
General Government	1,967,024	0	0	0	7,950	1,974,974
Security of Persons and Property	60,262	2,762,109	0	0	3,935	2,826,306
Transportation	0	0	0	0	554,026	554,026
Leisure Time Activities	14,167	0	0	0	702,289	716,456
Public Health Services	103,208	0	0	0	0	103,208
Community Environment	1,210,341	0	0	0	0	1,210,341
Capital Outlay	0	0	0	1,878,739	1,871,554	3,750,293
Debt Service:						
Principal Retirement	12,990	0	2,380,000	0	30,774	2,423,764
Interest and Fiscal Charges	774	0	149,472	36,159	69,307	255,712
Issuance Costs	0	0	26,380	0	0	26,380
<i>Total Expenditures</i>	<u>3,368,766</u>	<u>2,762,109</u>	<u>2,555,852</u>	<u>1,914,898</u>	<u>3,239,835</u>	<u>13,841,460</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>2,184,484</u>	<u>(1,316,937)</u>	<u>(2,545,334)</u>	<u>(1,789,895)</u>	<u>(2,077,018)</u>	<u>(5,544,700)</u>
<b>Other Financing Sources (Uses):</b>						
Premium on Bond Issuance	0	0	18,845	0	0	18,845
General Obligation Bonds Issued	0	0	0	0	1,550,000	1,550,000
Notes Issued	0	0	2,170,000	0	0	2,170,000
Loans Issued	0	0	0	0	169,000	169,000
Transfers In	0	1,269,000	341,789	0	772,975	2,383,764
Transfers Out	(2,421,604)	0	0	0	0	(2,421,604)
<i>Total Other Financing Sources (Uses)</i>	<u>(2,421,604)</u>	<u>1,269,000</u>	<u>2,530,634</u>	<u>0</u>	<u>2,491,975</u>	<u>3,870,005</u>
<i>Net Change in Fund Balances</i>	<u>(237,120)</u>	<u>(47,937)</u>	<u>(14,700)</u>	<u>(1,789,895)</u>	<u>414,957</u>	<u>(1,674,695)</u>
Fund Balances (Deficits) at Beginning of Year - Restated (See Note 3)	<u>1,755,209</u>	<u>286,827</u>	<u>86,626</u>	<u>(223,525)</u>	<u>(1,298,333)</u>	<u>606,804</u>
<i>Fund Balances (Deficits) End of Year</i>	<u>\$1,518,089</u>	<u>\$238,890</u>	<u>\$71,926</u>	<u>(\$2,013,420)</u>	<u>(\$883,376)</u>	<u>(\$1,067,891)</u>

See accompanying notes to the basic financial statements

**City of Pickerington, 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, 2004

**Net Change in Fund Balances - Total Governmental Funds** (\$1,674,695)

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

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

Capital Asset Additions	4,325,189	
Capital Contributions from Developers	2,499,860	
Depreciation Expense	(1,552,162)	5,272,887

Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. (43,718)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:

Property Taxes	9,741	
Income Taxes	35,539	
Payment in Lieu of Taxes	88,937	
Intergovernmental	33,255	
Interest	23,253	
Other	(11,268)	179,457

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

Long-Term Bond Anticipation Notes	2,256,000	
Capital Leases	167,764	2,423,764

Interest is reported as an expenditure when due in the governmental funds, but is accrued on outstanding debt on the statement of activities. Premiums are reported as revenues when the debt is first issued; however, these amounts are deferred and amortized on the statement of activities:

Accrued Interest Payable	(9,281)	
Amortization of Issuance Costs	(685)	
Amortization on Premium of General Obligation Bonds	489	(9,477)

Long-term debt proceeds are other financing sources in the governmental funds, but the issuance increases the long-term liabilities on the statement of activities. Governmental funds report the effect of premiums when the debt is first issued; however, premiums are deferred and amortized on the statement of activities:

General Obligation Bonds	(1,550,000)	
Long-Term Bond Anticipation Notes	(2,170,000)	
Long-Term Loan	(169,000)	
Bond Premium	(18,845)	(3,907,845)

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 governmental funds:

Compensated Absences Payable	(40,981)	(40,981)

Issuance costs are reported as an expenditure when paid in the governmental funds, but are deferred on the statement of net assets 26,380

The internal service fund used by management to charge the costs of vehicle maintenance to individual funds is not reported in the entity-wide statement of activities. Governmental expenditures and related internal service fund revenues are eliminated. The change for governmental funds is reported for the year.

		2,029
<i>Change in Net Assets of Governmental Activities</i>		<u><u>\$2,227,801</u></u>

**City of Pickerington, Ohio**  
Statement of Revenues, Expenditures, and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
General Fund  
For the Year Ended December 31, 2004

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Property and Other Taxes	\$625,700	\$625,700	\$637,166	\$11,466
Municipal Income Taxes	3,275,100	3,276,600	3,298,540	21,940
Charges for Services	301,325	302,000	252,016	(49,984)
Licenses and Permits	623,750	601,300	586,270	(15,030)
Fines and Forfeitures	94,200	93,000	95,356	2,356
Intergovernmental	431,445	432,845	482,928	50,083
Interest	89,000	89,125	79,318	(9,807)
Other	119,425	139,375	144,584	5,209
<i>Total Revenues</i>	<u>5,559,945</u>	<u>5,559,945</u>	<u>5,576,178</u>	<u>16,233</u>
<b>Expenditures</b>				
Current:				
General Government	1,801,231	2,083,864	1,995,646	88,218
Security of Persons and Property	56,600	67,071	65,285	1,786
Leisure Time Activities	36,200	14,200	14,167	33
Public Health Services	106,504	117,804	103,208	14,596
Community Environment	1,847,220	1,943,105	1,244,832	698,273
Other	51,158	52,349	46,700	5,649
<i>Total Expenditures</i>	<u>3,898,913</u>	<u>4,278,393</u>	<u>3,469,838</u>	<u>808,555</u>
<i>Excess of Revenues Over Expenditures</i>	<u>1,661,032</u>	<u>1,281,552</u>	<u>2,106,340</u>	<u>824,788</u>
<b>Other Financing Source (Use)</b>				
Proceeds from the Sale of Capital Assets	60,000	60,000	0	(60,000)
Transfers Out	(2,409,895)	(2,584,031)	(2,421,604)	162,427
<i>Total Other Financing Sources (Uses)</i>	<u>(2,349,895)</u>	<u>(2,524,031)</u>	<u>(2,421,604)</u>	<u>102,427</u>
<i>Net Change in Fund Balance</i>	(688,863)	(1,242,479)	(315,264)	927,215
Fund Balance at Beginning of Year	1,368,405	1,368,405	1,368,405	0
Prior Year Encumbrances Appropriated	84,444	84,444	84,444	0
<i>Fund Balance at End of Year</i>	<u>\$763,986</u>	<u>\$210,370</u>	<u>\$1,137,585</u>	<u>\$927,215</u>

See accompanying notes to the basic financial statements

**City of Pickerington, Ohio**  
Statement of Revenues, Expenditures, and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Police Fund  
For the Year Ended December 31, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Property and Other Taxes	\$1,025,000	\$1,025,000	\$1,073,566	\$48,566
Charges for Services	153,108	153,108	145,499	(7,609)
Intergovernmental	159,000	185,000	190,407	5,407
Contributions and Donations	1,000	1,000	1,385	385
Other	16,100	40,100	59,347	19,247
<i>Total Revenues</i>	<u>1,354,208</u>	<u>1,404,208</u>	<u>1,470,204</u>	<u>65,996</u>
<b>Expenditures</b>				
Current:				
Security of Persons and Property	<u>2,778,956</u>	<u>2,904,553</u>	<u>2,803,967</u>	<u>100,586</u>
<i>Excess of Revenues Under Expenditures</i>	(1,424,748)	(1,500,345)	(1,333,763)	166,582
<b>Other Financing Source</b>				
Transfers In	<u>1,408,400</u>	<u>1,358,400</u>	<u>1,269,000</u>	<u>(89,400)</u>
<i>Net Change in Fund Balance</i>	(16,348)	(141,945)	(64,763)	77,182
Fund Balance at Beginning of Year	241,836	241,836	241,836	0
Prior Year Encumbrances Appropriated	<u>80,097</u>	<u>80,097</u>	<u>80,097</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$305,585</u>	<u>\$179,988</u>	<u>\$257,170</u>	<u>\$77,182</u>

See accompanying notes to the basic financial statements

**City of Pickerington, Ohio**  
Statement of Fund Net Assets  
Proprietary Funds  
December 31, 2004

	Business - Type Activities - Enterprise Funds				Governmental Activities- Internal Service Fund
	Water	Sewer	Stormwater	Totals	
<b>Assets:</b>					
Current Assets:					
Equity in Pooled Cash and Cash Equivalents	\$3,149,477	\$2,520,238	\$465,095	\$6,134,810	\$20,192
Accounts Receivable	93,372	108,951	15,615	217,938	0
Accrued Interest Receivable	20,634	9,906	0	30,540	0
Materials and Supplies Inventory	7,027	1,454	0	8,481	0
Prepaid Items	22,322	30,996	0	53,318	0
<i>Total Current Assets</i>	<u>3,292,832</u>	<u>2,671,545</u>	<u>480,710</u>	<u>6,445,087</u>	<u>20,192</u>
Noncurrent Assets:					
Deferred Charges	22,181	36,493	0	58,674	0
Restricted Assets:					
Equity in Pooled Cash and Cash Equivalents	2,000	2,000	0	4,000	0
Non-Depreciable Capital Assets	775,435	985,661	36,893	1,797,989	0
Depreciable Capital Assets, net	16,077,336	16,534,164	6,344,239	38,955,739	0
<i>Total Noncurrent Assets</i>	<u>16,876,952</u>	<u>17,558,318</u>	<u>6,381,132</u>	<u>40,816,402</u>	<u>0</u>
<i>Total Assets</i>	<u>20,169,784</u>	<u>20,229,863</u>	<u>6,861,842</u>	<u>47,261,489</u>	<u>20,192</u>
<b>Liabilities:</b>					
Current Liabilities:					
Accrued Wages and Benefits	\$12,888	\$7,984	\$0	\$20,872	\$0
Intergovernmental Payable	4,911	8,962	4,265	18,138	289
Accounts Payable	15,484	25,170	12,229	52,883	4,453
Accrued Interest Payable	34,402	67,416	1,117	102,935	0
Notes Payable	450,000	200,000	0	650,000	0
Current Portion of:					
Issue II Payable	12,604	0	0	12,604	0
Compensated Absences Payable	20,529	9,368	0	29,897	0
General Obligation Bonds Payable	95,000	230,000	0	325,000	0
Capital Leases Payable	0	0	20,968	20,968	0
OWDA Loans Payable	0	47,413	0	47,413	0
<i>Total Current Liabilities</i>	<u>645,818</u>	<u>596,313</u>	<u>38,579</u>	<u>1,280,710</u>	<u>4,742</u>
Noncurrent Liabilities Payable from Restricted Assets:					
Customer Deposits Payable	2,000	2,000	0	4,000	0
Long-Term Liabilities (Net of Current Portion):					
Issue II Payable	44,111	0	0	44,111	0
Compensated Absences Payable	23,670	10,092	0	33,762	0
Notes Payable	3,822,244	1,805,000	0	5,627,244	0
General Obligation Bonds Payable	862,213	3,902,247	0	4,764,460	0
Capital Leases Payable	0	0	92,487	92,487	0
OWDA Loans Payable	0	886,446	0	886,446	0
<i>Total Long-Term Liabilities</i>	<u>4,754,238</u>	<u>6,605,785</u>	<u>92,487</u>	<u>11,452,510</u>	<u>0</u>
<i>Total Liabilities</i>	<u>5,400,056</u>	<u>7,202,098</u>	<u>131,066</u>	<u>12,733,220</u>	<u>4,742</u>
<b>Net Assets:</b>					
Invested in Capital Assets, Net of Related Debt	11,595,146	10,493,298	6,267,677	28,356,121	0
Unrestricted	3,174,582	2,534,467	463,099	6,172,148	15,450
<i>Total Net Assets</i>	<u>\$14,769,728</u>	<u>\$13,027,765</u>	<u>\$6,730,776</u>	<u>\$34,528,269</u>	<u>\$15,450</u>

See accompanying notes to the basic financial statements

**City of Pickerington, Ohio**  
Statement of Revenues, Expenses, and Changes in Fund Net Assets  
Proprietary Funds  
For the Year Ended December 31, 2004

	Business - Type Activities - Enterprise Funds				Governmental Activities- Internal Service Fund
	Water	Sewer	Stormwater	Total	
<b>Operating Revenues</b>					
Charges for Services	\$781,141	\$1,322,484	\$75,851	\$2,179,476	\$198,989
<b>Operating Expenses</b>					
Personal Services	509,181	518,852	163,469	1,191,502	61,530
Contractual Services	369,332	615,875	181,311	1,166,518	20,347
Materials and Supplies	307,366	52,884	4,849	365,099	115,919
Depreciation	449,601	424,004	75,243	948,848	0
<i>Total Operating Expenses</i>	1,635,480	1,611,615	424,872	3,671,967	197,796
<i>Operating Income (Loss)</i>	(854,339)	(289,131)	(349,021)	(1,492,491)	1,193
<b>Non-Operating Revenues (Expenses)</b>					
Interest	36,302	39,689	256	76,247	0
Interest and Fiscal Charges	(109,138)	(311,018)	(1,117)	(421,273)	0
Other Non-Operating Revenues	28,372	10,429	1,961	40,762	836
<i>Total Non-Operating Revenues (Expenses)</i>	(44,464)	(260,900)	1,100	(304,264)	836
<i>Loss Before Contributions and Transfers</i>	(898,803)	(550,031)	(347,921)	(1,796,755)	2,029
Capital Contributions from Developers	1,854,170	1,184,144	1,833,604	4,871,918	0
Capital Contributions from Customers	1,054,180	672,351	264,108	1,990,639	0
Transfers In	18,920	18,920	0	37,840	0
<i>Change in Net Assets</i>	2,028,467	1,325,384	1,749,791	5,103,642	2,029
Net Assets Beginning of Year Restated (See Note 3)	12,741,261	11,702,381	4,980,985	29,424,627	13,421
<i>Net Assets End of Year</i>	\$14,769,728	\$13,027,765	\$6,730,776	\$34,528,269	\$15,450

See accompanying notes to the basic financial statements

**City of Pickerington, Ohio**  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended December 31, 2004

	Business - Type Activities - Enterprise Funds				Governmental Activities- Internal Service Fund
	Water	Sewer	Stormwater	Total	
<b>Increase (Decrease) in Cash and Cash Equivalents</b>					
<b>Cash Flows from Operating Activities</b>					
Cash Received from Customers	\$1,225,118	\$1,327,312	\$165,800	\$2,718,230	\$0
Cash Received from Transactions with Other Funds	0	0	0	0	198,989
Cash Payments for Employee Services and Benefits	(498,190)	(512,650)	(162,704)	(1,173,544)	(61,241)
Cash Payments for Goods and Services	(739,729)	(706,770)	(178,585)	(1,625,084)	(134,482)
Utility Deposits Received	450	450	0	900	0
Utility Deposits Returned	(400)	(400)	0	(800)	0
Other Non-Operating Revenues	28,476	9,716	1,961	40,153	836
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>15,725</u>	<u>117,658</u>	<u>(173,528)</u>	<u>(40,145)</u>	<u>4,102</u>
<b>Cash Flows from Noncapital Financing Activities</b>					
Transfers In	18,920	18,920	0	37,840	0
<b>Cash Flows from Investing Activities</b>					
Interest on Investments	20,195	29,783	256	50,234	0
<i>Net Cash Provided by Investing Activities</i>	<u>20,195</u>	<u>29,783</u>	<u>256</u>	<u>50,234</u>	<u>0</u>
<b>Cash Flows from Capital and Related Financing Activities</b>					
Acquisition of Capital Assets	(307,415)	(56,761)	(60,113)	(424,289)	0
Proceeds from the Sale of Notes	4,272,244	2,005,000	0	6,277,244	0
Tap-In Fees	1,048,306	672,351	264,108	1,984,765	0
Principal Paid on General Obligation Refunding Bonds	(85,000)	(150,000)	0	(235,000)	0
Principal Paid on General Obligation Revenue Bonds	0	(75,000)	0	(75,000)	0
Principal Paid on Notes	(4,617,244)	(2,200,000)	0	(6,817,244)	0
Principal Paid on Issue Two Notes	(12,604)	0	0	(12,604)	0
Principal Paid on OWDA Loans	0	(45,035)	0	(45,035)	0
Principal Paid on Capital Leases	(11,185)	0	(25,449)	(36,634)	0
Interest Paid on General Obligation Refunding Bonds	(37,094)	(58,108)	0	(95,202)	0
Interest Paid on General Obligation Revenue Bonds	0	(122,705)	0	(122,705)	0
Interest Paid on Notes	(66,410)	(25,383)	0	(91,793)	0
Interest Paid on OWDA Loans	0	(48,511)	0	(48,511)	0
Interest Paid on Capital Leases	(744)	0	(1,117)	(1,861)	0
<i>Net Cash Provided by (Used for) Capital and Related Financing Activities</i>	<u>182,854</u>	<u>(104,152)</u>	<u>177,429</u>	<u>256,131</u>	<u>0</u>
<i>Net Increase in Cash and Cash Equivalents</i>	237,694	62,209	4,157	304,060	4,102
Cash and Cash Equivalents Beginning of Year	2,913,783	2,460,029	460,938	5,834,750	16,090
<i>Cash and Cash Equivalents End of Year</i>	<u>\$3,151,477</u>	<u>\$2,522,238</u>	<u>\$465,095</u>	<u>\$6,138,810</u>	<u>\$20,192</u>

(continued)

**City of Pickerington, Ohio**  
Statement of Cash Flows  
Proprietary Funds (Continued)  
For the Year Ended December 31, 2004

	Business - Type Activities - Enterprise Funds				Governmental Activities- Internal Service Fund
	Water	Sewer	Stormwater	Total	
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities</b>					
Operating Income (Loss)	(\$854,339)	(\$289,131)	(\$349,021)	(\$1,492,491)	\$1,193
Adjustments:					
Other Non-Operating Revenues	28,476	9,716	1,961	40,153	836
Depreciation	449,601	424,004	75,243	948,848	0
Changes in Assets and Liabilities:					
Decrease in Accounts Receivable	443,977	4,828	89,949	538,754	0
Increase in Prepaid Items	(273)	(404)	0	(677)	0
Decrease in Materials and Supplies Inventory	6,680	603	0	7,283	0
Increase (Decrease) in Accounts Payable	(29,486)	(38,210)	7,575	(60,121)	1,784
Increase in Accrued Wages and Benefits Payable	3,674	471	0	4,145	0
Decrease in Contracts Payable	(39,952)	0	0	(39,952)	0
Increase in Compensated Absences Payable	6,800	5,387	0	12,187	0
Increase in Customer Deposits Payable	50	50	0	100	0
Increase in Intergovernmental Payable	517	344	765	1,626	289
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>\$15,725</u>	<u>\$117,658</u>	<u>(\$173,528)</u>	<u>(\$40,145)</u>	<u>\$4,102</u>

Noncash Capital Financing Activities:

Developers contributed \$1,854,170, \$1,184,144, and \$1,833,604 in the form of water, sewer, and stormwater lines, during 2004.

See accompanying notes to the basic financial statements

**City of Pickerington, Ohio**  
Statement of Fiduciary Assets and Liabilities  
Agency Fund  
December 31, 2004

<b>Assets</b>	
Cash and Cash Equivalents in Segregated Accounts	<u>\$50</u>
<i>Total Assets</i>	<u><u>\$50</u></u>
<b>Liabilities</b>	
Undistributed Monies	<u>\$50</u>
<i>Total Liabilities</i>	<u><u>\$50</u></u>

See accompanying notes to the basic financial statements

**City of Pickerington, Ohio**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2004

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**NOTE 1 - REPORTING ENTITY**

The City of Pickerington (the "City") is a charter municipal corporation operating under the laws of the State of Ohio. Pickerington was recognized as a village by the State of Ohio in 1930. The Village of Pickerington adopted a charter on November 4, 1980. On April 29, 1991, Pickerington was declared a City.

The municipal government provided by the charter is known as a mayor-council-manager form of government. Legislative power is vested in a seven-member council, each member elected to a four year term. The Mayor is elected by the citizens of Pickerington for a four year term. The Mayor appoints, with the concurrence of a majority vote of Council, the City Manager. The City Manager is the chief executive officer and the head of the administrative agencies of the City. She appoints all department heads and employees, except as otherwise provided in the Charter. The City Manager is responsible to the Mayor for the proper administration of all affairs of the City.

**Reporting Entity**

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

The primary government consists of all funds and departments that are not legally separate from the City. Services provided by the primary government include police protection, street maintenance and repairs, community and economic development, parks and recreation, and water, sewer, and stormwater services. A staff provides support (i.e., payroll processing, accounts payable, revenue collection) to the service providers. The operation and control of these activities is provided by the City Council through the budgetary process and by the City Manager through administrative and managerial requirements and procedures.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Component units also include organizations that are fiscally dependent on the City in that the City approves the budget, the issuance of debt or the levying of taxes. No potential component units met these criteria.

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

- Pickerington Local School District
- Pickerington Public Library
- Pickerington Senior Citizens Center, Inc.

The City is associated with two jointly governed organizations and three insurance purchasing pools. These organizations are the Fairfield-Hocking Major Crimes Unit, the Mid-Ohio Regional Planning Commission, the Central Ohio Risk Management Association Inc. (CORMA), the Central Ohio Health Care Consortium, and the Ohio Municipal League Workers' Compensation Group Rating Program. These organizations are discussed in Notes 19 and 20 to the basic financial statements.

**City of Pickerington, Ohio**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2004

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the City of Pickerington have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. The City also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental and business-type activities and to its proprietary funds provided they do not conflict with or contradict GASB pronouncements. The City has elected not to apply FASB statements and interpretations issued after November 30, 1989, to its business-type activities and enterprise funds. The more significant of the City's accounting policies are described below.

**A. Basis of Presentation**

The City's basic financial statements consist of government-wide statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

***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 activities of the internal service fund are eliminated to avoid "doubling up" revenues and expenses. The statements distinguish between those activities of the City that are governmental and those that are considered business-type activities. The statement of net assets presents the financial condition of the governmental and business-type activities of the City. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the City's governmental activities and for the business-type activities of the City. 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, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the City, with certain limited expectations. 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*** During the year, the City segregates transactions related to certain City functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The internal service fund is presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by type.

**City of Pickerington, Ohio**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2004

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**B. Fund Accounting**

The City uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self balancing set of accounts. There are three categories of funds: governmental, proprietary and fiduciary.

***Governmental Funds*** Governmental funds are those through which most governmental functions of the City are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The City reports the following major governmental funds:

General Fund - This fund is the operating fund of the City and is used to account for all financial resources except those required to be 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 Charter of the City.

Police Fund - To account for property taxes and transfers to pay for police protection.

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

Tax Increment Financing Agreement Windmill/ Diley Construction Fund - To account for revenues and expenditures associated with the extension to Windermiller Drive, realignment for Diley Road, intersection improvements, and the construction of storm sewers and sanitary sewers

The other governmental funds of the City account for grants and other resources whose use is restricted to a particular purpose.

***Proprietary funds*** Proprietary fund reporting focuses on the determination of operating income, changes in net assets, financial position, and cash flows. Proprietary funds are classified as either enterprise or internal service. The City reports the following proprietary funds:

Enterprise Funds – Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The City reports the following major enterprise funds:

Water Fund -To account for water services provided to individuals and commercial users. The costs of providing these services are financed primarily through user charges.

Sewer Fund -To account for sanitary sewer services provided to individuals and commercial users. The costs of providing these services are financed primarily through user charges.

Stormwater Fund -To account for stormwater services provided to individuals and commercial users. The costs of providing these services are financed primarily through a flat rate monthly charge.

**City of Pickerington, Ohio**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2004

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Internal Service Fund – Internal Service funds are used to account for the financing of services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis. The internal service fund is used to account for the maintenance and repair of City vehicles and equipment and fuel purchase for City vehicles and the related charges for service.

***Fiduciary funds*** Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

The City's fiduciary fund is classified as an agency fund. The agency fund accounts for assets held by the City's mayor's court for distribution to other governments.

#### C. Measurement Focus

***Government-wide Financial Statements*** The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the City are included on the statement of net assets. The statement of activities presents increases (e.g. revenues) and decreases (e.g. expenses) in total net assets.

***Fund Financial Statements*** All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide 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.

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources 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 revenues, expenses, and 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 determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue and in the presentation of expenses versus expenditures.

**City of Pickerington, Ohio**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2004

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**Revenues – Exchange and Non-exchange Transactions** Revenue resulting from exchange transactions, in which each party gives and received essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available. Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the City, available means expected to be received within sixty-days of year-end.

The non-exchange transactions, in which the City receives value without directly giving equal value in return, includes income taxes, property taxes, grants, entitlements and donations. Revenue from income taxes is recognized in the period in which the income is earned. Revenue from property taxes is recognized in the year in which the taxes are levied. Revenues from grants and entitlements are recognized in the year eligibility requirements have been satisfied. 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 specified purpose, and expenditure requirements in which the resources are provided to the City on a reimbursable basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue resources are considered to be both measurable and available at year end: interest, federal and state grants, state-levied local shared taxes (including motor vehicle registration fees and gasoline taxes), income taxes, and fees and rentals.

**Deferred Revenue** Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of December 31, 2004, but which were levied to finance year 2005 operations have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

**Expenses/Expenditures** On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

#### E. Budgetary Process

All funds, other than the agency fund, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates.

**City of Pickerington, Ohio**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2004

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The certificate of estimated resources establishes a limit on the amount the City Council may appropriate. The appropriations resolution is the City Council's authorization to spend resources and sets annual limits on the expenditures plus encumbrances at the level of control selected by the City Council. The legal level of budgetary control is at the department level for the General fund and the fund level for all other funds. Any budgetary modifications at this level may only be made by resolution of the City Council. The finance director is given the authority to further allocate fund appropriations within all funds.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the finance director. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificate of estimated resources in effect at the time final appropriations were adopted by City Council.

The appropriation resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts in the budgetary statements reflect the first appropriation resolution for the fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final budgeted amounts represent the final appropriation amounts passed by City Council during the year.

**F. Cash and Cash Equivalents**

To improve cash management, cash received by the City is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the City's records. Interest in the pool is presented as "equity in pooled cash and cash equivalents."

During 2004, investments were limited to treasury bills, certificates of deposit, federal government agency securities, and the State Treasury Asset Reserve of Ohio (STAR Ohio).

Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts such as nonnegotiable certificates of deposit are reported at cost.

The City has invested funds in STAR Ohio during 2004. 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, 2004.

Provisions of the Ohio Revised Code restrict investment procedures. During 2004, interest was distributed to the general fund, certain special revenue funds, capital projects funds, debt service funds, enterprise funds and the internal service fund. Interest revenue credited to the general fund during 2004 amounted to \$72,677, which includes \$48,523 assigned from other City funds.

Investments with an original maturity of three months or less at the time of purchase and investments of the cash management pool are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months not purchased from the pool are reported as investments.

**City of Pickerington, Ohio**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2004

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G. Receivables and Payables

Receivables and payables to be recorded on the City's financial statements are recorded to the extent that the amounts are determined material and substantiated not only by supporting documentation, but also by a reasonable, systematic method of determining their existence, completeness, valuation and in the cash of receivables, collectibility.

H. Inventory of Supplies

Inventories represent supplies held for consumption, are presented at cost on a first-in, first-out basis and are expended/expensed when used.

I. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2004 are recorded as prepaid items using the consumption method recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

J. Restricted Assets

Restricted assets in the enterprise funds represent water/sewer customer deposits.

K. Capital Assets and Depreciation

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities columns of the government-wide statement of net assets but are not reported in the fund financial statements. Capital assets utilized by the enterprise funds are reported both in the business-type activities column of the government-wide statement of net assets and in the fund.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The City was able to estimate the historical cost for the initial reporting of infrastructure by backtrending (i.e., estimating current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). Donated capital assets are recorded at their fair market values as of the date received. The City maintains a capitalization threshold of five thousand dollars. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

**City of Pickerington, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2004**

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All reported capital assets are depreciated except for land and construction in progress. Improvements are depreciated over the remaining useful life of the related capital assets. Useful lives for infrastructure were estimated based on the City's historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following useful lives:

Description	Governmental Activities Estimated Lives	Business-Type Activities Estimated Lives
Building	50 years	50 years
Improvements to Land Other than Buildings	20 years	20 years
Equipment	5-15 years	5-20 years
Vehicles	8 years	8 years
Infrastructure	10-50 years	65 years

The City's infrastructure consists of streets, curbs and gutters, traffic lights, water, sewer, and stormwater lines and includes infrastructure acquired after December 31, 1980.

**L. Compensated Absences**

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the City will compensate the employees for the benefits through paid time off or some other means. Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the City has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at year end, taking into consideration any limits specified in the City's termination policy.

For governmental and proprietary funds, the City records a liability for accumulated unused vacation time when earned for all employees with more than one year of service. The City records a liability for accumulated unused sick leave for employees after five years of service.

**M. Accrued Liabilities and Long-Term Obligations**

The City reports all payables, accrued liabilities and long-term obligations in the government-wide financial statements and it reports all payables, accrued liabilities and long-term obligations payable from proprietary funds in the proprietary fund financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that these liabilities are due for payment during the current year. The City recognizes bonds, capital leases and long-term notes as a liability in the governmental fund financial statements when due.

**N. Bond Premiums and Issuance Costs**

Bond issuance costs and bond premiums are deferred and amortized over the term of the bonds. Bonds payable are reported net of the applicable bond premium. Bond issuance costs are recorded as deferred charges and amortized over the term of the related debt.

**City of Pickerington, Ohio**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2004

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On the governmental fund financial statements, issuance costs and bonds premiums are reported in the current period. The face amount of the debt issue is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

O. Fund Balance Reserves

The City reserves those portions of fund balance which are legally segregated for specific future use or which do not represent expendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund balance which is available for appropriation in future periods. Fund balance reserves have been established for encumbrances, unclaimed monies and loans. By law, the City may not appropriate unclaimed monies until the money has remained unclaimed for five years.

P. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the constitutional provisions or through enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations or other governments.

The government-wide statement of net assets reports \$6,091,117 of restricted net assets, of which \$96,490 is restricted by enabling legislation.

Net assets restricted for other purposes primarily include activities related to the City's parks, law enforcement, and street and state highway maintenance and repairs.

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

Q. Contributions of Capital

Contributions of capital in the proprietary fund financial statements arise from outside contributions of capital assets or resources restricted for capital acquisition or construction from tap-in fees to the extent they exceed the cost of the connection to the system.

R. Interfund Transactions

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser fund. Flows of cash or goods from one fund to another without a requirement for repayment should be reported as internal 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 fund financial statements.

**City of Pickerington, Ohio**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2004

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S. Estimates

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

T. Operating Revenues and Expenses

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, sewer and stormwater utility services. Operating expenses are necessary costs that have been incurred in order to provide the good or service that is the primary activity of the fund. Revenues and expenses not meeting the definition are reported as nonoperating.

U. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City that are either unusual in nature or infrequent in occurrence.

NOTE 3 - CHANGES IN FUND BALANCE/ NET ASSETS AND ACCOUNTING PRINCIPLES

Changes in Accounting Principles

For the year ended December 31, 2004, 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," GASB Statement No. 41, "Budgetary Comparison Schedules - Perspective Differences," GASB Interpretation No. 6, "Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements", GASB Statement No. 39, "Determining Whether Certain Organizations are Component Units", GASB Statement No. 46, "Net Assets Restricted by Enabling Legislation" and GASB Technical Bulletin No. 2004-2, "Recognition of Pension and Other Postemployment Benefit Expenditures/Expenses and Liabilities by Cost-Sharing Employers.

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 activities and governmental activities. The beginning net asset amount for governmental activities reflects the change in fund balance for governmental funds at December 31, 2003, caused by the reclassification of funds based on the guidance provided in Statement No. 34 and the conversion to the accrual basis of accounting.

**City of Pickerington, Ohio**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2004

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GASB Statement No. 37 clarifies certain provisions of Statement No. 34, including the required content of the MD&A, the classification of program revenues, and the criteria for determining major funds. GASB Statement No. 38 modifies, establishes, and rescinds certain financial statement note disclosures.

GASB Statement No. 41 allows the presentation of budgetary schedules as required supplementary information based on the fund, organization, or program structure that the government uses for its legally adopted budget when significant budgetary perspective differences result in the City not being able to present budgetary comparisons for the general and each major special revenue fund.

GASB Interpretation No. 6 clarifies the application of standards for modified accrual recognition of certain liabilities and expenditures in areas where differences have arisen, or potentially could arise, in interpretation and practice.

GASB Statement No. 39 states that entities for which a primary government is not financially accountable may still be reported as component units based on the nature and significance of their relationship with the primary government.

GASB Statement No. 46 clarifies how legal enforceability should be applied for determining restricted net assets.

GASB Technical Bulletin No. 2004-2 addresses the amount that should be recognized as an expenditure/expense and as a liability each period by employers participating in a cost-sharing multiple-employer pension and other postemployment benefit (OPEB) plans.

Restatement of Fund Balances

During 2004, there were also restatements of fund equity for accounting changes related to prior year accrual balances, fund reclassifications, and the allocation of the insurance fund cash balance due to the City no longer being self-insured as of December 31, 2003. The fund reclassification of the stormwater enterprise fund was due to the City electing to present the revenues assessed from a flat rate monthly fee for stormwater services in a separate fund. These restatements and the implementation of Interpretation No. 6 had the following effect on fund balance of the major and nonmajor funds of the City as they were previously reported. The transition from governmental fund balance to net assets of the governmental activities is also presented.

**City of Pickerington, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2004**

	General	Police	Debt Service	Tax Increment Financing Agreement Windmillier/ Diley Construction	Nonmajor Governmental Funds	Totals
Fund Balances (Deficit)						
December 31, 2003	\$1,758,643	\$291,778	\$92,814	(\$223,525)	(\$1,293,229)	\$626,481
Fund Reclassification	0	0	(6,188)	0	0	(6,188)
Intergovernmental Payable	(8,592)	(10,233)	0	0	(2,387)	(21,212)
Loans Receivable	0	0	0	0	(4,300)	(4,300)
Accrued Interest Receivable	0	0	0	0	(117)	(117)
Insurance Fund						
Cash Allocation	421	377	0	0	139	937
Interpretation 6:						
Compensated Absences	4,737	4,905	0	0	1,561	11,203
Restated Fund Balances, (Deficit) January 1, 2004	<u>\$1,755,209</u>	<u>\$286,827</u>	<u>\$86,626</u>	<u>(\$223,525)</u>	<u>(\$1,298,333)</u>	606,804
GASB 34 Adjustments:						
Capital Assets						36,800,419
Compensated Absences						(349,678)
Internal Service Fund						13,421
Accrued Interest Payable						(25,159)
Capital Leases Payable						(4,288,213)
Long-Term Liabilities						(2,256,000)
Long-Term (Deferred) Assets						790,661
Governmental Activities Net Assets, January 1, 2004						<u>\$31,292,255</u>

The transition from proprietary fund equity to net assets of the business-type activities and internal service fund is as follows:

	Water	Sewer	Stormwater	Totals	Internal Service
Fund Equity, December 31, 2003	\$15,452,933	\$13,560,124	\$0	\$29,013,057	\$14,606
Fund Reclassification	(2,696,960)	5,932	2,697,216	6,188	0
Capital Assets Reappraised	(14,359)	(1,863,775)	2,283,725	405,591	0
Accrued Interest Payable	(457)	0	0	(457)	0
Insurance Fund Cash Allocation	104	100	44	248	(1,185)
Net Assets of Business-type Activities, January 1, 2004	<u>\$12,741,261</u>	<u>\$11,702,381</u>	<u>\$4,980,985</u>	<u>\$29,424,627</u>	<u>\$13,421</u>

**City of Pickerington, Ohio**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2004

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**NOTE 4 – ACCOUNTABILITY AND COMPLIANCE**

Fund Type/Fund	Deficit Fund Balances
<u>Capital Projects:</u>	
Tax Increment Financing Agreement Windmill/ Diley Construction	\$2,013,420
Tax Increment Financing Agreement State Route 256/204 Construction	384,437
Police Facilities	311,264
Tax Increment Financing Agreement Old Town Construction	396,364
Tax Increment Financing Agreement Cycle Way Construction	573,020
Tax Increment Financing Agreement Cover Construction	253,040
Diley Road Improvement	259,612

The deficits in the capital projects funds are the result of the issuance of short-term debt to finance projects in these funds. Once the debt is retired or bonds are issued, the deficits will be eliminated.

The following accounts had expenditures plus encumbrances in excess of appropriations contrary to section 5705.41, Revised Code:

Fund Type/Fund	Excess
<u>Debt Service Fund:</u>	
Debt Service	\$10,462
<u>Capital Projects Fund:</u>	
Tax Increment Financing Agreement State Route 256/204 Construction	511

The City will more closely monitor budgetary procedures pertaining to violations of this nature in the future.

**NOTE 5 - BUDGETARY BASIS OF ACCOUNTING**

While reporting financial position, results of operations, and changes in fund balance/retained earnings on the basis of generally accepted accounting principles (GAAP), the budgetary basis, as provided by law, is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances.

The Statements of Revenues, Expenditures, and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual, for the General Fund and Police Major Special Revenue Fund are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget.

**City of Pickerington, Ohio**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2004

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

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Outstanding year-end encumbrances are treated as expenditures (budget basis) rather than as a reservation of fund balance.
4. Unrecorded cash, fair market value adjustments, and prepaid items are reported on the balance sheet (GAAP basis), but not on the budgetary basis.

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

Net Change in Fund Balances General and Major Special Revenue Fund		
	General	Police
GAAP Basis	(\$237,120)	(\$47,937)
Net Adjustment for Revenue Accruals	13,522	25,032
Net Adjustment for Expenditure Accruals	16,977	69,685
Beginning of Year:		
Unreported Cash	6,231	0
GASB 31 Adjustment	(4,155)	0
Prepaid Items	14,113	15,329
End of Year:		
Unreported Cash	(6,965)	0
GASB 31 Adjustment	14,295	0
Prepaid Items	(17,346)	(15,745)
Encumbrances	(114,816)	(111,127)
Budget Basis	(\$315,264)	(\$64,763)

**NOTE 6 - DEPOSITS AND INVESTMENTS**

Monies held by the City are classified by State Statute into three categories.

Active monies are public monies determined to be necessary to meet current demand upon the City treasury. Active monies must be maintained either as cash in the City treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

**City of Pickerington, Ohio**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2004

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Inactive deposits are public deposits that Council has identified as not required for use within the current five-year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

Protection of the City's deposits is provided by the Federal Deposit Insurance Corporation, by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the finance director by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution. Interim monies may be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury or any obligation guaranteed as to principal and interest by the United States; or any book entry, zero-coupon United States treasury security that is a direct obligation of the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality;
3. Written repurchase agreements in the securities listed above;
4. Bonds and obligations of the State of Ohio or its political subdivisions;
5. Time certificates of deposits or savings or deposit accounts, including, but not limited to passbook accounts;
6. No-load money market mutual funds;
7. The State Treasurer's investment pool (STAR Ohio);
8. Securities lending agreements in which the City lends securities and the eligible institution agrees to simultaneously exchange similar securities or cash, equal value for equal value;
9. Commercial paper notes, corporate notes and bankers acceptances; and
10. Debt interests rated at the time of purchase in the three highest categories by two nationally recognized standard rating services and issued by foreign nations diplomatically recognized by the United States government.

Reverse repurchase agreements, investments in derivatives, and investments in stripped principal or interest obligations that are not issued or guaranteed by the United States, are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. Other than corporate notes, commercial paper, and bankers acceptances, an investment must mature within five years from the date of settlement unless matched to a specific obligation or debt of the City.

**City of Pickerington, Ohio**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2004

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Investments must be purchased with the expectation that they will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Cash on Hand

At year end, the City had \$7,763 in undeposited cash on hand which is included on the financial statements of the City as part of "equity in pooled cash and cash equivalents".

Deposits

At year end, the carrying amount of the City's deposits was \$2,817,650 and the bank balance was \$3,058,139. Of the bank balance, \$411,417 was covered by federal deposit insurance and \$2,646,722 was considered uninsured and uncollateralized. Although collateral was held by the pledging financial institution's trust department or agent in the City's name and all State statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the City to a successful claim by the FDIC.

Investments

GASB Statement No. 3, "Deposits with Financial Institutions, Investments and Reverse Repurchase Agreements", requires that local governments disclose the carrying amounts and market value of investments, classified by risk. The City's investments are categorized as either (1) insured or registered or for which the securities are held by the City or its agent in the City's name, (2) uninsured and unregistered for which the securities are held by the counterparty's trust department or agent in the City's name, or (3) uninsured and unregistered for which the securities are held by the counterparty, or by its trust department or agent but not in the City's name. STAR Ohio which is an investment fund operated by the Ohio State Treasurer, is unclassified since it is not evidenced by securities that exist in physical or book entry form.

	Category	Unclassified	Fair Value
	<u>2</u>		
STAR Ohio	\$0	\$3,285,180	\$3,285,180
Federal National Mortgage Association Treasury Notes	696,847	0	696,847
Federal Home Loan Mortgage Corporation Treasury Notes	496,074	0	496,074
Federal Home Loan Bank Treasury Notes	2,284,841	0	2,284,841
Federal Farm Credit Bank Treasury Notes	544,737	0	544,737
Total	<u>\$4,022,499</u>	<u>\$3,285,180</u>	<u>\$7,307,679</u>

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

**City of Pickerington, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2004**

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

	Cash and Cash Equivalents	Investments
GASB Statement 9	\$10,133,092	\$0
Undeposited Cash	(7,763)	0
Investments:		
Federal National Mortgage Association Treasury Notes	(696,847)	696,847
Federal Home Loan Mortgage Corporation Treasury Notes	(496,074)	496,074
Federal Home Loan Bank Treasury Notes	(2,284,841)	2,284,841
Federal Farm Credit Bank Treasury Notes	(544,737)	544,737
STAR Ohio	(3,285,180)	3,285,180
GASB Statement 3	\$2,817,650	\$7,307,679

**NOTE 7 - PROPERTY TAXES**

Property taxes include amounts levied against all real, public utility and tangible personal property located in the City. Property tax revenue received during 2004 for real and public utility property taxes represents collections of 2003 taxes. Property tax payments received during 2004 for tangible personal property (other than public utility property) is for 2004 taxes.

2004 real property taxes are levied after October 1, 2004, on assessed value as of January 1, 2004, the lien date. Assessed values are established by State law 35 percent of the appraised value. 2004 real property taxes are collected in and intended to finance 2005.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2004 public utility property taxes became a lien December 31, 2003, are levied after October 1, 2004, and are collected in 2005 with real property taxes.

2004 tangible personal property taxes are levied after October 1, 2003, on the value as of December 31, 2003. Collections are made in 2004. Tangible personal property assessments for machinery and equipment are 25 percent of true value and 23 percent of true value of inventory.

**City of Pickerington, Ohio**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2004

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The full tax rate for all City operations for the year ended December 31, 2004, was \$7.80 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2004 property tax receipts were based are as follows:

	2004
Real Property	\$259,238,020
Public Utility Real and Tangible Personal Property	10,190
Tangible Personal Property	9,608,219
Total Assessed Value	\$268,856,429

Real property taxes are payable annually and semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; paid semi-annually, the first payment is due April 30, with the remainder payable at September 20.

The County Treasurer collects property taxes on behalf of Fairfield County, including the City of Pickerington. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2004 and for which there is an enforceable legal claim. In the General Fund and Police Special Revenue Fund, the entire receivable has been offset by deferred revenue since the current taxes were not levied to finance 2004 operations and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as revenue while the remainder of the receivable is deferred.

**NOTE 8 - INCOME TAX**

The City levies a municipal income tax of one percent on substantially all income earned within the City. In addition, the residents of the City are required to pay income tax on income earned outside of the City; however, the City allows a credit for income taxes paid to another municipality equal to 50 percent of the amount obtained by multiplying the lower of the tax rate of such other municipality or of the City by the taxable income earned in or attributable to the municipality of employment.

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

Income tax proceeds are used for general municipal operations, maintenance, new equipment, extension and enlargement of municipal services and facilities and capital improvements of the City of Pickerington. In 2004, the proceeds were receipted into the General Fund.

**City of Pickerington, Ohio**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2004

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**NOTE 9 - RECEIVABLES**

Receivables at December 31, 2004 consisted primarily of taxes, intergovernmental receivables arising from grants, loans, entitlements and shared revenues, interest on investments, and utility accounts. All receivables are considered fully collectible.

A summary of intergovernmental receivables follows:

<u>Governmental Activities</u>	
Homestead and Rollback	\$124,231
Local Government Subsidies	190,842
Estate Taxes	1,488
Gasoline Tax	162,682
Motor Vehicle License Tax	48,075
Community Development Block Grant	30,000
Miscellaneous Reimbursements	<u>6,334</u>
Total Governmental Activities	<u><u>\$563,652</u></u>

**Payment in Lieu of Taxes**

The City entered into Tax Increment Financing Agreements in 1997 between the City and Bob Evans Farms, Inc., Pickerington Plaza Limited Partnership, and Steak n Shake, Inc., for the purpose of constructing a movie theater, two restaurants and a retail center. During 2002, the City entered into four additional Tax Increment Financing Agreements with various developers for the purpose of constructing several retail and commercial centers.

To encourage these improvements, the companies and home owners were granted an exemption from paying any property taxes on the new construction; however, payments in lieu of taxes are made to the City in an amount equal to the real property taxes that otherwise would have been due in that current year. These payments are being used to finance public improvements and will continue over ten years. The City is not able to record a receivable for all future payments because the payments are based upon projected collections. A receivable has been recorded in the amount of \$354,653 which represents amounts measurable at December 31, 2004.

**City of Pickerington, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2004**

**NOTE 10 – CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2004, was as follows:

	Balance 12/31/2003	Additions	Reductions	Balance 12/31/2004
<b><u>Governmental Activities:</u></b>				
Non Depreciable Capital Assets:				
Land	\$2,718,976	\$35,840	\$0	\$2,754,816
Construction in Progress	2,149,927	3,027,816	0	5,177,743
Total Non Depreciable Capital Assets	<u>4,868,903</u>	<u>3,063,656</u>	<u>0</u>	<u>7,932,559</u>
Depreciable Capital Assets:				
Land Improvements	1,204,807	0	0	1,204,807
Buildings	4,516,193	114,309	0	4,630,502
Equipment	1,124,680	10,203	0	1,134,883
Infrastructure	32,997,953	3,556,251	0	36,554,204
Vehicles	763,117	80,630	(60,857)	782,890
Total Depreciable Capital Assets	<u>40,606,750</u>	<u>3,761,393</u>	<u>(60,857)</u>	<u>44,307,286</u>
Accumulated Depreciation:				
Land Improvements	(459,389)	(59,180)	0	(518,569)
Buildings	(645,430)	(91,086)	0	(736,516)
Equipment	(357,411)	(103,545)	0	(460,956)
Infrastructure	(6,784,188)	(1,231,461)	0	(8,015,649)
Vehicles	(428,816)	(66,890)	17,139	(478,567)
Total Accumulated Depreciation	<u>(8,675,234)</u>	<u>(1,552,162) *</u>	<u>17,139</u>	<u>(10,210,257)</u>
Total Depreciable Capital Assets, Net	<u>31,931,516</u>	<u>2,209,231</u>	<u>(43,718)</u>	<u>34,097,029</u>
Governmental Capital Assets, Net	<u>\$36,800,419</u>	<u>\$5,272,887</u>	<u>(\$43,718)</u>	<u>\$42,029,588</u>

During 2004, developers contributed \$2,499,860 in infrastructure. This amount is reflected as Capital Grants and Contributions on the Statement of Activities.

\*Depreciation expense was charged to governmental activities as follows:

<b><u>Governmental Activities:</u></b>	
General Government	\$78,109
Security of Persons and Property	151,834
Transportation	1,278,852
Leisure Time Activities	43,367
Total Depreciation Expense	<u>\$1,552,162</u>

**City of Pickerington, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2004**

	Balance December 31, 2003	Additions	Reductions	Balance December 31, 2004
<b><u>Business - Type Activities:</u></b>				
Non Depreciable Capital Assets:				
Land	\$796,857	\$34,410	\$0	\$831,267
Construction in Progress	712,276	254,446	0	966,722
Total Non Depreciable Capital Assets	<u>1,509,133</u>	<u>288,856</u>	<u>0</u>	<u>1,797,989</u>
Depreciable Capital Assets:				
Land Improvements	15,524	19,600	0	35,124
Buildings	11,418,921	116,950	0	11,535,871
Equipment	4,509,466	138,904	0	4,648,370
Infrastructure	25,276,653	4,871,918	0	30,148,571
Vehicles	247,236	0	0	247,236
Total Depreciable Capital Assets	<u>41,467,800</u>	<u>5,147,372</u>	<u>0</u>	<u>46,615,172</u>
Accumulated Depreciation:				
Land Improvements	(10,479)	(1,511)	0	(11,990)
Buildings	(2,567,132)	(229,743)	0	(2,796,875)
Equipment	(1,184,887)	(302,218)	0	(1,487,105)
Infrastructure	(2,810,823)	(390,149)	0	(3,200,972)
Vehicles	(137,264)	(25,227)	0	(162,491)
Total Accumulated Depreciation	<u>(6,710,585)</u>	<u>(948,848)</u>	<u>0</u>	<u>(7,659,433)</u>
Total Depreciable Capital Assets, Net	<u>34,757,215</u>	<u>4,198,524</u>	<u>0</u>	<u>38,955,739</u>
Business - Type Activities Capital Assets, Net	<u>\$36,266,348</u>	<u>\$4,487,380</u>	<u>\$0</u>	<u>\$40,753,728</u>

**NOTE 11 - DEFINED BENEFIT PENSION PLANS**

**A. Ohio Public Employees Retirement System**

The City participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the member directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings.

The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member directed plan.

**City of Pickerington, Ohio**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2004

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OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional and combined plans. Members of the member directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 E. Town St., Columbus, OH 43215-4642 or by calling (614) 222-6705 or (800) 222-7377.

For the year ended December 31, 2004, the members of all three plans were required to contribute 8.5 percent of their annual covered salaries. The City's contribution rate for pension benefits for 2004 was 9.55 percent. For those classifications, the City's pension contributions were 12.7 percent of covered payroll. The Ohio Revised Code provides statutory authority for member and employer contributions.

The City's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2004, 2003, and 2002 were \$263,863, \$178,024 and \$201,590 respectively; 95.01 percent has been contributed for 2004 and 100 percent for 2003 and 2002. Contributions to the member-directed plan for 2004 were \$1,135 made by the City and \$712 made by the plan members.

**B. Police and Firemen's Disability and Pension Fund**

The City contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple-employer defined benefit pension plan. OP&F provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. That report may be obtained by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

The City has no firefighters. Plan members are required to contribute 10 percent of their annual covered salary to fund pension obligations while the City is required to contribute 11.75 percent for police officers. Contributions are authorized by State statute. The City's contributions to the Fund for the years ended December 31, 2004, 2003, and 2002 were \$147,844, \$100,931 and \$125,853 respectively, equal to the required contributions for each year. The full amount has been contributed for 2003 and 2002. 95.76 percent has been contributed for 2004 with the remainder being reported as a liability.

**NOTE 12 - POSTEMPLOYMENT BENEFITS**

**A. Ohio Public Employees Retirement System (OPERS)**

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and primary survivor recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in *GASB Statement No. 12*. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2004 local government employer contribution rate was 13.55 percent of covered payroll, 4.0 percent of covered payroll was the portion that was used to fund health care.

**City of Pickerington, Ohio**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2004

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Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2003, include a rate of return on investments of 8.0 percent, an annual increase in active employee total payroll of 4.0 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50 percent and 6.3 percent based on additional annual pay increases. Health care premiums were assumed to increase 1.0 and 6.0 percent annually for the next eight years and 4.0 percent annually after eight years.

All investments are carried at market. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets annually.

The number of active contributing participants in the traditional and combined plans was 369,885. Actual employer contributions for 2004 which were used to fund postemployment benefits were \$110,518. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2003, (the latest information available) were \$10.5 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$26.9 billion and \$16.4 billion, respectively.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. The HCPP restructures OPERS' health coverage to improve the financial solvency of the fund in response to increasing health care costs.

**B. Police and Firemen's Disability and Pension Fund**

The Ohio Police and Fire Pension Fund (OP&F) provides postretirement health care coverage to any person who receives or is eligible to receive a monthly service, disability or survivor 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 full-time or on a 2/3 basis.

The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in *GASB Statement No. 12*. The Ohio Revised Code provides the authority allowing the Ohio Police and Fire Pension Fund's board of trustees to provide health care coverage and states that health care costs paid from the funds of OP&F shall be included in the employer's contribution rate. Health care funding and accounting is on a pay-as-you-go basis. The total police employer contribution rate is 19.5 percent of covered payroll, of which 7.75 percent of covered payroll was applied to the postemployment health care program during 2004 and 2003. In addition, since July 1, 1992, most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. Beginning in 2001, all retirees and survivors have monthly health care contributions.

The City's actual contributions for 2004 that were used to fund postemployment benefits were \$97,514 for police. The OP&F's total health care expense for the year ended December 31, 2003 (the latest information available) was \$150,853,148, which was net of member contributions of \$17,207,506. The number of OP&F participants eligible to receive health care benefits as of December 31, 2003, was 13,662 for police.

**City of Pickerington, Ohio**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2004

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**NOTE 13 - COMPENSATED ABSENCES**

Vacation leave is earned at varying rates based upon length of service. A maximum number of vacation hours may be accumulated based on length of service. Any unused vacation exceeding the maximum allowance is eliminated from the employee's leave balance. At the time of termination of employment or death, an employee (or his estate) is paid for his unused vacation leave.

Sick leave is earned at the rate of three and seven tenths hours per eighty hours of service and can be accumulated without limit. In the case of death or retirement of an employee who has ten years of service, an employee or his estate is paid for one-third of his accumulated sick leave up to a maximum payment equal to forty days.

After forty or more days have been accumulated, City employees are eligible to sell back certain amounts of sick leave. The formula depends on the number of sick days taken in the preceding calendar year. Employees eligible to retire within three years are also eligible to sell back leave. All employees must retain a minimum balance of forty days.

**NOTE 14 - 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; injuries to employees and natural disasters. During 2004, the City contracted with CORMA for property and general liability, automobile liability, boiler and machinery liability, law enforcement liability, and public officials liability.

Under the CORMA program for general liability, law enforcement liability, and public officials liability, the City has \$2,000,000 of total liability coverage for each occurrence. The City carries a \$100,000 deductible for both law enforcement and public officials liability insurance. Property insurance is covered to a limit of \$100,000,000 with a \$25,000 deductible. Under automobile liability the City has \$1,000,000 of total liability coverage for each occurrence. Automobile insurance carries a \$100 per vehicle deductible for comprehensive coverage and a \$250 per vehicle collision coverage. Boiler and machinery insurance is covered to a limit of \$50,000,000 with various sublimits. The City carries a \$1,000 deductible for boiler and machinery liability. Settlements have not exceeded coverage in any of the last three years. There has not been a significant reduction in coverage from the prior year.

The City participates in the Ohio Municipal League workers' compensation group rating plan (the Plan), an insurance purchasing pool (see Note 20). The Plan is intended to achieve lower workers' compensation rates while establishing safer working conditions and environments for the participants. The workers' compensation experience of the participating municipalities is calculated as one experience in order to create a lower workers' compensation premium rate. Each municipality pays its workers' compensation premium to the State based on the rate for the Plan rather than the municipality's individual rate.

In order to allocate the savings derived by the formation of the Plan, and to maximize the number of participants in the Plan, annual calculations are made of the total savings accrued to the Plan through its formation. This savings is then compared to the overall savings percentage of the Plan. Collections of rate contributions from or payments of rate equalization rebates to the various participants are then made. Participation in the Plan is limited to municipalities that can meet the Plan's selection criteria. The firm of Gates McDonald & Company performs claims administration, actuarial cost control, and consulting services for participants. Each year the City pays an enrollment fee to the Plan to cover the costs of administering the program.

**City of Pickerington, Ohio**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2004

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During 2003, the City entered into an agreement with the Ohio Health Care Consortium changing their medical insurance coverage from a self-insured program to a risk sharing pool (see Note 20). During 2003, the City dissolved the self-insurance fund.

**NOTE 15 - CAPITAL LEASES - LESSEE DISCLOSURE**

The City has entered into capital leases for one dump truck, a bulldozer, two mowers, a tractor, a digital imaging system, a street sweeper and a police station facility. Each lease meets the criteria of a capital lease as defined by *Statement of Financial Accounting Standards No. 13 "Accounting for Leases,"* which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments are reflected as debt service expenditures in the basic financial statements for governmental funds.

The police facility capital lease obligation relates to the construction of a new police facility and the necessary operational equipment within the facility. On May 28, 2002, as part of the agreement, First Star Bank, as lessor, wired \$4.3 million in lease proceeds to the City for a portion of the costs of construction. At December 31, 2004 the City has expended \$2,939,659 for the construction of the building, \$900,674 for operational equipment, and \$164,870 for infrastructure. The remainder will be expended as costs are incurred.

A police facility and equipment acquired by lease has been capitalized in the government-wide statements governmental activities in the amount of \$4,459,853 and business-type activities in the amount of \$138,904, which is equal to the present value of the future minimum lease payments at the time of acquisition. A corresponding liability was recorded in the government-wide statements governmental activities and business-type activities; respectively. Governmental activities capitalized leased assets are reflected net of accumulated depreciation in the amount of \$4,222,837. Business-type capitalized leases assets are reflected net of accumulated depreciation in the amount of \$137,361. Principal payments toward all capital leases during 2004 totaled \$167,764 for governmental activities and \$36,634 for business-type activities.

The following is a schedule of the future minimum lease payments at December 31, 2004 for governmental activities:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2005	\$163,420	\$208,668
2006	158,647	200,292
2007	157,382	192,297
2008	156,000	184,578
2009	166,000	176,670
2010-2014	991,000	746,628
2015-2019	1,326,000	463,449
2020-2024	1,002,000	103,569
Total	<u>\$4,120,449</u>	<u>\$2,276,151</u>

**City of Pickerington, Ohio**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2004

The following is a schedule of the future minimum lease payments at December 31, 2004 for business-type activities:

Year	Principal	Interest
2005	\$20,968	\$4,481
2006	21,796	3,653
2007	22,657	2,792
2008	23,552	1,897
2009	24,482	967
<b>Total</b>	<b>\$113,455</b>	<b>\$13,790</b>

**NOTE 16 - LONG-TERM OBLIGATIONS**

Changes in the City's long-term obligations during 2004 consist of the following:

	Outstanding 12/31/2003	Additions	Reductions	Outstanding 12/31/2004	Amounts Due Within One Year
<b><u>Governmental Activities:</u></b>					
<b><u>General Obligation Bonds:</u></b>					
Street Improvement					
2004 - \$1,550,000					
Serial Bonds - 5.00%	\$0	\$1,550,000	\$0	\$1,550,000	\$45,000
Bond Amortization of Premium	0	18,845	489	18,356	0
<b>Total General Obligation Bonds</b>	<b>0</b>	<b>1,568,845</b>	<b>489</b>	<b>1,568,356</b>	<b>45,000</b>
<b><u>Long-Term Bond Anticipation Notes</u></b>					
Courtright Road Realignment/ Downtown Streetscape/Diley Road Improvement					
2004 - \$2,170,000 - 1.5%	2,256,000	2,170,000	2,256,000	2,170,000	0
<b><u>Long-Term Loan</u></b>					
Diley Road Improvement					
2004 - \$169,000 (Variable)	0	169,000	0	169,000	0
Compensated Absences	349,678	215,221	174,240	390,659	175,713
Capital Leases Payable	4,288,213	0	167,764	4,120,449	163,420
<b>Total Governmental Activities</b>	<b>6,893,891</b>	<b>4,123,066</b>	<b>2,598,493</b>	<b>8,418,464</b>	<b>384,133</b>

(continued)

**City of Pickerington, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2004**

	Outstanding 12/31/2003	Additions	Reductions	Outstanding 12/31/2004	Amounts Due Within One Year
<b><u>Business-Type Activities:</u></b>					
<b><u>General Obligation Bonds:</u></b>					
Water System Improvement Various Purpose					
Utility General Obligation Refunding Bonds					
2003 - \$1,210,000					
Serial Bonds - 1.50 - 3.625%	1,125,000	0	85,000	1,040,000	95,000
Bond Amortization of Premium	6,954	0	588	6,366	0
Deferred Amount on Refunding	(97,383)	0	(8,230)	(89,153)	0
Wastewater Treatment Plant Various Purpose					
Utility General Obligation Refunding Bonds					
2003 - \$2,165,000					
Serial Bonds - 1.50 - 3.625%	2,025,000	0	150,000	1,875,000	150,000
Bond Amortization of Premium	8,769	0	683	8,086	0
Deferred Amount on Refunding	(223,234)	0	(17,395)	(205,839)	0
Sanitary Sewer Improvement Bonds					
1999 - \$2,850,000					
Serial Bonds - 4.85%	2,530,000	0	75,000	2,455,000	80,000
<b>Total General Obligation Bonds</b>	<b>5,375,106</b>	<b>0</b>	<b>285,646</b>	<b>5,089,460</b>	<b>325,000</b>
<b><u>Long-Term Bond Anticipation Notes:</u></b>					
Water Plant Tower - 1.75%	1,075,000	975,000	1,075,000	975,000	0
Sewer D-Line IV and					
Sewer Plant Engineer - 2.75%	1,900,000	1,805,000	1,900,000	1,805,000	0
<b>Total Long-Term Bond Anticipation Notes</b>	<b>2,975,000</b>	<b>2,780,000</b>	<b>2,975,000</b>	<b>2,780,000</b>	<b>0</b>
<b><u>Revenue Notes:</u></b>					
Water Plant - 2.70%	3,042,244	2,847,244	3,042,244	2,847,244	0
<b>Total Revenue Notes</b>	<b>3,042,244</b>	<b>2,847,244</b>	<b>3,042,244</b>	<b>2,847,244</b>	<b>0</b>
<b><u>OWDA Loans:</u></b>					
\$440,864 - 6.25% - 1973 OWDA Loans	211,884	0	16,983	194,901	18,044
\$819,398 - 4.64% - 2001 OWDA Notes	767,010	0	28,052	738,958	29,369
<b>Total OWDA</b>	<b>978,894</b>	<b>0</b>	<b>45,035</b>	<b>933,859</b>	<b>47,413</b>
\$189,057 - 0.00% - 1994 Issue Two Notes	69,319	0	12,604	56,715	12,604
Compensated Absences Payable	51,472	39,499	27,312	63,659	29,897
Capital Leases Payable	11,185	138,904	36,634	113,455	20,968
<b>Total Business-Type Activities</b>	<b>12,503,220</b>	<b>5,805,647</b>	<b>6,424,475</b>	<b>11,884,392</b>	<b>435,882</b>
<b>Total All Types</b>	<b>\$19,397,111</b>	<b>\$9,928,713</b>	<b>\$9,022,968</b>	<b>\$20,302,856</b>	<b>\$820,015</b>

**City of Pickerington, Ohio**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2004

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**Governmental Activities:**

***General Obligation Bonds***

The 2004 street improvement general obligation serial bonds were issued for the purpose of improving Courtright and Diley roads, realigning East Street, and constructing sidewalks, curbs and gutters on Refugee and Hill roads. The general obligation bonds were sold at a premium of \$18,845 that will be amortized over the term of the bonds. Issuance costs associated with the bond issue in the amount of \$26,380 are deferred and will be amortized over the term of the bonds.

Bonds maturing December 1, 2008 are subject to mandatory sinking fund redemption on December 1, 2007 in the principal amount of \$50,000 plus accrued interest to the date of redemption. Unless otherwise called for redemption, the remaining \$50,000 principal amount of such bonds is to be paid at stated maturity.

Bonds maturing December 1, 2010 are subject to mandatory sinking fund redemption on December 1, 2009 in the principal amount of \$55,000 plus accrued interest to the date of redemption. Unless otherwise called for redemption, the remaining \$60,000 principal amount of such bonds is to be paid at stated maturity.

Bonds maturing December 1, 2012 are subject to mandatory sinking fund redemption on December 1, 2011 in the principal amount of \$65,000 plus accrued interest to the date of redemption. Unless otherwise called for redemption, the remaining \$65,000 principal amount of such bonds is to be paid at stated maturity.

Bonds maturing December 1, 2014 are subject to mandatory sinking fund redemption on December 1, 2013 in the principal amount of \$70,000 plus accrued interest to the date of redemption. Unless otherwise called for redemption, the remaining \$70,000 principal amount of such bonds is to be paid at stated maturity.

Bonds maturing December 1, 2016 are subject to mandatory sinking fund redemption on December 1, 2015 in the principal amount of \$75,000 plus accrued interest to the date of redemption. Unless otherwise called for redemption, the remaining \$80,000 principal amount of such bonds is to be paid at stated maturity.

Bonds maturing December 1, 2018 are subject to mandatory sinking fund redemption on December 1, 2017 in the principal amount of \$85,000 plus accrued interest to the date of redemption. Unless otherwise called for redemption, the remaining \$90,000 principal amount of such bonds is to be paid at stated maturity.

Bonds maturing December 1, 2021 are subject to mandatory sinking fund redemption on December 1, 2019, and on each December 1 thereafter at 100% of the principal amount thereof plus accrued interest to the date of redemption, according to the following schedule:

<u>Year</u>	<u>Principal Amount to be Redeemed</u>
2019	\$95,000
2020	95,000

Unless otherwise called for redemption, the remaining \$105,000 principal amount of such bonds is to be paid at stated maturity.

Bonds maturing December 1, 2024 are subject to mandatory sinking fund redemption on December 1, 2022, and on each December 1 thereafter at 100% of the principal amount thereof plus accrued interest to the date of redemption according to the following schedule:

**City of Pickerington, Ohio**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2004

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Year	Principal Amount to be Redeemed
2022	\$110,000
2023	115,000

Unless otherwise called for redemption, the remaining \$120,000 principal amount of such bonds is to be paid at stated maturity.

Bonds maturing after December 1, 2014 are subject to optional redemption, in whole or in part, at the option of the City, in inverse order of maturity, in integral multiples of \$5,000 and by lot within a maturity, on any date commencing December 1, 2014 at the redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the redemption date.

General obligation bonded debt service requirements to maturity are as follows:

Year	Street Improvement General Obligation Bonds		
	Principal	Interest	Total
2005	\$45,000	\$77,500	\$122,500
2006	50,000	75,250	125,250
2007	50,000	72,750	122,750
2008	50,000	70,250	120,250
2009	55,000	67,750	122,750
2010-2014	330,000	293,250	623,250
2015-2019	425,000	202,500	627,500
2020-2024	545,000	84,750	629,750
Total	\$1,550,000	\$944,000	\$2,494,000

***Long-Term Bond Anticipation Notes***

The street improvement bond anticipation notes issued on March 11, 2004, for \$2,170,000 were used to partially retire the \$110,000 street improvement bond anticipation notes issued March 13, 2003, the \$346,000 Street Improvement bond anticipation notes issued March 27, 2003, and the \$1,800,000 Street Improvement bond anticipation notes issued April 17, 2003. These notes were issued for the purpose of constructing streets, sidewalks, curbs and gutters.

**City of Pickerington, Ohio**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2004

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***Long-Term Loans***

On December 16, 2004, the City entered into a loan agreement for \$2,000,000 under the Ohio Municipal Bond Financing Program for the purpose of financing the northern extension to Diley Road. The City is pledging future Ohio State Infrastructure Bank loan proceeds and municipal income tax revenues as repayment for the loan. The City is not required to make a principal payment on the loan until 2009 when their Ohio State Infrastructure Bank loan is estimated to become available. As of December 31, 2004, the City has drawn down \$169,000 in loan proceeds.

***Compensated Absences Payable***

The City will pay compensated absences from the General Fund and the Parks and Recreation, Police, and Street Special Revenue Funds.

***Capital Leases Payable***

The City has issued capital leases for a digital imaging system, a dump truck, a tractor, two mowers, and a police facility. These leases will be repaid through the General Fund and the Parks and Recreation, Police Facilities and Street Special Revenue Funds.

**Business-Type Activities:**

***General Obligation Bonds***

The 2003 various purpose utility general obligation refunding bonds originally issued in the amount of \$3,375,000 with interest rates varying from 1.5 percent to 3.6 percent. The proceeds were used to refund \$1,095,000 of the outstanding 1994 water system improvement general obligation bonds and \$1,910,000 of outstanding 1995 wastewater treatment plant improvement general obligation bonds. The general obligation refunding bonds were sold at a premium of \$15,935, which will be amortized over the life of the bonds. Issuance costs associated with the bond issue were \$64,662 and are deferred and will be amortized over the life of the bond issue. These refunding bonds will be repaid from Water and Sewer Enterprise Fund revenues. As of December 31, 2004, \$1,795,462 of the refunded bonds remained outstanding. The advance refunding resulted in a difference between the net carrying amount of the debt and the acquisition price. This difference, reported in the accompanying financial statements as an increase to bonds payable, is being amortized to interest expense through the year 2014 for the water system improvement general obligation bonds and through the year 2015 for the wastewater treatment plant improvement general obligation bonds using the straight-line method. The total amount amortized for 2004 is \$25,625.

The various purpose general obligation refunding bonds maturing on and after December 1, 2004 are subject to prior redemption, by and at the sole opinion of the City, either in whole or in part (as selected by the City) on any date on or after December 1, 2004, at the following redemption prices (expressed as percentages of the principal amount redeemed), plus accrued interest to the redemption date:

<u>Redemption Dates (inclusive)</u>	<u>Redemption Prices</u>
December 1, 2004 through November 30, 2005	102%
December 1, 2005 and thereafter	102%

**City of Pickerington, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2004**

The 1999 sanitary sewer improvement general obligation bonds, originally issued in the amount of \$2,875,000 with an interest rate of 4.85 percent, were issued for the purpose of retiring the bond anticipation notes previously issued for the purpose of acquiring and constructing a sanitary sewer system. These general obligation bonds will be paid from Sewer Enterprise revenues.

Principal and interest requirements to retire the City's general obligation bonds payable from the enterprise funds outstanding at December 31, 2004 were:

Year	Sewer General Obligation Bonds		Water General Obligation Bonds		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2005	\$230,000	\$174,926	\$95,000	\$30,246	\$325,000	\$205,172
2006	235,000	168,046	95,000	28,346	330,000	196,392
2007	245,000	161,066	95,000	26,446	340,000	187,512
2008	250,000	153,212	95,000	24,308	345,000	177,520
2009	260,000	144,848	105,000	21,932	365,000	166,780
2010-2014	1,465,000	569,296	555,000	59,954	2,020,000	629,250
2015-2019	915,000	293,282	0	0	915,000	293,282
2020-2024	730,000	90,696	0	0	730,000	90,696
Total	<u>\$4,330,000</u>	<u>\$1,755,372</u>	<u>\$1,040,000</u>	<u>\$191,232</u>	<u>\$5,370,000</u>	<u>\$1,946,604</u>

***Long-Term Bond Anticipation Notes***

The water plant tower bond anticipation notes were issued on May 22, 2003 for \$1,075,000 which matured on May 21, 2004. On May 20, 2004, the notes rolled over into bond anticipation notes for \$975,000 which will mature on May 19, 2005. These notes were issued for the purpose of constructing improvements to the water supply and waterworks system of the City.

The sewer D-Line and sewer plant engineer bond anticipation notes were issued on June 19, 2003 for \$1,900,000 which matured on June 18, 2004. On June 17, 2004, the notes rolled over into bond anticipation notes for \$1,805,000 which will mature on June 16, 2005. These notes were issued for the purpose of constructing improvements to the sanitary sewer collection and treatment system of the City, including phases three and four of the D-Line sewer project.

***Revenue Notes***

The water plant revenue notes were issued on February 7, 2003 for \$2,800,000 which matured on October 15, 2003. On October 15, 2003, the notes rolled over into revenue notes for \$3,042,244 which matured on October 15, 2004. On October 15, 2004, the notes rolled over into revenue notes for \$2,847,244 which will mature on May 15, 2005. These notes were issued for the purpose of water system improvements.

**City of Pickerington, Ohio**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2004

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***OWDA Loans***

The 1973 OWDA loans represent amounts borrowed from the Ohio Water Development Authority for the construction of sewer system improvements. The 2001 OWDA loan borrowed from the Ohio Water Pollution Control Loan Fund was also issued for the purpose of improving the sewer system. During 2004, the City made principal payments of \$16,983 and \$28,052. The loans are paid from Sewer Enterprise Fund revenue.

***Issue Two***

The Issue Two notes represent amounts borrowed from the Ohio Public Works Commission for the improvement of filters to the water plant. The notes were issued interest free and are paid from Water Enterprise Fund revenue.

Principal and interest requirements to retire the City's OWDA loans and Issue Two notes outstanding at December 31, 2004 were:

<u>Year</u>	<u>OWDA</u>		<u>Issue Two</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>
2005	\$47,413	\$46,132	\$12,604
2006	49,920	43,625	12,604
2007	52,561	40,984	12,604
2008	55,346	38,200	12,604
2009	58,280	35,265	6,299
2010-2014	295,546	128,166	0
2015-2019	255,170	61,430	0
2020-2024	119,623	7,017	0
Total	<u>\$933,859</u>	<u>\$400,819</u>	<u>\$56,715</u>

***Compensated Absences Payable***

The City will pay compensated absences from the Water and Sewer Enterprise Funds.

***Capital Leases Payable***

The City has issued a capital lease for a street sweeper. This lease will be repaid through the Stormwater Enterprise Fund.

As of December 31, 2004, the City's overall legal debt margin (the ability to issue additional amounts of general obligation bonded debt) was \$19,626,425.

**City of Pickerington, Ohio**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2004

**NOTE 17 – SHORT TERM OBLIGATIONS**

A summary of the short-term note transactions for the year ended December 31, 2004, follows:

<b><u>Governmental Activities:</u></b>	<b>Outstanding 12/31/2003</b>	<b>Issued</b>	<b>Retired</b>	<b>Outstanding 12/31/2004</b>
<b><u>Revenue Anticipation Notes</u></b>				
TIF Cover - 2004 - \$322,500 - 2.79%	\$322,500	\$322,500	\$322,500	\$322,500
TIF Cover - 2004 - \$322,500 - 1.96%	0	322,500	322,500	0
<b>Street Improvement / East Street</b>				
Realignment - 2004 - \$1,605,000 - 1.27%	1,605,000	0	1,605,000	0
<b>TIF State Route 256/204/ TIF Hill Road/</b>				
TIF Old Town - 2004 - \$807,000 - 2.79%	990,000	807,000	990,000	807,000
TIF Cycle Way - 2004 - \$625,000 - 2.79%	625,000	625,000	625,000	625,000
<b>TIF Windmill/ Diley Road</b>				
2004 - \$250,000 - 2.79%	304,500	250,000	304,500	250,000
<b>TIF Windmill/ Diley Road</b>				
2004 - \$2,000,000 - 2.36%	0	2,000,000	0	2,000,000
<b>Total Revenue Anticipation Notes</b>	<b>3,847,000</b>	<b>4,327,000</b>	<b>4,169,500</b>	<b>4,004,500</b>
<b><u>Bond Anticipation Notes</u></b>				
<b>Diley Road Street Improvement</b>				
2004 - \$380,000 - 1.97%	400,000	380,000	400,000	380,000
Police Facility - 2004 - \$330,000 - 2.0%	350,000	330,000	350,000	330,000
<b>Total Bond Anticipation Notes</b>	<b>750,000</b>	<b>710,000</b>	<b>750,000</b>	<b>710,000</b>
<b>Total Governmental Activities</b>	<b>4,597,000</b>	<b>5,037,000</b>	<b>4,919,500</b>	<b>4,714,500</b>
<b><u>Business-Type Activities:</u></b>				
<b><u>Bond Anticipation Notes</u></b>				
Water Plant Engineer - 2.13%	500,000	450,000	500,000	450,000
<b>Sanitary Sewer System</b>				
Improvement - 1.50%	300,000	200,000	300,000	200,000
<b>Total Bond Anticipation Notes</b>	<b>800,000</b>	<b>650,000</b>	<b>800,000</b>	<b>650,000</b>
<b>Total All Types</b>	<b>\$5,397,000</b>	<b>\$5,687,000</b>	<b>\$5,719,500</b>	<b>\$5,364,500</b>

**Governmental Activities:**

The TIF Cover revenue anticipation notes issued on March 26, 2004, for \$322,500 retired the \$322,500 TIF Cover revenue anticipation notes issued on March 27, 2003. The TIF Cover revenue anticipation notes issued on September 3, 2004, for \$322,500 retired the \$322,500 TIF Cover revenue anticipation notes issued on March 26, 2004. These notes were issued for the purpose of constructing street and traffic signal improvements in the State Route 256/ Stonecreek Drive area of the City.

**City of Pickerington, Ohio**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2004

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The TIF State Route 256/204/ TIF Hill Road/ TIF Old Town revenue anticipation notes issued on September 10, 2004, for \$807,000 retired the \$990,000 revenue anticipation notes issued on May 9, 2003. These notes were issued for the purpose of constructing street improvements on Hill Road and Blacklick-Eastern Road, which includes the Hill Road connector, widening streets, traffic control devices, sidewalks, curbs and gutters. The TIF Cycle Way revenue anticipation notes issued on September 10, 2004, for \$625,000 retired the \$625,000 revenue anticipation notes issued on July 29, 2003. These notes were issued for the purpose of constructing street improvements in the Cycle Way area.

The TIF Windmill/ Diley Road revenue anticipation notes issued on September 10, 2004, for \$250,000 retired the \$304,500 revenue anticipation notes issued on September 12, 2003. These notes were issued for the purpose of street improvements in the Windmill/ Diley Road areas of the City.

The TIF Windmill/ Diley Road revenue anticipation notes issued on May 17, 2004, for \$2,000,000 were issued for the purpose of widening Diley Road and constructing turn lane improvements for State Route 256 to establish and exit point for the realignment of Diley Road.

The Diley Road street improvement bond anticipation notes issued on October 21, 2004, for \$380,000 retired the \$400,000 Diley Road street improvement bond anticipation notes issued on October 24, 2003. These notes were issued for the purpose of constructing street improvements and widening Diley Road in the City.

The Police Facility bond anticipation notes issue on September 3, 2004, for \$330,000 retired the \$350,000 Police Facility bond anticipation notes issued on September 8, 2003. These notes were issued for the purpose of acquiring, constructing, equipping, and furnishing the City police building.

**Business-Type Activities:**

The water plant engineer bond anticipation notes were issued on June 19, 2003 for \$500,000 which matured on June 18, 2004. On June 17, 2004, the notes rolled over into bond anticipation notes for \$450,000 which will mature on June 16, 2005. These notes were issued for the purpose of constructing improvements the the water system of the City.

The sanitary sewer system improvement bond anticipation notes were issued on January 23, 2003 for \$300,000 which matured on January 23, 2004. On January 22, 2004, the notes rolled over into bond anticipation notes for \$200,000 which will mature on January 21, 2005. These notes were issued for the purpose of constructing improvements to the sanitary sewer system of the City.

**City of Pickerington, Ohio**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2004

**NOTE 18 - SIGNIFICANT CONTRACTUAL OBLIGATIONS**

As of December 31, 2004 the City had the following material contractual purchase commitments. The amount for each project is as follows:

Source	Fund	Purchase Commitments	Amount Paid as of December 31, 2004	Amount Remaining on Contracts
Pickerington Cycle Way	Tax Increment Financing Agreement Cycle Way Construction	\$544,540	\$502,387	\$42,153
State Route 256 Street Lighting Project	Tax Increment Financing Agreement Cover Construction	129,500	81,980	47,520
TIF - Cover - Mount Carmel Lighting and Roadway	Tax Increment Financing Agreement Cover Construction	158,923	138,601	20,322
Downtown Streetscape III, IV, V	Downtown Revitalization	1,817,576	1,771,797	45,779
Diley Road Improvement	Diley Road Improvement	415,855	245,005	170,850
Diley Road Widening	Street Construction	150,821	149,636	1,185
Diley Road Realignment and Widening	Tax Increment Financing Agreement Windmill/ Diley Construction	1,896,151	1,714,709	181,442
Formula Grant Project 2003	Community Development Block Grant	30,900	29,968	932
State Route 256 Loop	Water Capital Improvement	245,432	900	244,532
		<u>\$5,389,698</u>	<u>\$4,634,983</u>	<u>\$754,715</u>

**NOTE 19 - JOINTLY GOVERNED ORGANIZATIONS**

**A. Fairfield Hocking Major Crimes Unit**

The City is a participant in the Fairfield Hocking Major Crimes Unit, a jointly governed organization. The organization is composed of an operating board which consists of seven members: the Fairfield County sheriff and prosecuting attorney, the Hocking County sheriff and prosecuting attorney, and the chiefs of police from the City of Pickerington, the City of Lancaster, and the City of Logan. The purpose of the organization is to provide additional police protection to the citizens of Fairfield and Hocking Counties and to reduce the influence and affects of illegal drug trafficking activities and other major crimes. The City contributed \$46,137 in man hours to the Fairfield Hocking Major Crimes Unit during 2004.

**B. Mid-Ohio Regional Planning Commission (MORPC)**

The City is a participant in the Mid-Ohio Regional Planning Commission, a jointly governed organization. The organization is composed of 74 representatives appointed by member governments who make up the Commission, the policy-making body of the organization, and the oversight board.

**City of Pickerington, Ohio**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2004

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MORPC is a voluntary association of local governments in central and south central Ohio and a regional planning agency whose membership includes 42 political subdivisions in and around Franklin, Ross, Fayette, Delaware, Pickaway, Madison, Licking, and Fairfield counties, Ohio. The purpose of the organization is to improve the quality of life for member communities by improving housing conditions, to promote and support livability/ sustainability measures as a means of addressing regional growth challenges, and to administer and facilitate the availability of regional environmental infrastructure program funding to the full advantage of MORPC's members. The City contributed \$5,046 in membership dues to the Mid-Ohio Regional Planning Commission during 2004.

NOTE 20 - POOLS

A. Central Ohio Risk Management Association (CORMA)

The Central Ohio Risk Management Association Inc. (CORMA) is a shared risk pool which is administered by four cities in Central Ohio. Its present members in addition to the City of Pickerington are the Cities of Dublin, Upper Arlington and Westerville. CORMA was formed as an Ohio non-profit corporation for the purpose of establishing the CORMA Insurance/Self-Insurance Program, a group primary and excess insurance/self-insurance and risk management program. Each member has a representative on the Board of Trustees that approve bylaws, establish policies and contract with service providers for the best savings. Member cities agree to jointly participate in coverage of losses and pay all contributions necessary for the specified insurance coverage provided by CORMA. Coverage includes comprehensive general liability, property insurance, crime insurance, employee benefits liability, law enforcement liability, public officials liability, automotive liability, and healthcare professional liability.

B. Central Ohio Health Care Consortium

The Central Ohio Health Care Consortium is a shared risk pool which provides health care benefits for all full-time employees who wish to participate in the plan. The pool consists of twelve political subdivisions who pool risk for basic hospital, surgical and prescription drug coverage. The City pays monthly contributions to the Consortium, which are used to cover claims and administrative costs, and to purchase excess loss insurance for the plan. The Consortium has entered into an agreement for individual and aggregate excess loss coverage with a commercial insurance carrier. The individual excess loss coverage has been structured to indemnify the Plan for medical claims paid for an individual in excess of \$150,000 per claim per year, with an individual lifetime maximum of \$2,000,000. The aggregate excess loss coverage has been structured to indemnify the Plan for aggregated claims paid in excess of \$10,220,020 to a maximum of \$1,000,000 annually. In the event that the losses of the Consortium in any year exceeds amounts paid to the Consortium, together with all stop-loss, reinsurance and other coverage then in effect, then the payment of all uncovered losses shall revert to and be the sole obligation of the political subdivision against which the claim was made.

C. The Ohio Municipal League Workers' Compensation Group Rating Program

The City is participating in a group rating plan for workers' compensation called The Ohio Municipal League Workers' Compensation Group Rating Program, as established under Section 4123.29 of the Ohio Revised Code. The group rating plan is sponsored by the Ohio Municipal League.

**City of Pickerington, Ohio**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2004

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The Ohio Municipal League is governed by a Board of Trustees, elected by membership. The Board consists of all past presidents of the League, as long as they are municipal officials, and 28 trustees (also municipal officials) elected for two year terms. The Board exercises general oversight over operation of the workers' compensation group. League staff maintains direct and on-going liaison with the program contract operator, Gates McDonald.

NOTE 21 - CONTINGENT LIABILITIES

A. Litigation

The City is of the opinion that ultimate disposition of claims and legal proceedings will not have a material effect, if any, on the financial condition of the City.

B. Federal and State Grants

For the period January 1, 2004 to December 31, 2004 the City received federal and state grants for specific purposes that are subject to review and audit by grantor agencies or their designee. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the City believes such disallowance, if any, would be immaterial.

NOTE 22 - INTERFUND ACTIVITY

	Transfer to					Totals
	Major Funds				Other Nonmajor Governmental	
	Police	Debt Service	Water	Sewer		
<u>Transfer from</u> Major Fund:						
General Fund	\$1,269,000	\$341,789	\$18,920	\$18,920	\$772,975	\$2,421,604

The transfers from the General Fund to the Water and Sewer enterprise funds were the result of capital contributions for the purchase of land and a building to be used for utility purposes.

The remaining above transfers were to use unrestricted revenue collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 23 - SUBSEQUENT EVENTS

On January 21, 2005, the City paid off their \$200,000 sanitary sewer system improvement bond anticipation notes.

On April 5, 2005, the October 15, 2004 water plant revenue notes rolled over into revenue notes for \$2,847,244, which will mature March 9, 2006.

On March 3, 2005 and June 23, 2005, the City drew down an additional \$791,000 and \$1,040,000 in loan proceeds from the Ohio Municipal Bond Financing Program.

**City of Pickerington, Ohio**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2004

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On March 9, 2005, the May 20, 2004 water plant/ tower bond anticipation notes in the amount of \$975,000 and the March 11, 2004 street improvement bond anticipation notes in the amount of \$2,170,000, rolled over into bond anticipation notes in the amount of \$3,145,000, which will mature on March 9, 2006.

On June 15, 2005, the City issued \$2,235,000 in various purpose bond anticipation notes for the purpose of retiring the City's \$1,805,000 sanitary sewer system bond anticipation notes dated June 17, 2004, to pay part of the costs of acquiring real property for use as park land, and to pay part of the cost of constructing and acquiring improvements and renovations to the City Hall and building department building, which will mature on March 9, 2006.

On June 16, 2005, the City paid off their \$450,000 water plant engineer bond anticipation notes.

## **GENERAL FUND**

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The General Fund accounts for all financial resources received and used for services traditionally provided by a city government and not required to be accounted for in other funds.

**City of Pickerington, Ohio**  
Schedule of Revenues, Expenditures, and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
General Fund  
For the Year Ended December 31, 2004

	Original	Final	Actual	Variance Positive (Negative)
<b>Revenues</b>				
Property and Other Taxes	\$625,700	\$625,700	\$637,166	\$11,466
Municipal Income Taxes	3,275,100	3,276,600	3,298,540	21,940
Charges for Services	301,325	302,000	252,016	(49,984)
Licenses and Permits	623,750	601,300	586,270	(15,030)
Fines and Forfeitures	94,200	93,000	95,356	2,356
Intergovernmental	431,445	432,845	482,928	50,083
Interest	89,000	89,125	79,318	(9,807)
Other	119,425	139,375	144,584	5,209
<i>Total Revenues</i>	<u>5,559,945</u>	<u>5,559,945</u>	<u>5,576,178</u>	<u>16,233</u>
<b>Expenditures</b>				
Current:				
General Government				
Council				
Personal Services	59,450	137,595	136,946	649
Contractual Services	13,750	20,737	18,461	2,276
Materials and Supplies	1,150	1,225	1,552	(327)
Other	35,300	0	0	0
Total Council	<u>109,650</u>	<u>159,557</u>	<u>156,959</u>	<u>2,598</u>
Mayor				
Personal Services	15,551	30,082	28,925	1,157
Contractual Services	3,050	4,603	2,870	1,733
Materials and Supplies	3,000	3,050	2,370	680
Other	14,531	0	0	0
Total Mayor	<u>36,132</u>	<u>37,735</u>	<u>34,165</u>	<u>3,570</u>
City Manager				
Personal Services	125,270	137,464	133,351	4,113
Contractual Services	7,675	24,081	23,298	783
Materials and Supplies	2,000	3,400	3,319	81
Other	1,000	0	0	0
Total City Manager	<u>135,945</u>	<u>164,945</u>	<u>159,968</u>	<u>4,977</u>
Receptionist				
Personal Services	72,050	101,350	100,923	427
Materials and Supplies	800	806	656	150
Other	29,300	0	0	0
Total Reception	<u>102,150</u>	<u>102,156</u>	<u>101,579</u>	<u>577</u>
Facilities Operations Administration				
Personal Services	44,775	59,425	58,652	773
Contractual Services	850	931	174	757
Materials and Supplies	2,250	2,600	446	2,154
Other	15,000	0	0	0
Total Facilities Operations Administration	<u>62,875</u>	<u>62,956</u>	<u>59,272</u>	<u>3,684</u>

(continued)

**City of Pickerington, Ohio**  
Schedule of Revenues, Expenditures, and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
General Fund (Continued)  
For the Year Ended December 31, 2004

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance Positive (Negative)
Personnel Department				
Personal Services	\$63,400	\$77,229	\$77,332	(\$103)
Contractual Services	14,450	14,472	12,277	2,195
Materials and Supplies	8,100	6,711	3,445	3,266
Other	14,800	0	0	0
<b>Total Personnel Department</b>	<b>100,750</b>	<b>98,412</b>	<b>93,054</b>	<b>5,358</b>
Public Information				
Personal Services	47,950	19,001	16,577	2,424
Contractual Services	10,500	76,534	75,318	1,216
Materials and Supplies	2,600	2,729	1,852	877
Other	14,700	0	0	0
<b>Total Public Information</b>	<b>75,750</b>	<b>98,264</b>	<b>93,747</b>	<b>4,517</b>
Records Retention				
Capital Outlay	15,430	15,430	13,764	1,666
<b>Total Records Retention</b>	<b>15,430</b>	<b>15,430</b>	<b>13,764</b>	<b>1,666</b>
Personal Appeals Board				
Personal Services	750	750	0	750
Contractual Services	4,875	2,005	680	1,325
Materials and Supplies	200	200	15	185
<b>Total Personal Appeals Board</b>	<b>5,825</b>	<b>2,955</b>	<b>695</b>	<b>2,260</b>
Chamber of Commerce				
Contractual Services	10,000	13,000	13,000	0
<b>Total Chamber of Commerce</b>	<b>10,000</b>	<b>13,000</b>	<b>13,000</b>	<b>0</b>
Engineer				
Contractual Services	67,000	120,262	119,772	490
<b>Total Engineer</b>	<b>67,000</b>	<b>120,262</b>	<b>119,772</b>	<b>490</b>
Law Director				
Personal Services	292,099	142,778	141,542	1,236
Materials and Supplies	4,200	4,200	2,051	2,149
Contractual Services	0	294,126	293,565	561
Other	14,900	0	0	0
<b>Total Law Director</b>	<b>311,199</b>	<b>441,104</b>	<b>437,158</b>	<b>3,946</b>
Temporary Employees				
Personal Services	12,400	12,400	9,581	2,819
<b>Total Temporary Employees</b>	<b>12,400</b>	<b>12,400</b>	<b>9,581</b>	<b>2,819</b>

(continued)

**City of Pickerington, Ohio**  
Schedule of Revenues, Expenditures, and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
General Fund (Continued)  
For the Year Ended December 31, 2004

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance Positive (Negative)
Mayor's Court Clerk				
Personal Services	\$48,338	\$63,038	\$62,827	\$211
Contractual Services	20,414	22,724	18,783	3,941
Materials and Supplies	1,500	1,500	835	665
Other	14,700	0	0	0
Total Mayor's Court Clerk	<u>84,952</u>	<u>87,262</u>	<u>82,445</u>	<u>4,817</u>
Carnegie Building				
Contractual Services	8,450	10,100	9,647	453
Materials and Supplies	1,000	1,000	87	913
Total Carnegie Building	<u>9,450</u>	<u>11,100</u>	<u>9,734</u>	<u>1,366</u>
Administrative Assistant				
Personal Services	45,350	3,050	668	2,382
Contractual Services	1,350	1,388	798	590
Materials and Supplies	2,750	3,850	2,355	1,495
Capital Outlay	1,000	0	0	0
Other	14,700	0	0	0
Total Administrative Assistant	<u>65,150</u>	<u>8,288</u>	<u>3,821</u>	<u>4,467</u>
Finance Director				
Personal Services	261,496	321,248	306,470	14,778
Contractual Services	56,975	178,553	168,365	10,188
Materials and Supplies	25,500	24,541	20,877	3,664
Capital Outlay	10,350	21,170	21,170	0
Other	127,900	0	0	0
Total Finance Director	<u>482,221</u>	<u>545,512</u>	<u>516,882</u>	<u>28,630</u>
Municipal Clerk				
Personal Services	59,202	69,902	66,136	3,766
Contractual Services	1,850	1,912	787	1,125
Materials and Supplies	3,500	3,612	2,194	1,418
Other	14,700	0	0	0
Total Municipal Clerk	<u>79,252</u>	<u>75,426</u>	<u>69,117</u>	<u>6,309</u>
Computer Networking				
Travel Transportation	2,000	2,000	0	2,000
Contractual Services	26,100	19,600	15,655	3,945
Materials and Supplies	7,000	5,500	5,278	222
Total Computer Networking	<u>35,100</u>	<u>27,100</u>	<u>20,933</u>	<u>6,167</u>
<i>Total General Government</i>	<u>1,801,231</u>	<u>2,083,864</u>	<u>1,995,646</u>	<u>88,218</u>
Security of Persons and Property				
Street Lighting				
Contractual Services	54,100	67,071	65,285	1,786
Materials and Supplies	1,000	0	0	0
Total Street Lighting	<u>55,100</u>	<u>67,071</u>	<u>65,285</u>	<u>1,786</u>

**City of Pickerington, Ohio**  
Schedule of Revenues, Expenditures, and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
General Fund (Continued)  
For the Year Ended December 31, 2004

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance Positive (Negative)
Jail Fees				
Contractual Services	\$1,500	\$0	\$0	\$0
Total Jail Fees	<u>1,500</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Security of Persons and Property</i>	<u>56,600</u>	<u>67,071</u>	<u>65,285</u>	<u>1,786</u>
Leisure Time Activities				
Workers' Compensation				
Personal Services	31,100	9,100	8,598	502
Contractual Services	<u>5,100</u>	<u>5,100</u>	<u>5,569</u>	<u>(469)</u>
<i>Total Leisure Time Activities</i>	<u>36,200</u>	<u>14,200</u>	<u>14,167</u>	<u>33</u>
Public Health Services				
County Health Department				
Contractual Services	<u>57,200</u>	<u>61,200</u>	<u>61,183</u>	<u>17</u>
Total County Health Department	<u>57,200</u>	<u>61,200</u>	<u>61,183</u>	<u>17</u>
Senior Citizens				
Contractual Services	<u>10,000</u>	<u>11,500</u>	<u>11,500</u>	<u>0</u>
Total Senior Citizens	<u>10,000</u>	<u>11,500</u>	<u>11,500</u>	<u>0</u>
Handicap Transportation				
Contractual Services	17,804	24,104	14,022	10,082
Materials and Supplies	0	7,500	3,509	3,991
Other	<u>8,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Handicap Transportation	<u>25,804</u>	<u>31,604</u>	<u>17,531</u>	<u>14,073</u>
Mosquito Control				
Supplies and Materials	13,000	13,000	12,994	6
Other	<u>500</u>	<u>500</u>	<u>0</u>	<u>500</u>
Total Mosquito Control	<u>13,500</u>	<u>13,500</u>	<u>12,994</u>	<u>506</u>
<i>Total Public Health Services</i>	<u>106,504</u>	<u>117,804</u>	<u>103,208</u>	<u>14,596</u>
Community Environment				
Vandalism Reporting Reward				
Contractual Services	<u>1,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Festivals and Celebrations	<u>1,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Weed Removal				
Contractual Services	<u>1,550</u>	<u>3,550</u>	<u>1,535</u>	<u>2,015</u>
Total Weed Removal	<u>1,550</u>	<u>3,550</u>	<u>1,535</u>	<u>2,015</u>
Nuisance Abatement				
Contractual Services	<u>500</u>	<u>500</u>	<u>0</u>	<u>500</u>
Total Nuisance Abatement	<u>500</u>	<u>500</u>	<u>0</u>	<u>500</u>

**City of Pickerington, Ohio**  
Schedule of Revenues, Expenditures, and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
General Fund (Continued)  
For the Year Ended December 31, 2004

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance Positive (Negative)
Olde Pickerington Village Business Assoc.				
Contractual Services	\$10,000	\$10,000	\$10,000	\$0
Total Olde Pickerington Village Business Assoc.	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>0</u>
Festivals and Celebrations				
Contractual Services	32,500	32,500	32,500	0
Total Festivals and Celebrations	<u>32,500</u>	<u>32,500</u>	<u>32,500</u>	<u>0</u>
Board of Zoning Appeals				
Personal Services	200	200	0	200
Contractual Services	500	500	24	476
Supplies and Materials	25	25	15	10
Total Board of Zoning Appeals	<u>725</u>	<u>725</u>	<u>39</u>	<u>686</u>
Planning and Zoning Commission				
Personal Services	79,900	130	0	130
Contractual Services	6,750	270	140	130
Supplies and Materials	3,200	15	0	15
Other	6,500	0	0	0
Total Planning and Zoning Commission	<u>96,350</u>	<u>415</u>	<u>140</u>	<u>275</u>
Land and Buildings				
Contractual Services	126,650	156,759	138,923	17,836
Supplies and Materials	38,000	37,904	30,578	7,326
Capital Outlay	30,350	1,341	0	1,341
Other	2,250	0	0	0
Total Land and Buildings	<u>197,250</u>	<u>196,004</u>	<u>169,501</u>	<u>26,503</u>
Development Department				
Personal Services	93,335	98,185	99,007	(822)
Contractual Services	813,550	857,388	211,088	646,300
Supplies and Materials	7,100	6,590	5,859	731
Capital Outlay	1,500	0	0	0
Other	26,600	0	0	0
Total Development Department	<u>942,085</u>	<u>962,163</u>	<u>315,954</u>	<u>646,209</u>
Building Inspection				
Personal Services	366,420	448,995	440,721	8,274
Contractual Services	84,700	164,488	163,217	1,271
Supplies and Materials	11,750	14,497	13,292	1,205
Capital Outlay	8,600	0	0	0
Other	93,375	0	0	0
Total Building Inspection	<u>564,845</u>	<u>627,980</u>	<u>617,230</u>	<u>10,750</u>

(continued)

**City of Pickerington, Ohio**  
Schedule of Revenues, Expenditures, and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
General Fund (Continued)  
For the Year Ended December 31, 2004

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance Positive (Negative)
Planning and Zoning				
Personal Services	\$130	\$85,604	\$83,256	\$2,348
Contractual Services	270	4,127	3,642	485
Supplies and Materials	<u>15</u>	<u>19,537</u>	<u>11,035</u>	<u>8,502</u>
Total Planning and Zoning	<u>415</u>	<u>109,268</u>	<u>97,933</u>	<u>11,335</u>
<i>Total Community Environment</i>	<u>1,847,220</u>	<u>1,943,105</u>	<u>1,244,832</u>	<u>698,273</u>
Miscellaneous				
Other General Government				
Miscellaneous Dues	16,658	16,658	11,741	4,917
Election Expenses	2,500	3,191	3,191	0
Auditor and Treasurer Fees	9,000	9,500	9,031	469
State Examiner's Fees	<u>23,000</u>	<u>23,000</u>	<u>22,737</u>	<u>263</u>
<i>Total Miscellaneous</i>	<u>51,158</u>	<u>52,349</u>	<u>46,700</u>	<u>5,649</u>
<i>Total Expenditures</i>	<u>3,898,913</u>	<u>4,278,393</u>	<u>3,469,838</u>	<u>808,555</u>
<i>Excess of Revenues Over Expenditures</i>	<u>1,661,032</u>	<u>1,281,552</u>	<u>2,106,340</u>	<u>824,788</u>
<b>Other Financing Source (Use)</b>				
Proceeds from the Sale of Capital Assets	60,000	60,000	0	(60,000)
Transfers Out	<u>(2,409,895)</u>	<u>(2,584,031)</u>	<u>(2,421,604)</u>	<u>162,427</u>
<i>Total Other Financing Source (Use)</i>	<u>(2,349,895)</u>	<u>(2,524,031)</u>	<u>(2,421,604)</u>	<u>102,427</u>
<i>Net Change in Fund Balance</i>	(688,863)	(1,242,479)	(315,264)	927,215
Fund Balance at Beginning of Year	1,368,405	1,368,405	1,368,405	0
Prior Year Encumbrances Appropriated	<u>84,444</u>	<u>84,444</u>	<u>84,444</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$763,986</u>	<u>\$210,370</u>	<u>\$1,137,585</u>	<u>\$927,215</u>

## NONMAJOR GOVERNMENTAL FUNDS

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### Special Revenue Funds

The special revenue funds account for those financial resources that are restricted by legal, regulatory, or administrative action to finance particular functions or activities of the City.

### Capital Projects Funds

The capital projects funds are used to account for financial resources to be used for the acquisition of major capital facilities (other than those financed by proprietary funds).

**City of Pickerington, Ohio**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**December 31, 2004**

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Assets:</b>			
Equity in Pooled Cash and Cash Equivalents	\$676,812	\$987,962	\$1,664,774
Receivables:			
Permissive Motor Vehicle Registration Fees	2,696	4,040	6,736
Payments in Lieu of Taxes	0	266,697	266,697
Accounts	648	200	848
Accrued Interest	0	2,573	2,573
Loans	1,611	0	1,611
Intergovernmental	210,857	44,817	255,674
Materials and Supplies Inventory	34,689	0	34,689
Prepaid Items	14,279	0	14,279
	<u>          </u>	<u>          </u>	<u>          </u>
<i>Total Assets</i>	<u>\$941,592</u>	<u>\$1,306,289</u>	<u>\$2,247,881</u>
<b>Liabilities:</b>			
Accounts Payable	\$51,907	\$70,135	\$122,042
Contracts Payable	0	45,402	45,402
Accrued Wages and Benefits	16,758	0	16,758
Intergovernmental Payable	6,091	0	6,091
Deferred Revenue	143,325	314,087	457,412
Matured Interest Payable	38	0	38
Capital Leases Payable	411	0	411
Accrued Interest Payable	0	18,603	18,603
Notes Payable	0	2,464,500	2,464,500
	<u>          </u>	<u>          </u>	<u>          </u>
<i>Total Liabilities</i>	<u>218,530</u>	<u>2,912,727</u>	<u>3,131,257</u>
<b>Fund Equity:</b>			
Fund Balances:			
Reserved for Encumbrances	57,820	251,694	309,514
Reserved for Loans Receivable	509	0	509
Unreserved, Undesignated, Reported in:			
Special Revenue Funds	664,733	0	664,733
Capital Projects Funds (Deficit)	0	(1,858,132)	(1,858,132)
	<u>          </u>	<u>          </u>	<u>          </u>
<i>Total Fund Balances (Deficits)</i>	<u>723,062</u>	<u>(1,606,438)</u>	<u>(883,376)</u>
	<u>          </u>	<u>          </u>	<u>          </u>
<i>Total Liabilities and Fund Balances</i>	<u>\$941,592</u>	<u>\$1,306,289</u>	<u>\$2,247,881</u>

**City of Pickerington, Ohio**  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended December 31, 2004

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Revenues:</b>			
Permissive Motor Vehicle Registration Fees	\$51,534	\$77,269	\$128,803
Charges for Services	128,013	0	128,013
Licenses and Permits	94,130	48,607	142,737
Fines and Forfeitures	10,206	0	10,206
Intergovernmental	433,456	19,002	452,458
Interest	2,195	19,361	21,556
Payments in Lieu of Taxes	0	247,288	247,288
Rent	7,437	0	7,437
Contributions and Donations	5,871	0	5,871
Other	18,448	0	18,448
	<u>751,290</u>	<u>411,527</u>	<u>1,162,817</u>
<i>Total Revenues</i>			
<b>Expenditures:</b>			
Current:			
General Government	7,950	0	7,950
Security of Persons and Property	3,935	0	3,935
Transportation	554,026	0	554,026
Leisure Time Activities	702,289	0	702,289
Capital Outlay	0	1,871,554	1,871,554
Debt Service:			
Principal Retirement	30,774	0	30,774
Interest and Fiscal Charges	4,547	64,760	69,307
	<u>1,303,521</u>	<u>1,936,314</u>	<u>3,239,835</u>
<i>Total Expenditures</i>			
<i>Excess of Revenues Under Expenditures</i>	<u>(552,231)</u>	<u>(1,524,787)</u>	<u>(2,077,018)</u>
<b>Other Financing Sources</b>			
General Obligation Bonds Issued	0	1,550,000	1,550,000
Loans Issued	0	169,000	169,000
Transfers In	450,595	322,380	772,975
	<u>450,595</u>	<u>2,041,380</u>	<u>2,491,975</u>
<i>Total Other Financing Sources</i>			
<i>Net Changes in Fund Balances</i>	(101,636)	516,593	414,957
Fund Balances (Deficits) at Beginning of Year	<u>824,698</u>	<u>(2,123,031)</u>	<u>(1,298,333)</u>
<i>Fund Balances (Deficits) at End of Year</i>	<u>\$723,062</u>	<u>(\$1,606,438)</u>	<u>(\$883,376)</u>

## SPECIAL REVENUE FUNDS

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The special revenue funds account for those financial resources that are restricted by legal, regulatory, or administrative action to finance particular functions or activities of the City.

The following are reported as special revenue funds:

**Major Special Revenue Fund:**

Police Fund - To account for property taxes and transfers to pay for police protection.

**Nonmajor Special Revenue Funds:**

Street Fund - To account for the portion of state gasoline tax and motor vehicle registration fees designated for maintenance and repair of dedicated streets within the City.

State Highway Fund - To account for that portion of state gasoline tax and motor vehicle registration fees designated for maintenance of state highways within the City.

Parks and Recreation Fund - To account for the revenue received from charges for services, donations, and transfers from the General Fund to provide leisure time activities for the citizens of the City.

Computer Fund - To account for the receipt and disbursement of computer funds for the clerk of courts office.

Operation of a Motor Vehicle Under the Influence Enforcement and Education Fund – The OMVI Enforcement and Education Fund is created as authorized per section 4511.99, Ohio Revised Code. To account for funds to be used as designated by the City for informing the public of the laws governing the operation of a motor vehicle while under the influence of alcohol, and other information relating to the operation of a motor vehicle and the consumption of alcoholic beverages.

Law Enforcement Seizure Fund - To account for seized contraband and intergovernmental receipts used for law enforcement purposes as established by Section 2953.43, Ohio Revised Code.

Mandatory Drug Law Enforcement Fund - To account for fine monies collected which are used to subsidize law enforcement efforts that pertain to drug offenses.

Immobilization Fund - To account for the deposit of all fees and intergovernmental receipts received by the Pickerington police department as a result of the immobilization of motor vehicles.

Urban Forestry Fund - To account for the costs of planting trees.

Community Development Block Grant Revolving Loan Fund - To account for federal grant monies received and expenditures incurred associated with commercial development projects.

Clean Ohio Conservation Grant Fund – To account for grant monies received from the Ohio Conservation Clean Ohio Grant for approved grant projects related to parks and recreation.

**City of Pickerington, Ohio**  
Schedule of Revenues, Expenditures, and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Police Fund  
For the Year Ended December 31, 2004

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance Positive (Negative)
<b>Revenues</b>				
Property and Other Taxes	\$1,025,000	\$1,025,000	\$1,073,566	\$48,566
Charges for Services	153,108	153,108	145,499	(7,609)
Intergovernmental	159,000	185,000	190,407	5,407
Contributions and Donations	1,000	1,000	1,385	385
Other	16,100	40,100	59,347	19,247
<i>Total Revenues</i>	<u>1,354,208</u>	<u>1,404,208</u>	<u>1,470,204</u>	<u>65,996</u>
<b>Expenditures</b>				
Current:				
Security of Persons and Property				
Salaries and Wages	1,955,870	2,388,447	2,293,942	94,505
Contractual Services	195,660	269,164	266,315	2,849
Materials and Supplies	86,400	132,370	129,407	2,963
Capital Outlay	83,000	114,572	114,303	269
Other	458,026	0	0	0
<i>Total Expenditures</i>	<u>2,778,956</u>	<u>2,904,553</u>	<u>2,803,967</u>	<u>100,586</u>
<i>Excess of Revenues Under Expenditures</i>	(1,424,748)	(1,500,345)	(1,333,763)	166,582
Transfers In	<u>1,408,400</u>	<u>1,358,400</u>	<u>1,269,000</u>	<u>(89,400)</u>
<i>Net Change in Fund Balance</i>	(16,348)	(141,945)	(64,763)	77,182
Fund Balance at Beginning of Year	241,836	241,836	241,836	0
Prior Year Encumbrances Appropriated	<u>80,097</u>	<u>80,097</u>	<u>80,097</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$305,585</u></u>	<u><u>\$179,988</u></u>	<u><u>\$257,170</u></u>	<u><u>\$77,182</u></u>

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**City of Pickerington, Ohio**  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2004

	Street	State Highway	Parks and Recreation	Computer	Operation of a Motor Vehicle Under the Influence Enforcement and Education
<b>Assets:</b>					
Equity in Pooled Cash and Cash Equivalents	\$170,586	\$6,186	\$155,794	\$10,246	\$5,236
Receivables:					
Permissive Motor Vehicle Registration Fees	2,696	0	0	0	0
Accounts	0	0	211	0	0
Loans	0	0	0	0	0
Intergovernmental	194,945	15,812	0	0	0
Materials and Supplies Inventory	28,519	0	6,170	0	0
Prepaid Items	8,495	0	5,784	0	0
<i>Total Assets</i>	<u>\$405,241</u>	<u>\$21,998</u>	<u>\$167,959</u>	<u>\$10,246</u>	<u>\$5,236</u>
<b>Liabilities:</b>					
Accounts Payable	\$36,156	\$205	\$1,000	\$0	\$0
Accrued Wages and Benefits	8,554	0	8,204	0	0
Intergovernmental Payable	2,662	65	3,079	0	0
Deferred Revenue	132,570	10,755	0	0	0
Matured Interest Payable	0	0	38	0	0
Matured Capital Leases Payable	0	0	411	0	0
<i>Total Liabilities</i>	<u>179,942</u>	<u>11,025</u>	<u>12,732</u>	<u>0</u>	<u>0</u>
<b>Fund Equity:</b>					
Fund Balance:					
Reserved for Encumbrances	25,159	41	7,534	0	0
Reserved for Loans Receivable	0	0	0	0	0
Unreserved:					
Undesignated	200,140	10,932	147,693	10,246	5,236
<i>Total Fund Equity</i>	<u>225,299</u>	<u>10,973</u>	<u>155,227</u>	<u>10,246</u>	<u>5,236</u>
<i>Fund Balances at End of Year</i>	<u><u>\$405,241</u></u>	<u><u>\$21,998</u></u>	<u><u>\$167,959</u></u>	<u><u>\$10,246</u></u>	<u><u>\$5,236</u></u>

<u>Law Enforcement Seizure</u>	<u>Mandatory Drug Enforcement</u>	<u>Immobilization</u>	<u>Urban Forestry</u>	<u>Community Development Block Grant Revolving Loan</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$20,954	\$4,834	\$4,277	\$243,059	\$55,640	\$676,812
0	0	0	0	0	2,696
0	0	0	437	0	648
0	0	0	0	1,611	1,611
0	0	100	0	0	210,857
0	0	0	0	0	34,689
0	0	0	0	0	14,279
<u>\$20,954</u>	<u>\$4,834</u>	<u>\$4,377</u>	<u>\$243,496</u>	<u>\$57,251</u>	<u>#REF!</u>
\$0	\$0	\$0	\$14,546	\$0	\$51,907
0	0	0	0	0	16,758
0	0	0	285	0	6,091
0	0	0	0	0	143,325
0	0	0	0	0	38
0	0	0	0	0	411
<u>0</u>	<u>0</u>	<u>0</u>	<u>14,831</u>	<u>0</u>	<u>#REF!</u>
19,291	0	0	5,795	0	57,820
0	0	0	0	509	509
<u>1,663</u>	<u>4,834</u>	<u>4,377</u>	<u>222,870</u>	<u>56,742</u>	<u>664,733</u>
<u>20,954</u>	<u>4,834</u>	<u>4,377</u>	<u>228,665</u>	<u>57,251</u>	<u>723,062</u>
<u>\$20,954</u>	<u>\$4,834</u>	<u>\$4,377</u>	<u>\$243,496</u>	<u>\$57,251</u>	<u>#REF!</u>

**City of Pickerington, Ohio**  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2004

	Street	State Highway	Parks and Recreation	Computer	Operation of a Motor Vehicle Under the Influence Enforcement and Education
<b>Revenues:</b>					
Permissive Motor Vehicle Registration Fees	\$51,534	\$0	\$0	\$0	\$0
Charges for Services	0	0	128,013	0	0
Licenses and Permits	0	0	48,618	0	0
Fines and Forfeitures	0	0	0	8,753	901
Intergovernmental	383,541	31,098	0	0	0
Interest	1,489	52	0	0	0
Rent	0	0	7,437	0	0
Contributions and Donations	0	0	5,871	0	0
Other	10,632	980	5,862	0	0
<i>Total Revenues</i>	<u>447,196</u>	<u>32,130</u>	<u>195,801</u>	<u>8,753</u>	<u>901</u>
<b>Expenditures:</b>					
Current:					
General Government	0	0	0	7,950	0
Security of Persons and Property	0	0	0	0	405
Transportation	524,410	29,616	0	0	0
Leisure Time Activities	0	0	588,112	0	0
Debt Service:					
Principal Retirement	25,612	0	5,162	0	0
Interest and Fiscal Charges	3,784	0	763	0	0
<i>Total Expenditures</i>	<u>553,806</u>	<u>29,616</u>	<u>594,037</u>	<u>7,950</u>	<u>405</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(106,610)	2,514	(398,236)	803	496
<b>Other Financing Source</b>					
Transfers In	124,000	0	323,000	0	0
<i>Net Changes in Fund Balances</i>	17,390	2,514	(75,236)	803	496
Fund Balances at Beginning of Year	207,909	8,459	230,463	9,443	4,740
<i>Fund Balances at End of Year</i>	<u>\$225,299</u>	<u>\$10,973</u>	<u>\$155,227</u>	<u>\$10,246</u>	<u>\$5,236</u>

<u>Law Enforcement Seizure</u>	<u>Mandatory Drug Enforcement</u>	<u>Immobilization</u>	<u>Urban Forestry</u>	<u>Community Development Block Grant Revolving Loan</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$0	\$0	\$0	\$0	\$0	\$51,534
0	0	0	0	0	128,013
0	0	0	45,512	0	94,130
0	552	0	0	0	10,206
17,964	0	400	0	453	433,456
0	0	0	0	654	2,195
0	0	0	0	0	7,437
0	0	0	0	0	5,871
42	0	0	812	120	18,448
<u>18,006</u>	<u>552</u>	<u>400</u>	<u>46,324</u>	<u>1,227</u>	<u>751,290</u>
0	0	0	0	0	7,950
3,530	0	0	0	0	3,935
0	0	0	0	0	554,026
0	0	0	114,177	0	702,289
0	0	0	0	0	30,774
0	0	0	0	0	4,547
<u>3,530</u>	<u>0</u>	<u>0</u>	<u>114,177</u>	<u>0</u>	<u>1,303,521</u>
14,476	552	400	(67,853)	1,227	(552,231)
0	0	0	3,595	0	450,595
14,476	552	400	(64,258)	1,227	(101,636)
6,478	4,282	3,977	292,923	56,024	824,698
<u>\$20,954</u>	<u>\$4,834</u>	<u>\$4,377</u>	<u>\$228,665</u>	<u>\$57,251</u>	<u>\$723,062</u>

**City of Pickerington, Ohio**  
Schedule of Revenues, Expenditures, and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Street Fund  
For the Year Ended December 31, 2004

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Permissive Motor Vehicle Registration Fees	\$55,000	\$53,380	(\$1,620)
Intergovernmental	287,000	369,812	82,812
Interest	1,000	1,489	489
Other	3,000	12,973	9,973
<i>Total Revenues</i>	<u>346,000</u>	<u>437,654</u>	<u>91,654</u>
<b>Expenditures</b>			
Current:			
Transportation			
Street			
Personal Services	215,523	207,947	7,576
Contractual Services	219,917	203,307	16,610
Materials and Supplies	117,117	101,819	15,298
Capital Outlay	45,580	45,567	13
<i>Total Expenditures</i>	<u>598,137</u>	<u>558,640</u>	<u>39,497</u>
<i>Excess of Revenues Under Expenditures</i>	(252,137)	(120,986)	131,151
<b>Other Financing Source</b>			
Transfers In	<u>154,500</u>	<u>124,000</u>	<u>(30,500)</u>
<i>Net Change in Fund Balance</i>	(97,637)	3,014	100,651
Fund Balance at Beginning of Year	89,336	89,336	0
Prior Year Encumbrances Appropriated	<u>16,921</u>	<u>16,921</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$8,620</u></u>	<u><u>\$109,271</u></u>	<u><u>\$100,651</u></u>

**City of Pickerington, Ohio**  
Schedule of Revenues, Expenditures, and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
State Highway Fund  
For the Year Ended December 31, 2004

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$29,300	\$29,985	\$685
Interest	75	52	(23)
Other	625	984	359
<i>Total Revenues</i>	<u>30,000</u>	<u>31,021</u>	<u>1,021</u>
<b>Expenditures</b>			
Current:			
Transportation			
State Highway			
Personal Services	14,997	13,869	1,128
Contractual Services	15,582	16,560	(978)
Materials and Supplies	725	182	543
<i>Total Expenditures</i>	<u>31,304</u>	<u>30,611</u>	<u>693</u>
<i>Net Change in Fund Balance</i>	(1,304)	410	1,714
Fund Balance at Beginning of Year	5,151	5,151	0
Prior Year Encumbrances Appropriated	<u>379</u>	<u>379</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$4,226</u>	<u>\$5,940</u>	<u>\$1,714</u>

**City of Pickerington, Ohio**  
Schedule of Revenues, Expenditures, and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Parks and Recreation Fund  
For the Year Ended December 31, 2004

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Charges for Services	\$123,525	\$128,013	\$4,488
Licenses and Permits	43,150	77,207	34,057
Rent	3,725	7,437	3,712
Contributions and Donations	2,700	5,871	3,171
Other	0	5,933	5,933
<i>Total Revenues</i>	<u>173,100</u>	<u>224,461</u>	<u>51,361</u>
<b>Expenditures</b>			
Current:			
Leisure Time Activities			
Parks and Recreation			
Personal Services	323,836	312,015	11,821
Contractual Services	260,527	244,646	15,881
Materials and Supplies	47,224	44,193	3,031
Capital Outlay	5,475	5,475	0
<i>Total Expenditures</i>	<u>637,062</u>	<u>606,329</u>	<u>30,733</u>
<i>Excess of Revenues Under Expenditures</i>	(463,962)	(381,868)	82,094
<b>Other Financing Source</b>			
Transfers In	<u>323,000</u>	<u>323,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(140,962)	(58,868)	82,094
Fund Balance at Beginning of Year	190,478	190,478	0
Prior Year Encumbrances Appropriated	<u>15,650</u>	<u>15,650</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$65,166</u></u>	<u><u>\$147,260</u></u>	<u><u>\$82,094</u></u>

**City of Pickerington, Ohio**  
Schedule of Revenues, Expenditures, and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Computer Fund  
For the Year Ended December 31, 2004

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Fines and Forfeitures	\$7,000	\$8,571	\$1,571
<i>Total Revenues</i>	<u>7,000</u>	<u>8,571</u>	<u>1,571</u>
<b>Expenditures</b>			
Current:			
General Government			
Computer			
Contractual Services	7,000	4,906	2,094
Materials and Supplies	5,000	3,044	1,956
<i>Total Expenditures</i>	<u>12,000</u>	<u>7,950</u>	<u>4,050</u>
<i>Net Change in Fund Balance</i>	(5,000)	621	5,621
Fund Balance at Beginning of Year	<u>8,977</u>	<u>8,977</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$3,977</u></u>	<u><u>\$9,598</u></u>	<u><u>\$5,621</u></u>

**City of Pickerington, Ohio**  
Schedule of Revenues, Expenditures, and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Operation of a Motor Vehicle Under the Influence Enforcement and Education Fund  
For the Year Ended December 31, 2004

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Fines and Forfeitures	\$800	\$951	\$151
<i>Total Revenues</i>	<u>800</u>	<u>951</u>	<u>151</u>
<b>Expenditures</b>			
Current:			
Security of Persons			
Operation of a Motor Vehicle Under Intoxication Education			
Contractual Services	2,052	251	1,801
Materials and Supplies	1,527	168	1,359
<i>Total Expenditures</i>	<u>3,579</u>	<u>419</u>	<u>3,160</u>
<i>Net Change in Fund Balance</i>	(2,779)	532	3,311
Fund Balance at Beginning of Year	4,475	4,475	0
Prior Year Encumbrances Appropriated	<u>79</u>	<u>79</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$1,775</u></u>	<u><u>\$5,086</u></u>	<u><u>\$3,311</u></u>

**City of Pickerington, Ohio**  
Schedule of Revenues, Expenditures, and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Law Enforcement Seizure Fund  
For the Year Ended December 31, 2004

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$18,033	\$17,964	(\$69)
Other	51	42	(9)
<i>Total Revenues</i>	<u>18,084</u>	<u>18,006</u>	<u>(78)</u>
<b>Expenditures</b>			
Current:			
Security of Persons			
Law Enforcement Seizure			
Materials and Supplies	24,421	22,821	1,600
<i>Total Expenditures</i>	<u>24,421</u>	<u>22,821</u>	<u>1,600</u>
<i>Net Change in Fund Balance</i>	(6,337)	(4,815)	1,522
Fund Balance at Beginning of Year	<u>6,478</u>	<u>6,478</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$141</u>	<u>\$1,663</u>	<u>\$1,522</u>

**City of Pickerington, Ohio**  
Schedule of Revenues, Expenditures, and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Mandatory Drug Enforcement Fund  
For the Year Ended December 31, 2004

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Fines and Forfeitures	\$200	\$701	\$501
<i>Total Revenues</i>	<u>200</u>	<u>701</u>	<u>501</u>
<b>Expenditures</b>			
Current:			
Security of Persons			
Mandatory Drug Enforcement Fund			
Contractual Services	1,000	0	1,000
Materials and Supplies	3,000	0	3,000
<i>Total Expenditures</i>	<u>4,000</u>	<u>0</u>	<u>4,000</u>
<i>Net Change in Fund Balance</i>	(3,800)	701	4,501
Fund Balance at Beginning of Year	<u>4,133</u>	<u>4,133</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$333</u></u>	<u><u>\$4,834</u></u>	<u><u>\$4,501</u></u>

**City of Pickerington, Ohio**  
 Schedule of Revenues, Expenditures, and Changes  
 In Fund Balance - Budget (Non-GAAP Basis) and Actual  
 Immobilization Fund  
 For the Year Ended December 31, 2004

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$700	\$300	(\$400)
<b>Expenditures</b>			
Current:			
Security of Persons			
Immobilization			
Materials and Supplies	2,000	0	2,000
<i>Net Change in Fund Balance</i>	(1,300)	300	1,600
Fund Balance at Beginning of Year	3,977	3,977	0
<i>Fund Balance at End of Year</i>	<u>\$2,677</u>	<u>\$4,277</u>	<u>\$1,600</u>

**City of Pickerington, Ohio**  
Schedule of Revenues, Expenditures, and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Urban Forestry Fund  
For the Year Ended December 31, 2004

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Licenses and Permits	\$87,418	\$45,075	(\$42,343)
Other	0	1,271	1,271
<i>Total Revenues</i>	<u>87,418</u>	<u>46,346</u>	<u>(41,072)</u>
<b>Expenditures</b>			
Current:			
Leisure and Time Activities			
Urban Forestry			
Personal Services	62,675	59,879	2,796
Contractual Services	23,273	12,280	10,993
Materials and Supplies	160,688	114,785	45,903
Capital Outlay	4,900	0	4,900
<i>Total Expenditures</i>	<u>251,536</u>	<u>186,944</u>	<u>64,592</u>
<i>Excess of Revenues Under Expenditures</i>	(164,118)	(140,598)	23,520
<b>Other Financing Source</b>			
Transfers In	25,000	3,595	(21,405)
<i>Net Change in Fund Balance</i>	(139,118)	(137,003)	2,115
Fund Balance at Beginning of Year	287,441	287,441	0
Prior Year Encumbrances Appropriated	72,280	72,280	0
<i>Fund Balance at End of Year</i>	<u><u>\$220,603</u></u>	<u><u>\$222,718</u></u>	<u><u>\$2,115</u></u>

**City of Pickerington, Ohio**  
Schedule of Revenues, Expenditures, and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Community Development Block Grant Revolving Loan Fund  
For the Year Ended December 31, 2004

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$4,331	\$5,644	\$1,313
Interest	508	698	190
Other	0	120	120
<i>Total Revenues</i>	<u>4,839</u>	<u>6,462</u>	<u>1,623</u>
<b>Expenditures</b>			
Current:			
Community Environment			
Community Development Block Grant			
Contractual Services	54,000	0	54,000
<i>Total Expenditures</i>	<u>54,000</u>	<u>0</u>	<u>54,000</u>
<i>Net Change in Fund Balance</i>	(49,161)	6,462	55,623
Fund Balance at Beginning of Year	<u>49,178</u>	<u>49,178</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$17</u></u>	<u><u>\$55,640</u></u>	<u><u>\$55,623</u></u>

**City of Pickerington, Ohio**  
 Schedule of Revenues, Expenditures, and Changes  
 In Fund Balance - Budget (Non-GAAP Basis) and Actual  
 Clean Ohio Conservation Grant Fund  
 For the Year Ended December 31, 2004

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$432,636	\$0	(\$432,636)
<b>Expenditures</b>			
<i>Total Expenditures</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	432,636	0	(432,636)
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$432,636</u></u>	<u><u>\$0</u></u>	<u><u>(\$432,636)</u></u>

## DEBT SERVICE FUNDS

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The debt service funds are used to account for the accumulation of financial resources for, and the payment of, general long-term debt principal, interest and related costs.

The following are included in debt service funds:

**Major Debt Service Fund:**

Debt Service Fund - To account for revenue used to retire principal, interest, and related costs for general obligation bonds, general obligation bond anticipation notes, loans, and revenue anticipation notes.

**Nonmajor Debt Service Funds:**

Water Debt Service Fund - To account for water revenue that is used to retire note and bond principal, interest, and related costs for water construction projects. For GAAP reporting, this activity is reflected in the Water enterprise fund.

Sewer Debt Service Fund - To account for sewer revenue that is used to retire note and bond principal, interest, and related costs for sewer construction projects. For GAAP reporting, this activity is reflected in the Sewer enterprise fund.

**City of Pickerington, Ohio**  
Schedule of Revenues, Expenditures, and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Debt Service Fund  
For the Year Ended December 31, 2004

	<u>Final</u>	<u>Actual</u>	Variance Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$26,068	\$12,516	(\$13,552)
Payment in Lieu of Taxes	275,977	251,184	(24,793)
Interest	13,691	14,313	622
Other	0	26	26
<i>Total Revenues</i>	<u>315,736</u>	<u>278,039</u>	<u>(37,697)</u>
<b>Expenditures</b>			
Debt Service:			
Principal Retirement	7,299,500	7,299,500	0
Interest and Fiscal Charges	238,354	234,395	3,959
Issuance Costs	11,959	26,380	(14,421)
<i>Total Expenditures</i>	<u>7,549,813</u>	<u>7,560,275</u>	<u>(10,462)</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(7,234,077)</u>	<u>(7,282,236)</u>	<u>(48,159)</u>
<b>Other Financing Sources</b>			
Other Financing Sources - Premium	0	18,845	18,845
General Obligation Bonds Issued	1,550,000	1,550,000	0
Notes Issued	5,207,000	5,207,000	0
Transfers In	515,352	532,850	17,498
<i>Total Other Financing Sources</i>	<u>7,272,352</u>	<u>7,308,695</u>	<u>36,343</u>
<i>Net Change in Fund Balance</i>	38,275	26,459	(11,816)
Fund Balance at Beginning of Year	<u>66,336</u>	<u>66,336</u>	0
<i>Fund Balance at End of Year</i>	<u><u>\$104,611</u></u>	<u><u>\$92,795</u></u>	<u><u>(\$11,816)</u></u>

**City of Pickerington, Ohio**  
Schedule of Revenues, Expenditures, and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Water Debt Service Fund  
For the Year Ended December 31, 2004

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Interest	\$0	\$1,004	\$1,004
<i>Total Revenues</i>	<u>0</u>	<u>1,004</u>	<u>1,004</u>
<b>Expenditures</b>			
Debt Service:			
Principal Retirement	4,702,244	4,702,244	0
Interest and Fiscal Charges	103,504	103,504	0
<i>Total Expenditures</i>	<u>4,805,748</u>	<u>4,805,748</u>	<u>0</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(4,805,748)</u>	<u>(4,804,744)</u>	<u>1,004</u>
<b>Other Financing Sources</b>			
Notes Issued	4,935,000	4,272,244	(662,756)
Transfers In	545,766	545,942	176
<i>Total Other Financing Sources</i>	<u>5,480,766</u>	<u>4,818,186</u>	<u>(662,580)</u>
<i>Net Change in Fund Balance</i>	675,018	13,442	(661,576)
Fund Balance at Beginning of Year	<u>32,227</u>	<u>32,227</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$707,245</u>	<u>\$45,669</u>	<u>(\$661,576)</u>

**City of Pickerington, Ohio**  
Schedule of Revenues, Expenditures, and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Sewer Debt Service Fund  
For the Year Ended December 31, 2004

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Interest	\$0	\$11,442	\$11,442
<i>Total Revenues</i>	<u>0</u>	<u>11,442</u>	<u>11,442</u>
<b>Expenditures</b>			
Debt Service:			
Principal Retirement	2,425,000	2,425,000	0
Interest and Fiscal Charges	206,615	206,196	419
<i>Total Expenditures</i>	<u>2,631,615</u>	<u>2,631,196</u>	<u>419</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(2,631,615)</u>	<u>(2,619,754)</u>	<u>11,861</u>
<b>Other Financing Sources</b>			
Notes Issued	2,005,000	2,005,000	0
Transfers In	626,616	626,616	0
<i>Total Other Financing Sources</i>	<u>2,631,616</u>	<u>2,631,616</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	1	11,862	11,861
Fund Balance at Beginning of Year	<u>352</u>	<u>352</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$353</u></u>	<u><u>\$12,214</u></u>	<u><u>\$11,861</u></u>

## CAPITAL PROJECTS FUNDS

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The capital projects funds are used to account for financial resources to be used for the acquisition of major capital facilities (other than those financed by proprietary funds).

### **Major Capital Projects Fund:**

Tax Increment Financing Agreement Windmill/ Diley Construction Fund – To account for revenues and expenditures associated with the extension to Windermiller Drive, realignment for Diley Road, intersection improvements, and the construction of storm sewers and sanitary sewers

### **Nonmajor Capital Projects Funds:**

State Route 256 Highway Fund - To account for the permissive motor vehicle registration fees and note proceeds and expenditures related to the widening and improvement of State Route 256.

Tax Increment Financing Agreement State Route 256/204 Construction Fund - To account for revenues and expenditures associated with the completion of the State Route 256/204 Interceptor project.

Street Construction Fund – To account for revenue and expenditures associated with street construction projects.

Street Capital Improvement Fund - To account for the revenues and the expenditures incurred while completing various street and recreation projects.

Park Capital Improvement Fund - To account for a percentage of the estate tax money transferred from the General Fund, and building permit monies to be used for capital improvements to the City's parks.

Community Development Block Grant Fund - To account for grant monies and related expenditures for projects within the City.

Police Facilities Fund - To account for revenue and expenditures associated with the building and maintenance of the police station.

Downtown Revitalization Fund – To account for General fund transfers and grant monies associated with downtown revitalization. Expenditures from this fund will be for downtown improvement projects.

Tax Increment Financing Agreement Old Town Construction Fund – A tax increment financing agreement for improvements to the infrastructure of a project known as Old Town Place (Town Square).

Tax Increment Financing Agreement Cycle Way Construction Fund – A tax increment financing agreement for improvements to the Blacklick-Eastern Road, a roadway from the culvert to the north to the existing roadway on the American Motorcycle Association parcel, and the widening and intersection improvements of Yarmouth Road.

(continued)

## CAPITAL PROJECTS FUNDS (Continued)

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Tax Increment Financing Agreement Cover Construction Fund – A tax increment financing agreement for a roadway by Picktown Beverage for the company of Kohls to begin business within the City.

Diley Road Improvement Fund - To account for loan proceeds from the State Infrastructure Bank for road construction and expenditures for the Diley Road widening project.

Street Improvement Trust Fund - To account for monies received from developers for future capital improvements to the City.

Sidewalk Improvement Trust Fund - To account for monies received from developers for future capital improvements to the City.

Municipal Building Fund – To account for revenues and expenditures associated with improvements to the municipal building. This fund was not budgeted because the City did not anticipate any activity and none occurred.

**City of Pickerington, Ohio**  
Schedule of Revenues, Expenditures, and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Tax Increment Financing Agreement Windmill/Diley Construction Fund  
For the Year Ended December 31, 2004

	Final	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$500	\$11,200	\$10,700
Interest	200	14,550	14,350
Payment in Lieu of Taxes	10,000	40,799	30,799
<i>Total Revenues</i>	<u>10,700</u>	<u>66,549</u>	<u>55,849</u>
<b>Expenditures</b>			
Capital Outlay			
Tax Increment Financing Agreement			
Windmill/Diley Construction			
Capital Outlay	<u>2,094,040</u>	<u>2,088,380</u>	<u>5,660</u>
<i>Total Expenditures</i>	<u>2,094,040</u>	<u>2,088,380</u>	<u>5,660</u>
<i>Excess of Revenues Under Expenditures</i>	(2,083,340)	(2,021,831)	61,509
<b>Other Financing Source</b>			
Notes Issued	<u>2,000,000</u>	<u>2,000,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(83,340)	(21,831)	61,509
Fund Balance at Beginning of Year	36,442	36,442	0
Prior Year Encumbrances Appropriated	<u>50,640</u>	<u>50,640</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$3,742</u></u>	<u><u>\$65,251</u></u>	<u><u>\$61,509</u></u>

**City of Pickerington, Ohio**  
Combining Balance Sheet  
Nonmajor Capital Projects Funds  
December 31, 2004

	State Route 256 Highway	Tax Increment Financing Agreement State Route 256/204 Construction	Street Construction	Street Capital Improvement	Park Capital Improvement
<b>Assets:</b>					
Equity in Pooled Cash and Cash Equivalents	\$9,098	\$33,107	\$3,073	\$42,894	\$247,881
Receivables:					
Permissive Motor Vehicle Registration Fees	4,040	0	0	0	0
Payments in Lieu of Taxes	0	262,704	0	0	0
Accounts	0	0	0	0	200
Accrued Interest	0	0	0	0	0
Intergovernmental	0	14,595	0	0	0
<i>Total Assets</i>	<u>\$13,138</u>	<u>\$310,406</u>	<u>\$3,073</u>	<u>\$42,894</u>	<u>\$248,081</u>
<b>Liabilities:</b>					
Accounts Payable	\$0	\$0	\$0	\$0	\$16,320
Contracts Payable	0	0	0	0	0
Deferred Revenue	0	277,299	0	0	0
Accrued Interest Payable	0	3,544	0	0	0
Notes Payable	0	414,000	0	0	0
<i>Total Liabilities</i>	<u>0</u>	<u>694,843</u>	<u>0</u>	<u>0</u>	<u>16,320</u>
<b>Fund Equity:</b>					
Fund Balance:					
Reserved for Encumbrances	0	0	1,185	4,700	11,808
Unreserved:					
Undesignated (Deficit)	13,138	(384,437)	1,888	38,194	219,953
<i>Total Fund Equity (Deficit)</i>	<u>13,138</u>	<u>(384,437)</u>	<u>3,073</u>	<u>42,894</u>	<u>231,761</u>
<i>Total Liabilities and Fund Equity</i>	<u>\$13,138</u>	<u>\$310,406</u>	<u>\$3,073</u>	<u>\$42,894</u>	<u>\$248,081</u>

Community Development Block Grant	Police Facilities	Downtown Revitalization	Tax Increment Financing Agreement Old Town Construction	Tax Increment Financing Agreement Cycle Way Construction	Tax Increment Financing Agreement Cover Construction
\$932	\$20,888	\$54,499	\$0	\$57,331	\$72,196
0	0	0	0	0	0
0	0	0	1,783	2,210	0
0	0	0	0	0	0
0	0	0	0	0	0
30,000	0	0	99	123	0
<u>\$30,932</u>	<u>\$20,888</u>	<u>\$54,499</u>	<u>\$1,882</u>	<u>\$59,664</u>	<u>\$72,196</u>
\$0	\$0	\$0	\$0	\$0	\$0
0	0	45,402	0	0	0
30,000	0	0	1,882	2,333	0
0	2,152	0	3,364	5,351	2,736
0	330,000	0	393,000	625,000	322,500
<u>30,000</u>	<u>332,152</u>	<u>45,402</u>	<u>398,246</u>	<u>632,684</u>	<u>325,236</u>
932	0	6,039	0	42,153	67,842
0	(311,264)	3,058	(396,364)	(615,173)	(320,882)
932	(311,264)	9,097	(396,364)	(573,020)	(253,040)
<u>\$30,932</u>	<u>\$20,888</u>	<u>\$54,499</u>	<u>\$1,882</u>	<u>\$59,664</u>	<u>\$72,196</u>

(continued)

**City of Pickerington, Ohio**  
Combining Balance Sheet  
Nonmajor Capital Projects Funds (Continued)  
December 31, 2004

	Diley Road Improvement	Street Improvement Trust	Sidewalk Improvement Trust	Municipal Building	Total Nonmajor Capital Projects Funds
<b>Assets:</b>					
Equity in Pooled Cash and Cash Equivalents	\$175,659	\$268,004	\$1,467	\$933	\$987,962
Receivables:					
Permissive Motor Vehicle Registration Fees	0	0	0	0	4,040
Payments in Lieu of Taxes	0	0	0	0	266,697
Accounts	0	0	0	0	200
Accrued Interest	0	2,573	0	0	2,573
Intergovernmental	0	0	0	0	44,817
	<u>\$175,659</u>	<u>\$270,577</u>	<u>\$1,467</u>	<u>\$933</u>	<u>\$1,306,289</u>
<i>Total Assets</i>					
<b>Liabilities:</b>					
Accounts Payable	\$53,815	\$0	\$0	\$0	\$70,135
Contracts Payable	0	0	0	0	45,402
Deferred Revenue	0	2,573	0	0	314,087
Accrued Interest Payable	1,456	0	0	0	18,603
Notes Payable	380,000	0	0	0	2,464,500
	<u>435,271</u>	<u>2,573</u>	<u>0</u>	<u>0</u>	<u>2,912,727</u>
<i>Total Liabilities</i>					
<b>Fund Equity:</b>					
Fund Balance:					
Reserved for Encumbrances	117,035	0	0	0	251,694
Unreserved:					
Undesignated (Deficit)	(376,647)	268,004	1,467	933	(1,858,132)
	<u>(259,612)</u>	<u>268,004</u>	<u>1,467</u>	<u>933</u>	<u>(1,606,438)</u>
<i>Total Fund Equity (Deficit)</i>					
<i>Total Liabilities and Fund Equity</i>	<u>\$175,659</u>	<u>\$270,577</u>	<u>\$1,467</u>	<u>\$933</u>	<u>\$1,306,289</u>

**City of Pickerington, Ohio**  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Nonmajor Capital Projects Funds  
For the Year Ended December 31, 2004

	State Route 256 Highway	Tax Increment Financing Agreement State Route 256/204 Construction	Street Construction	Street Capital Improvement
<b>Revenues:</b>				
Permissive Motor Vehicle Registration Fees	\$77,269	\$0	\$0	\$0
Licenses and Permits	0	0	0	0
Intergovernmental	0	19,002	0	0
Interest	0	1,643	4,645	0
Payment in Lieu of Taxes	0	246,255	0	0
<i>Total Revenues</i>	<u>77,269</u>	<u>266,900</u>	<u>4,645</u>	<u>0</u>
<b>Expenditures:</b>				
Capital Outlay	141,342	36,111	57,771	231,231
Debt Service:				
Interest and Fiscal Charges	0	10,467	12,118	0
<i>Total Expenditures</i>	<u>141,342</u>	<u>46,578</u>	<u>69,889</u>	<u>231,231</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(64,073)</u>	<u>220,322</u>	<u>(65,244)</u>	<u>(231,231)</u>
<b>Other Financing Sources</b>				
General Obligation Bonds Issued	0	0	1,550,000	0
Loan Issued	0	0	0	0
Transfers In	0	0	72,705	164,000
<i>Total Other Financing Sources</i>	<u>0</u>	<u>0</u>	<u>1,622,705</u>	<u>164,000</u>
<i>Net Changes in Fund Balances</i>	(64,073)	220,322	1,557,461	(67,231)
Fund Balances (Deficits) at Beginning of Year	<u>77,211</u>	<u>(604,759)</u>	<u>(1,554,388)</u>	<u>110,125</u>
<i>Fund Balances (Deficits) at End of Year</i>	<u>\$13,138</u>	<u>(\$384,437)</u>	<u>\$3,073</u>	<u>\$42,894</u>

(continued)

**City of Pickerington, Ohio**  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Nonmajor Capital Projects Funds (Continued)  
For the Year Ended December 31, 2004

	Park Capital Improvement	Community Development Block Grant	Police Facilities	Downtown Revitalization
<b>Revenues:</b>				
Permissive Motor Vehicle Registration Fees	\$0	\$0	\$0	\$0
Licenses and Permits	48,607	0	0	0
Intergovernmental	0	0	0	0
Interest	0	0	651	4,359
Payment in Lieu of Taxes	0	0	0	0
<i>Total Revenues</i>	<u>48,607</u>	<u>0</u>	<u>651</u>	<u>4,359</u>
<b>Expenditures:</b>				
Capital Outlay	109,840	25,000	14,871	607,995
Debt Service:				
Interest and Fiscal Charges	0	0	5,436	0
<i>Total Expenditures</i>	<u>109,840</u>	<u>25,000</u>	<u>20,307</u>	<u>607,995</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(61,233)</u>	<u>(25,000)</u>	<u>(19,656)</u>	<u>(603,636)</u>
<b>Other Financing Sources</b>				
General Obligation Bonds Issued	0	0	0	0
Loan Issued	0	0	0	0
Transfers In	17,125	0	0	14,900
<i>Total Other Financing Sources</i>	<u>17,125</u>	<u>0</u>	<u>0</u>	<u>14,900</u>
<i>Net Changes in Fund Balances</i>	(44,108)	(25,000)	(19,656)	(588,736)
Fund Balances (Deficits) at Beginning of Year	<u>275,869</u>	<u>25,932</u>	<u>(291,608)</u>	<u>597,833</u>
<i>Fund Balances (Deficits) at End of Year</i>	<u><u>\$231,761</u></u>	<u><u>\$932</u></u>	<u><u>(\$311,264)</u></u>	<u><u>\$9,097</u></u>

Tax Increment Financing Agreement Old Town Construction	Tax Increment Financing Agreement Cycle Way Construction	Tax Increment Financing Agreement Cover Construction	Diley Road Improvement	Street Improvement Trust	Sidewalk Improvement Trust
\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0
0	0	0	0	0	0
103	3,023	1,044	3,104	759	30
1,033	0	0	0	0	0
<u>1,136</u>	<u>3,023</u>	<u>1,044</u>	<u>3,104</u>	<u>759</u>	<u>30</u>
0	219,853	18,274	409,266	0	0
9,803	13,526	7,105	6,305	0	0
<u>9,803</u>	<u>233,379</u>	<u>25,379</u>	<u>415,571</u>	<u>0</u>	<u>0</u>
<u>(8,667)</u>	<u>(230,356)</u>	<u>(24,335)</u>	<u>(412,467)</u>	<u>759</u>	<u>30</u>
0	0	0	0	0	0
0	0	0	169,000	0	0
5,450	13,224	9,218	25,758	0	0
<u>5,450</u>	<u>13,224</u>	<u>9,218</u>	<u>194,758</u>	<u>0</u>	<u>0</u>
(3,217)	(217,132)	(15,117)	(217,709)	759	30
<u>(393,147)</u>	<u>(355,888)</u>	<u>(237,923)</u>	<u>(41,903)</u>	<u>267,245</u>	<u>1,437</u>
<u>(\$396,364)</u>	<u>(\$573,020)</u>	<u>(\$253,040)</u>	<u>(\$259,612)</u>	<u>\$268,004</u>	<u>\$1,467</u>

(continued)

**City of Pickerington, Ohio**  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Nonmajor Capital Projects Funds (Continued)  
For the Year Ended December 31, 2004

	<u>Municipal Building</u>	<u>Total Nonmajor Capital Projects Funds</u>
<b>Revenues:</b>		
Permissive Motor Vehicle Registration Fees	\$0	\$77,269
Licenses and Permits	0	48,607
Intergovernmental	0	19,002
Interest	0	19,361
Payment in Lieu of Taxes	0	247,288
	<u>0</u>	<u>411,527</u>
<i>Total Revenues</i>	<u>0</u>	<u>411,527</u>
<b>Expenditures:</b>		
Capital Outlay	0	1,871,554
Debt Service:		
Interest and Fiscal Charges	0	64,760
	<u>0</u>	<u>1,936,314</u>
<i>Total Expenditures</i>	<u>0</u>	<u>1,936,314</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>0</u>	<u>(1,524,787)</u>
<b>Other Financing Sources</b>		
General Obligation Bonds Issued	0	1,550,000
Loan Issued	0	169,000
Transfers In	0	322,380
	<u>0</u>	<u>2,041,380</u>
<i>Total Other Financing Sources</i>	<u>0</u>	<u>2,041,380</u>
<i>Net Changes in Fund Balances</i>	0	516,593
Fund Balances (Deficits) at Beginning of Year	933	(2,123,031)
<i>Fund Balances (Deficits) at End of Year</i>	<u>\$933</u>	<u>(\$1,606,438)</u>

**City of Pickerington, Ohio**  
Schedule of Revenues, Expenditures, and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
State Route 256 Highway Fund  
For the Year Ended December 31, 2004

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Permissive Motor Vehicle Registration Fees	\$85,000	\$80,037	(\$4,963)
<i>Total Revenues</i>	<u>85,000</u>	<u>80,037</u>	<u>(4,963)</u>
<b>Expenditures</b>			
Capital Outlay			
State Route 256 Highway			
Contractual Services	10,000	10,000	0
Materials and Supplies	20,510	19,491	1,019
Capital Outlay	<u>121,852</u>	<u>121,851</u>	<u>1</u>
<i>Total Expenditures</i>	<u>152,362</u>	<u>151,342</u>	<u>1,020</u>
<i>Net Change in Fund Balance</i>	(67,362)	(71,305)	(3,943)
Fund Balance at Beginning of Year	<u>80,403</u>	<u>80,403</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$13,041</u></u>	<u><u>\$9,098</u></u>	<u><u>(\$3,943)</u></u>

**City of Pickerington, Ohio**  
Schedule of Revenues, Expenditures, and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Tax Increment Financing Agreement State Route 256/204 Construction Fund  
For the Year Ended December 31, 2004

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$600	\$12,371	\$11,771
Interest	25	471	446
Payment in Lieu of Taxes	25,000	32,802	7,802
<i>Total Revenues</i>	<u>25,625</u>	<u>45,644</u>	<u>20,019</u>
<b>Expenditures</b>			
Capital Outlay			
Tax Increment Financing Agreement			
State Route 256/204 Construction			
Contractual Services	35,600	33,477	2,123
<i>Total Transportation</i>	<u>35,600</u>	<u>33,477</u>	<u>2,123</u>
Debt Service:			
Interest and Fiscal Charges	0	2,634	(2,634)
<i>Total Debt Service</i>	<u>0</u>	<u>2,634</u>	<u>(2,634)</u>
<i>Total Expenditures</i>	<u>35,600</u>	<u>36,111</u>	<u>(511)</u>
<i>Net Change in Fund Balance</i>	(9,975)	9,533	19,508
Fund Balance at Beginning of Year	23,574	23,574	0
<i>Fund Balance at End of Year</i>	<u>\$13,599</u>	<u>\$33,107</u>	<u>\$19,508</u>

**City of Pickerington, Ohio**  
Schedule of Revenues, Expenditures, and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Street Construction Fund  
For the Year Ended December 31, 2004

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Interest	\$600	\$1,714	\$1,114
<b>Expenditures</b>			
Capital Outlay			
Street Construction			
Capital Outlay	64,489	64,178	311
<i>Net Change in Fund Balance</i>	(63,889)	(62,464)	1,425
Fund Balance at Beginning of Year	7,041	7,041	0
Prior Year Encumbrances Appropriated	57,311	57,311	0
<i>Fund Balance at End of Year</i>	<u>\$463</u>	<u>\$1,888</u>	<u>\$1,425</u>

**City of Pickerington, Ohio**  
Schedule of Revenues, Expenditures, and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Street Capital Improvement Fund  
For the Year Ended December 31, 2004

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
<i>Total Revenues</i>	\$0	\$0	\$0
<b>Expenditures</b>			
Capital Outlay			
Street Capital Improvement			
Capital Outlay	273,979	238,970	35,009
<i>Excess of Revenues Under Expenditures</i>	(273,979)	(238,970)	35,009
<b>Other Financing Source</b>			
Transfers In	164,000	164,000	0
<i>Net Change in Fund Balance</i>	(109,979)	(74,970)	35,009
Fund Balance at Beginning of Year	89,185	89,185	0
Prior Year Encumbrances Appropriated	23,979	23,979	0
<i>Fund Balance at End of Year</i>	<u>\$3,185</u>	<u>\$38,194</u>	<u>\$35,009</u>

**City of Pickerington, Ohio**  
Schedule of Revenues, Expenditures, and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Park Capital Improvement Fund  
For the Year Ended December 31, 2004

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Licenses and Permits	\$43,150	\$77,207	\$34,057
Intergovernmental	33,000	0	(33,000)
<i>Total Revenues</i>	<u>76,150</u>	<u>77,207</u>	<u>1,057</u>
<b>Expenditures</b>			
Capital Outlay			
Park Capital Improvement			
Contractual Services	15,000	16,800	(1,800)
Capital Outlay	286,189	114,577	171,612
<i>Total Expenditures</i>	<u>301,189</u>	<u>131,377</u>	<u>169,812</u>
<i>Excess of Revenues Under Expenditures</i>	(225,039)	(54,170)	170,869
<b>Other Financing Source</b>			
Transfers In	333	17,125	16,792
<i>Net Change in Fund Balance</i>	(224,706)	(37,045)	187,661
Fund Balance at Beginning of Year	197,269	197,269	0
Prior Year Encumbrances Appropriated	59,529	59,529	0
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$32,092</u>	<u>\$219,753</u>	<u>\$187,661</u>

**City of Pickerington, Ohio**  
 Schedule of Revenues, Expenditures, and Changes  
 In Fund Balance - Budget (Non-GAAP Basis) and Actual  
 Community Development Block Grant Fund  
 For the Year Ended December 31, 2004

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$55,000	\$25,000	(\$30,000)
<b>Expenditures</b>			
Capital Outlay			
Community Development Block Grant			
Capital Outlay	55,900	25,932	29,968
<i>Net Change in Fund Balance</i>	(900)	(932)	(32)
Fund Balance at Beginning of Year	932	932	0
<i>Fund Balance at End of Year</i>	<u>\$32</u>	<u>\$0</u>	<u>(\$32)</u>

**City of Pickerington, Ohio**  
Schedule of Revenues, Expenditures, and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Police Facilities Fund  
For the Year Ended December 31, 2004

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Interest	\$647	\$647	\$0
Other	28,691	0	(28,691)
<i>Total Revenues</i>	<u>29,338</u>	<u>647</u>	<u>(28,691)</u>
<b>Expenditures</b>			
Capital Outlay			
Police Facilities			
Contractual Services	0	1,170	(1,170)
Capital Outlay	69,888	44,672	25,216
<i>Total Expenditures</i>	<u>69,888</u>	<u>45,842</u>	<u>24,046</u>
<i>Excess of Revenues Under Expenditures</i>	(40,550)	(45,195)	(4,645)
<b>Other Financing Use</b>			
Transfers Out	(46,836)	(45,666)	1,170
<i>Net Change in Fund Balance</i>	(87,386)	(90,861)	(3,475)
Fund Balance at Beginning of Year	20,973	20,973	0
Prior Year Encumbrances Appropriated	69,888	69,888	0
<i>Fund Balance at End of Year</i>	<u>\$3,475</u>	<u>\$0</u>	<u>(\$3,475)</u>

**City of Pickerington, Ohio**  
Schedule of Revenues, Expenditures, and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Downtown Revitalization Fund  
For the Year Ended December 31, 2004

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Interest	\$3,200	\$4,359	\$1,159
<i>Total Revenues</i>	<u>3,200</u>	<u>4,359</u>	<u>1,159</u>
<b>Expenditures</b>			
Capital Outlay			
Downtown Revitalization			
Materials and Supplies	1,000	562	438
Capital Outlay	770,180	768,902	1,278
<i>Total Expenditures</i>	<u>771,180</u>	<u>769,464</u>	<u>1,716</u>
<i>Excess of Revenues Under Expenditures</i>	(767,980)	(765,105)	2,875
<b>Other Financing Source</b>			
Transfers In	14,900	14,900	0
<i>Net Change in Fund Balance</i>	(753,080)	(750,205)	2,875
Fund Balance at Beginning of Year	7,983	7,983	0
Prior Year Encumbrances Appropriated	745,280	745,280	0
<i>Fund Balance at End of Year</i>	<u>\$183</u>	<u>\$3,058</u>	<u>\$2,875</u>

**City of Pickerington, Ohio**  
Schedule of Revenues, Expenditures, and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Tax Increment Financing Agreement Old Town Construction Fund  
For the Year Ended December 31, 2004

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Interest	\$26	\$26	\$0
<b>Expenditures</b>			
<i>Total Expenditures</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Excess of Revenues Over Expenditures</i>	26	26	0
<b>Other Financing Use</b>			
Transfers Out	<u>(3,715)</u>	<u>(3,715)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(3,689)	(3,689)	0
Fund Balance at Beginning of Year	<u>3,689</u>	<u>3,689</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

**City of Pickerington, Ohio**  
Schedule of Revenues, Expenditures, and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Tax Increment Financing Agreement Cycle Way Construction Fund  
For the Year Ended December 31, 2004

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Interest	\$3,000	\$3,235	\$235
<i>Total Revenues</i>	<u>3,000</u>	<u>3,235</u>	<u>235</u>
<b>Expenditures</b>			
Capital Outlay			
Tax Increment Financing Agreement Cycle Way Construction			
Materials and Supplies	1,580	1,580	0
Capital Outlay	<u>335,791</u>	<u>335,676</u>	<u>115</u>
<i>Total Expenditures</i>	<u>337,371</u>	<u>337,256</u>	<u>115</u>
<i>Excess of Revenues Under Expenditures</i>	(334,371)	(334,021)	350
<b>Other Financing Use</b>			
Transfers Out	<u>(14,220)</u>	<u>(14,220)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(348,591)	(348,241)	350
Fund Balance at Beginning of Year	13,263	13,263	0
Prior Year Encumbrances Appropriated	<u>335,791</u>	<u>335,791</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$463</u></u>	<u><u>\$813</u></u>	<u><u>\$350</u></u>

**City of Pickerington, Ohio**  
Schedule of Revenues, Expenditures, and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Tax Increment Financing Agreement Cover Construction  
For the Year Ended December 31, 2004

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Interest	\$200	\$598	\$398
<i>Total Revenues</i>	<u>200</u>	<u>598</u>	<u>398</u>
<b>Expenditures</b>			
Capital Outlay			
Tax Increment Financings Agreement Cover Construction			
Contractual Services	2,200	1,095	1,105
Capital Outlay	<u>92,928</u>	<u>92,923</u>	<u>5</u>
<i>Total Expenditures</i>	<u>95,128</u>	<u>94,018</u>	<u>1,110</u>
<i>Excess of Revenues Under Expenditures</i>	(94,928)	(93,420)	1,508
<b>Other Financing Use</b>			
Transfers Out	<u>0</u>	<u>(1,105)</u>	<u>(1,105)</u>
<i>Net Change in Fund Balance</i>	(94,928)	(94,525)	403
Fund Balance at Beginning of Year	4,707	4,707	0
Prior Year Encumbrances Appropriated	<u>92,928</u>	<u>92,928</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$2,707</u></u>	<u><u>\$3,110</u></u>	<u><u>\$403</u></u>

**City of Pickerington, Ohio**  
Schedule of Revenues, Expenditures, and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Diley Road Improvement Fund  
For the Year Ended December 31, 2004

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Interest	\$100	\$3,880	\$3,780
<i>Total Revenues</i>	<u>100</u>	<u>3,880</u>	<u>3,780</u>
<b>Expenditures</b>			
Capital Outlay			
Diley Road Improvement			
Contractual Services	15,816	15,815	1
Capital Outlay	<u>524,879</u>	<u>524,665</u>	<u>214</u>
<i>Total Expenditures</i>	<u>540,695</u>	<u>540,480</u>	<u>215</u>
<i>Excess of Revenues Under Expenditures</i>	(540,595)	(536,600)	3,995
<b>Other Financing Source</b>			
Loan Issued	<u>2,000,368</u>	<u>169,000</u>	<u>(1,831,368)</u>
<i>Net Change in Fund Balance</i>	1,459,773	(367,600)	(1,827,373)
Fund Deficit at Beginning of Year	768	768	0
Prior Year Encumbrances Appropriated	<u>371,850</u>	<u>371,850</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$1,832,391</u></u>	<u><u>\$5,018</u></u>	<u><u>(\$1,827,373)</u></u>

**City of Pickerington, Ohio**  
 Schedule of Revenues, Expenditures, and Changes  
 In Fund Balance - Budget (Non-GAAP Basis) and Actual  
 Street Improvement Trust Fund  
 For the Year Ended December 31, 2004

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Interest	\$1,700	\$759	(\$941)
<b>Expenditures</b>			
<i>Total Expenditures</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	1,700	759	(941)
Fund Balance at Beginning of Year	<u>267,245</u>	<u>267,245</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$268,945</u></u>	<u><u>\$268,004</u></u>	<u><u>(\$941)</u></u>

**City of Pickerington, Ohio**  
 Schedule of Revenues, Expenditures, and Changes  
 In Fund Balance - Budget (Non-GAAP Basis) and Actual  
 Sidewalk Improvement Trust Fund  
 For the Year Ended December 31, 2004

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Interest	\$175	\$30	(\$145)
<b>Expenditures</b>			
<i>Total Expenditures</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	175	30	(145)
Fund Balance at Beginning of Year	<u>1,437</u>	<u>1,437</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$1,612</u></u>	<u><u>\$1,467</u></u>	<u><u>(\$145)</u></u>

## ENTERPRISE FUNDS

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The enterprise funds are maintained to account for the operations of city government that provide goods or services to the general public in a manner similar to private business enterprises. The costs of providing these goods or services are financed through user charges.

The following are included in enterprise funds:

Water Fund – To account for water services provided to individuals and commercial users.

Sewer Fund – To account for sewer services provided to individuals and commercial users.

Stormwater Fund – To account for monies collected from stormwater utility charges to be utilized solely for the operations, maintenance, repair, improvement and extension of the utility; to provide for the safe and efficient capture and conveyance of stormwater.

**City of Pickerington, Ohio**  
Schedule of Revenues, Expenses, and Changes  
In Fund Equity - Budget (Non-GAAP Basis) and Actual  
Water Fund  
For the Year Ended December 31, 2004

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Charges for Services	\$1,181,500	\$1,225,118	\$43,618
Tap-in Fees	687,406	1,051,243	363,837
Utility Deposits Received	800	450	(350)
Interest	12,000	19,191	7,191
Other Non-Operating Revenues	21,500	28,476	6,976
<i>Total Revenues</i>	<u>1,903,206</u>	<u>2,324,478</u>	<u>421,272</u>
<b>Expenses</b>			
Current:			
Personal Services	524,022	498,674	25,348
Contractual Services	761,176	501,156	260,020
Materials and Supplies	370,238	309,545	60,693
Utility Deposits Applied	400	347	53
Utility Deposits Returned	400	53	347
Capital Outlay	1,074,622	546,931	527,691
Debt Service:			
Principal Retirement	12,604	12,604	0
<i>Total Expenses</i>	<u>2,743,462</u>	<u>1,869,310</u>	<u>874,152</u>
<i>Excess of Revenues Over (Under) Expenses</i>	(840,256)	455,168	1,295,424
Transfers Out	<u>(545,766)</u>	<u>(545,942)</u>	<u>(176)</u>
<i>Excess of Revenues Under Expenses and Transfers</i>	(1,386,022)	(90,774)	1,295,248
Fund Equity at Beginning of Year	2,706,731	2,706,731	0
Prior Year Encumbrances Appropriated	<u>176,415</u>	<u>176,415</u>	<u>0</u>
<i>Fund Equity at End of Year</i>	<u>\$1,497,124</u>	<u>\$2,792,372</u>	<u>\$1,295,248</u>

**City of Pickerington, Ohio**  
Schedule of Revenues, Expenses, and Changes  
In Fund Equity - Budget (Non-GAAP Basis) and Actual  
Sewer Fund  
For the Year Ended December 31, 2004

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Charges for Services	\$1,311,750	\$1,327,312	\$15,562
Tap-in Fees	729,743	672,351	(57,392)
Utility Deposits Received	800	450	(350)
Interest	10,000	20,265	10,265
Other Non-Operating Revenues	1,400	9,716	8,316
<i>Total Revenues</i>	<u>2,053,693</u>	<u>2,030,094</u>	<u>(23,599)</u>
<b>Expenses</b>			
Current:			
Personal Services	528,308	512,949	15,359
Contractual Services	1,028,540	750,619	277,921
Materials and Supplies	112,566	59,661	52,905
Utility Deposits Applied	400	347	53
Utility Deposits Returned	400	53	347
Capital Outlay	183,174	55,524	127,650
Debt Service:			
Principal Retirement	43,577	45,035	(1,458)
Interest and Fiscal Charges	49,969	48,511	1,458
<i>Total Expenses</i>	<u>1,946,934</u>	<u>1,472,699</u>	<u>474,235</u>
<i>Excess of Revenues Over Expenses</i>	106,759	557,395	450,636
Transfers Out	<u>(626,616)</u>	<u>(626,616)</u>	<u>0</u>
<i>Excess of Revenues Under Expenses and Transfers</i>	(519,857)	(69,221)	450,636
Fund Equity at Beginning of Year	2,284,530	2,284,530	0
Prior Year Encumbrances Appropriated	<u>175,146</u>	<u>175,146</u>	<u>0</u>
<i>Fund Equity at End of Year</i>	<u>\$1,939,819</u>	<u>\$2,390,455</u>	<u>\$450,636</u>

**City of Pickerington, Ohio**  
Schedule of Revenues, Expenses, and Changes  
In Fund Equity - Budget (Non-GAAP Basis) and Actual  
Stormwater Fund  
For the Year Ended December 31, 2004

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Charges for Services	\$163,600	\$165,800	\$2,200
Tap-in Fees	181,128	264,108	82,980
Interest	100	256	156
Other Non-Operating Revenues	0	2,005	2,005
<i>Total Revenues</i>	<u>344,828</u>	<u>432,169</u>	<u>87,341</u>
<b>Expenses</b>			
Current:			
Personal Services	171,170	162,915	8,255
Contractual Services	260,502	191,180	69,322
Materials and Supplies	13,850	4,849	9,001
Capital Outlay	204,133	86,679	117,454
<i>Total Expenses</i>	<u>649,655</u>	<u>445,623</u>	<u>204,032</u>
<i>Excess of Revenues Under Expenses</i>	(304,827)	(13,454)	291,373
Fund Equity at Beginning of Year	375,639	375,639	0
Prior Year Encumbrances Appropriated	<u>85,255</u>	<u>85,255</u>	<u>0</u>
<i>Fund Equity at End of Year</i>	<u><u>\$156,067</u></u>	<u><u>\$447,440</u></u>	<u><u>\$291,373</u></u>

## INTERNAL SERVICE FUND

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The internal service fund is maintained to account for the operations of City activities that provide services to other City departments and funds.

The internal service fund is:

Fleet Maintenance Fund – To account for the maintenance and repair of vehicles and equipment and fuel purchase for City vehicles and the related charges for service.

**City of Pickerington, Ohio**  
 Schedule of Revenues, Expenses, and Changes  
 In Fund Equity - Budget (Non-GAAP Basis) and Actual  
 Fleet Maintenance Fund  
 For the Year Ended December 31, 2004

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Charges for Services	\$194,726	\$198,989	\$4,263
Other Non-Operating	0	852	852
<i>Total Revenues</i>	<u>194,726</u>	<u>199,841</u>	<u>5,115</u>
<b>Expenses</b>			
Personal Services	62,834	61,347	1,487
Contractual Services	22,039	20,011	2,028
Materials and Supplies	118,083	120,622	(2,539)
<i>Total Expenses</i>	<u>202,956</u>	<u>201,980</u>	<u>976</u>
<i>Excess of Revenues Under Expenses</i>	(8,230)	(2,139)	6,091
Fund Equity at Beginning of Year	11,836	11,836	0
Prior Year Encumbrances Appropriated	<u>4,238</u>	<u>4,238</u>	<u>0</u>
<i>Fund Equity at End of Year</i>	<u><u>\$7,844</u></u>	<u><u>\$13,935</u></u>	<u><u>\$6,091</u></u>

## **AGENCY FUND**

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Agency funds account for resources held in a purely custodial capacity (assets equal liabilities) for individuals, private organizations, or other governments.

Mayor's Court Fund – To account for assets held by the mayor's court for distribution to other governments.

**City of Pickerington, Ohio**  
Statement of Changes in Assets and Liabilities  
Agency Fund  
For the Year Ended December 31, 2004

	<u>Balance 1/1/04</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/04</u>
<b>Mayor's Court</b>				
<b>Assets</b>				
Cash and Cash Equivalents in Segregated Accounts	<u>\$550</u>	<u>\$149,613</u>	<u>\$150,113</u>	<u>\$50</u>
<i>Total Assets</i>	<u><u>\$550</u></u>	<u><u>\$149,613</u></u>	<u><u>\$150,113</u></u>	<u><u>\$50</u></u>
<b>Liabilities</b>				
Undistributed Monies	<u>\$550</u>	<u>\$149,613</u>	<u>\$150,113</u>	<u>\$50</u>
<i>Total Liabilities</i>	<u><u>\$550</u></u>	<u><u>\$149,613</u></u>	<u><u>\$150,113</u></u>	<u><u>\$50</u></u>

*City of Pickerington, Ohio*

**Statistical Section**

## **Statistical Section**

The following unaudited statistical tables reflect social and economic data, financial trends and fiscal capability of the City.

**City of Pickerington, Ohio**  
 General Governmental Expenditures by Function (1)  
 Last Ten Years

<u>Year</u>	<u>General Government</u>	<u>Security of Persons and Property</u>	<u>Transportation</u>	<u>Leisure Time Activities</u>	<u>Public Health Services</u>	<u>Community Environment</u>
1995	\$930,227	\$1,348,850	\$260,680	\$240,548	\$40,059	\$115,808
1996	1,138,611	1,434,545	306,839	264,645	53,687	127,479
1997	1,174,040	1,454,688	284,995	289,011	39,204	144,318
1998	1,286,863	1,472,005	375,081	329,952	53,088	171,363
1999	1,335,564	1,526,887	483,285	329,484	52,851	229,749
2000	1,725,815	1,860,968	582,601	444,796	54,469	609,935
2001	2,169,733	1,992,201	518,741	620,556	63,614	668,092
2002	2,248,217	2,245,129	506,550	668,724	100,010	870,283
2003	2,190,882	2,431,526	538,020	741,676	105,265	1,058,511
2004 (2)	1,974,974	2,826,306	554,026	716,456	103,208	1,210,341

(1) Modified accrual basis. Includes general, special revenue, debt service and capital projects funds.

(2) Once a significant number of years of full accrual information has been obtained, it will be included in a separate table.

Source: City financial records

<u>Capital Outlay</u>	<u>Debt Service</u>	<u>Total</u>
\$393,351	\$88,539	\$3,418,062
517,342	56,871	3,900,019
524,726	31,764	3,942,746
1,704,941	20,711	5,414,004
856,122	30,781	4,844,723
1,620,192	51,983	6,950,759
2,854,710	195,351	9,082,998
5,533,888	310,301	12,483,102
3,522,136	501,864	11,089,880
3,750,293	2,705,856	13,841,460

**City of Pickerington, Ohio**  
 General Governmental Revenues by Source (1)  
 Last Ten Years

Year	Property and Other Taxes	Permissive Motor Vehicle Registration Fees (4)	Income Taxes	Charges for Services (6)	Fines, Forfeitures Licenses and Permits (5)	Inter- governmental
1995	\$579,973	\$0	\$1,505,606	\$167,667	\$259,044	\$1,180,605
1996	666,224	0	1,543,361	178,635	350,846	1,037,888
1997	633,766	0	1,828,099	180,604	353,365	931,638
1998	985,318	0	2,020,704	153,124	469,730	1,072,547
1999	756,156	0	2,236,481	190,518	523,678	968,467
2000	798,049	0	2,445,555	529,084	590,881	1,421,664
2001	1,375,192	0	2,782,304	826,987	773,027	1,255,515
2002	1,574,611	0	3,041,993	918,555	1,187,009	1,051,570
2003	1,717,578	0	3,105,152	905,011	1,743,833	1,015,244
2004 (3)	1,709,145	128,803	3,336,898	505,128	731,873	1,165,891

(1) Modified accrual basis. Includes general, special revenue, debt service and capital projects funds.

(2) Represents payment in lieu of taxes for various tax increment financing agreements.

(3) Once a significant number of years of full accrual information has been obtained, it will be included in a separate table.

(4) Prior to 2004 permissive motor vehicle registration fees revenue was combined with property and other taxes revenue.

(5) Due to the relocation of the building department during 2003, the issuance of building permits was delayed.

(6) During 2004, engineer inspection services provided by the City were double booked.

Source: City financial records

<u>Interest</u>	<u>Payment in Lieu of Taxes (2)</u>	<u>Rent</u>	<u>Contributions and Donations</u>	<u>Other</u>	<u>Total</u>
\$159,216	\$0	\$0	\$0	\$34,087	\$3,886,198
64,269	0	0	0	38,481	3,879,704
114,075	0	0	0	353,822	4,395,369
220,138	0	0	0	163,631	5,085,192
258,399	42,363	0	0	358,011	5,334,073
252,287	90,578	0	0	39,626	6,167,724
405,286	122,120	6,790	115,016	53,186	7,715,423
191,799	152,982	11,275	4,892	93,474	8,228,160
111,334	190,976	10,710	5,216	131,519	8,936,573
117,419	348,359	7,437	7,256	238,551	8,296,760

**City of Pickerington, Ohio**  
Property Tax Levies and Collections  
Real and Public Utility Property Tax (1)  
Last Ten Years

Year	Total Tax Levy	Current Collections(2)	Delinquent Collections	Total Collections	Percent of Total Collections To Tax Levy	Accumulated Outstanding Delinquent Taxes	Percent of Accumulated Delinquent Taxes to Total Tax Levy
1995	\$520,407	\$514,957	\$9,835	\$524,792	100.84%	\$12,492	2.40%
1996	604,674	598,816	8,488	607,304	100.43	12,635	2.09
1997	594,544	555,953	6,838	562,791	94.66	17,404	2.93
1998	621,924	608,817	8,242	617,059	99.22	20,765	3.34
1999	673,947	654,598	13,053	667,651	99.07	29,110	4.32
2000	742,888	700,256	20,768	721,024	97.06	24,708	3.33
2001	1,210,588	1,161,218	18,946	1,180,164	97.49	62,371	5.15
2002	1,372,739	1,323,768	34,506	1,358,274	98.95	41,784	3.04
2003	1,621,759	1,573,532	35,440	1,608,972	99.21	46,080	2.84
2004	1,733,271	1,708,689	32,977	1,741,666	100.48	50,817	2.93

Source: Fairfield County, Ohio; County Auditor

(1) Does not include state reimbursements of homestead and rollback exemptions.

(2) Includes penalties which are not included in the total tax levy.

**City of Pickerington, Ohio**  
Property Tax Levies and Collections  
Personal Property Tax  
Last Ten Years

Year	Total Tax Levy	Current Collections	Delinquent Collections	Total Collections	Percent of Total Collections To Tax Levy	Accumulated Outstanding Delinquent Taxes	Percent of Accumulated Delinquent Taxes to Total Tax Levy
1995	\$23,854	\$19,223	\$859	\$20,082	84.19%	\$1,835	7.69%
1996	25,258	20,535	73	20,608	81.59	1,593	6.31
1997	29,327	27,810	473	28,283	96.44	2,873	9.80
1998	28,863	27,382	957	28,339	98.18	1,481	5.13
1999	37,031	32,873	123	32,996	89.10	3,191	8.62
2000	40,493	38,899	7,782	46,681	115.28	1,478	3.65
2001	46,718	43,652	54	43,706	93.55	3,251	6.96
2002	47,808	43,622	195	43,817	91.65	3,479	7.28
2003	50,722	39,820	712	40,532	79.91	3,627	7.15
2004	50,707	40,855	86	40,941	80.74	8,631	17.02

Source: Fairfield County, Ohio; County Auditor

**City of Pickerington, Ohio**  
 Assessed Valuation and Estimated  
 True Values of Taxable Property  
 Last Ten Years

Year	Real Property		Public Utility Real		Tangible Personal (1)	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
1995	\$95,153,130	\$271,866,086	\$5,070	\$5,070	\$6,588,160	\$26,352,640
1996	120,289,340	343,683,829	5,490	5,490	6,283,365	25,133,460
1997	124,554,130	355,868,943	5,640	5,640	7,276,745	29,106,980
1998	130,296,600	372,276,000	7,210	7,210	8,479,540	33,918,160
1999	148,856,150	425,303,286	7,160	7,160	8,966,527	35,866,108
2000	160,131,600	457,518,857	3,559	3,559	9,025,307	36,101,228
2001	169,250,550	483,573,000	3,474	3,474	9,984,978	39,939,912
2002	211,965,990	605,617,114	10,590	10,590	9,411,102	37,644,408
2003	232,203,350	663,438,143	9,290	9,290	9,926,063	39,704,252
2004	259,238,020	740,680,057	10,190	10,190	9,608,219	38,432,876

Source: Fairfield County, Ohio; County Auditor

(1) Includes Public Utility Tangible Personal.

Totals		
Assessed Value	Estimated Actual Value	Ratio
\$101,746,360	\$298,223,796	34.12%
126,578,195	368,822,779	34.32%
131,836,515	384,981,563	34.24%
138,783,350	406,201,370	34.17%
157,829,837	461,176,554	34.22%
169,160,466	493,623,644	34.27%
179,239,002	523,516,386	34.24%
221,387,682	643,272,112	34.42%
242,138,703	703,151,685	34.44%
268,856,429	779,123,123	34.51%

**City of Pickerington, Ohio**  
Property Tax Rates - Direct and Overlapping Governments  
(Per \$1,000 of Assessed Valuation)  
Last Ten Years

<u>Year</u>	<u>City of Pickerington General Fund (1)</u>	<u>City of Pickerington Police Fund (1)</u>	<u>Total City of Pickerington</u>	<u>Pickerington Local Schools (2)</u>	<u>Fairfield County (2)</u>	<u>Violet Township (2)</u>	<u>East Joint Vocational School (2)</u>	<u>Total</u>
1995	\$2.30	\$5.50	\$7.80	\$67.76	\$7.05	\$5.70	\$1.20	\$89.51
1996	2.30	5.50	7.80	65.00	7.05	9.80	1.20	90.85
1997	2.30	5.50	7.80	68.96	7.05	8.55	1.20	93.56
1998	2.30	5.50	7.80	66.36	7.05	8.55	1.20	90.96
1999	2.30	5.50	7.80	66.36	7.05	8.55	2.00	91.76
2000	2.30	5.50	7.80	66.36	7.05	9.80	2.00	93.01
2001	2.30	5.50	7.80	70.30	7.05	8.30	2.00	95.45
2002	2.30	5.50	7.80	70.10	7.05	12.15	2.00	99.10
2003	2.30	5.50	7.80	70.10	7.05	12.15	2.00	99.10
2004	2.30	5.50	7.80	78.00	7.05	12.15	2.00	107.00

Source: (1) & (2) Fairfield County, Ohio; County Auditor

**City of Pickerington, Ohio**  
 Computation of Legal Debt Margin  
 December 31, 2004

**Overall Debt Limitation**

10 1/2% of Assessed Valuation		\$28,229,925
General Obligation Bonds Payable	\$1,550,000	
Notes Payable	13,161,744	
Loans Payable	169,000	
Revenue Bonds Payable	5,370,000	
Issue Two Notes Payable from Enterprise Fund Revenues	56,715	
OWDA Loans Payable from Enterprise Fund Revenues	<u>933,859</u>	
Gross Indebtedness Outstanding	<u>21,241,318</u>	
Less: Debt Exempt from Limitation		
Notes Payable from Enterprise Fund Revenues	6,277,244	
Revenue Bonds Payable	5,370,000	
Issue Two Notes Payable from Enterprise Fund Revenues	56,715	
OWDA Loans Payable from Enterprise Fund Revenues	<u>933,859</u>	
Total	<u>12,637,818</u>	
Net Debt within 10 1/2% Limitation		<u>8,603,500</u>
Legal Debt Margin within 10 1/2% Limitation		<u><u>\$19,626,425</u></u>

**Unvoted Debt Limitation**

5 1/2% of Assessed Valuation		\$14,787,104
Gross Indebtedness Outstanding	\$21,241,318	
Less: Debt Exempt from Limitation	<u>(12,637,818)</u>	
Net Debt within 5 1/2% Limitation		<u>8,603,500</u>
Legal Debt Margin within 5 1/2% Limitation		<u><u>\$6,183,604</u></u>

Sources: Fairfield County, Ohio; County Auditor, and City records

**City of Pickerington, Ohio**  
Ratio of General Obligation Bonded Debt to Assessed Value and  
Net General Obligation Bonded Debt Per Capita  
Last Ten Years

Year	Population	Assessed Value	General Obligation Bonded Debt (1)	Debt Service Monies Available	Net General Obligation Bonded Debt	Ratio of General Obligation Bonded Debt to Assessed Value	Net Bonded General Obligation Debt Per Capita
1995	7,400	\$101,746,360	\$0	\$0	\$0	0.00%	\$0.00
1996	7,536	126,578,195	0	0	0	0.00%	0.00
1997	7,744	131,836,515	0	0	0	0.00%	0.00
1998	7,895	138,783,350	0	0	0	0.00%	0.00
1999	8,035	157,829,837	0	0	0	0.00%	0.00
2000	9,792	169,160,466	0	0	0	0.00%	0.00
2001	10,171	179,239,002	0	0	0	0.00%	0.00
2002	10,452	221,387,682	0	0	0	0.00%	0.00
2003	11,259	242,138,703	0	0	0	0.00%	0.00
2004 (2)	12,159	268,856,429	1,550,000	71,926	1,478,074	0.58%	121.56

(1) Includes only general obligation bonds payable from property taxes.

(2) 2004 was the first year general obligation bonds payable from property taxes were issued.

Source: Population estimates from Mid Ohio Regional Planning Commission

**City of Pickerington, Ohio**  
 Ratio of Annual Debt Service Expenditures for  
 General Obligation Bonded Debt to Total General Governmental Expenditures  
 Last Ten Years

Year	Principal	Interest	Total	Total Governmental Expenditures	Ratio of Annual Debt Service to Total Governmental Fund Expenditures
1995	\$0	\$0	\$0	\$3,418,062	0.00%
1996	0	0	0	3,900,019	0.00%
1997	0	0	0	3,942,746	0.00%
1998	0	0	0	5,414,004	0.00%
1999	0	0	0	4,844,723	0.00%
2000	0	0	0	6,950,759	0.00%
2001	0	0	0	9,082,998	0.00%
2002	0	0	0	12,483,102	0.00%
2003	0	0	0	11,089,880	0.00%
2004 (2)	0	35,736	35,736	13,841,460	0.26%

(1) Includes only general obligation bonds payable from property taxes.

(2) 2004 was the first year general obligation bonds payable from property taxes were issued.

Source: City of Pickerington, Ohio; City Finance Director

**City of Pickerington, Ohio**  
 Computation of Direct and Overlapping  
 General Obligation Bonded Debt  
 December 31, 2004

Jurisdiction	Net Debt Outstanding (1)	Percentage Applicable to City of Pickerington	Amount Applicable to the City of Pickerington
<b><u>Direct Debt</u></b>			
City of Pickerington	\$1,550,000	100%	\$1,550,000
Total Direct Debt	<u>1,550,000</u>		<u>1,550,000</u>
<b><u>Overlapping Debt</u></b>			
Pickerington Local School District	114,754,219	28.13	32,280,362
Fairfield County	13,135,000	10.42	1,368,667
Violet Township	120,000	32.15	38,580
Total Overlapping Debt	<u>128,009,219</u>		<u>33,687,609</u>
Total Direct and Overlapping Debt	<u>\$129,559,219</u>		<u>\$35,237,609</u>

(1) Amount includes only general obligation bonds payable from property taxes.

Note: 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 the subdivision's total assessed valuation.

**City of Pickerington, Ohio**  
 Assessed Real Property Values, New Construction and Bank Deposits  
 Last Ten Years

Year	New Construction			(2) Bank Deposits (in 1000s)
	Agricultural/ Residential (1)	Commercial (1)	Total New Construction	
1995	n/a	n/a	n/a	\$149,434
1996	n/a	n/a	n/a	163,183
1997	n/a	n/a	n/a	172,771
1998	n/a	n/a	n/a	190,113
1999	n/a	n/a	n/a	247,807
2000	n/a	n/a	n/a	286,562
2001	n/a	n/a	n/a	329,912
2002	77,159,490	3,114,231	80,273,721	370,588
2003	90,638,389	27,885,046	118,523,435	387,312
2004	28,883,613	23,803,645	52,687,258	399,752

Year	Real Property Values			
	Agricultural/ Residential	Commercial	Public Utility	Total
1995	\$74,219,441	\$20,933,689	\$5,070	\$95,158,200
1996	93,825,685	26,463,655	5,490	120,294,830
1997	97,152,221	27,401,909	5,640	124,559,770
1998	101,631,348	28,665,252	7,210	130,303,810
1999	116,107,797	32,748,353	7,160	148,863,310
2000	124,902,648	35,228,952	3,559	160,135,159
2001	132,015,429	37,235,121	3,474	169,254,024
2002	165,333,472	46,632,518	10,590	211,976,580
2003	181,118,613	51,084,737	9,290	232,212,640
2004	202,205,656	57,032,364	10,190	259,248,210

Sources: City Financial Records  
 Fairfield County Auditor's Office, Federal Reserve Bank of Cleveland

(1) Information was not available for years prior to 2002.

(2) Bank deposits data includes banks headquartered in Fairfield County

**City of Pickerington, Ohio**  
 Ten Largest Employers  
 December 31, 2004

Employer	Nature of Business	Number of Employees
Pickerington Local School District	School System	1,005
Kroger Company	Supermarket	320
Cracker Barrel Restaurant	Restaurant	259
Kindred Nursing Center	Health Care Facility	146
City of Pickerington	Government	102
R.G. Barry Corporation	Manufacturing	106
American Motorcycle Association	Museum and Organization	105
Mt. Carmel Health Care Providers	Medical Practice	59
Pediatric Associates	Medical Practice	54
Huntington National Bank	Banking	57

Source: City Income Tax Records

**City of Pickerington, Ohio**  
Principal Property Taxpayers  
December 31, 2004

<u>Real Property</u>	<u>Assessed Valuation</u>	<u>% of Total Assessed Valuation</u>
AERC Turnberry, Inc.	\$4,025,000	1.50%
Regency Centers LP	3,972,080	1.48%
Diley Road Associates LLC	3,962,570	1.47%
Lakes Edge Partnership	3,932,590	1.46%
Centex Homes	2,660,130	0.99%
Pickerington, Square LP	2,485,030	0.92%
Hill Road Plaza LLC	2,026,630	0.75%
DDR Continental LP	1,979,410	0.74%
Maronda Homes Inc. of Ohio	1,840,650	0.68%
Rockford Homes Inc.	1,749,760	0.65%
<u>Personal Property</u>		
Kroger Co.	617,920	0.23%
Barnes & Noble Booksellers	479,980	0.18%
Bed, Bath & Beyond, Inc.	413,580	0.15%
Penn Traffic	353,970	0.13%
Sears & Roebuck	280,530	0.10%
Hook Superx, Inc.	245,660	0.09%
Discount Drug Mart, Inc.	227,810	0.08%
Culligan Dealer Corp.	219,490	0.08%
Marcus Cinema of Ohio LLC	191,550	0.07%
Dayarama, Inc.	151,310	0.06%
Total Assessed Value	<u>\$31,815,650</u>	<u>11.83%</u>

Source: Fairfield County, Ohio; County Auditor

**City of Pickerington, Ohio**

Demographic Statistics

December 31, 2004

<u>Year</u>	<u>Population (1)</u>	<u>School Enrollment (2)</u>	<u>Unemployment Fairfield County (3)</u>
1995	7,400	6,174	2,300
1996	7,536	6,548	2,200
1997	7,744	6,659	2,000
1998	7,895	6,985	1,900
1999	8,035	7,208	1,900
2000	9,792	7,598	1,800
2001	10,171	7,924	2,000
2002	10,452	8,363	3,200
2003	11,259	8,917	3,600
2004	12,159	9,280	3,400
Median Age			35
Average household size			3
Total households			9,634
% of housing units owner-occupied			87%
% of housing units renter-occupied			11%
% of housing units vacant			2%

Source (1): Mid Ohio Regional Planning Commission

Source (2): Office of the Treasurer, Pickerington Local School District

Source (3): Ohio Bureau of Employment Services

**City of Pickerington, Ohio**

Miscellaneous Statistics

December 31, 2004

**City Employees:**

Number of Full-Time	83
Number of Part-Time	3
Number of Seasonal/ Temporary	16

**Education:**

Number of Teachers	607
Number of Students	9,280

**Recreation and Culture:**

Number of Parks	7
Number of Libraries	1
Number of Tennis Courts	5
Number of Baseball and Softball Diamonds	4

**Public Transportation:**

Para Transit	
Buses (Rider ship limited to seniors and handicapped)	2

(continued)

**City of Pickerington, Ohio**

Miscellaneous Statistics

December 31, 2004

Date of Incorporation	1881
Effective Date of Charter	November 4, 1980
Form of Government	Mayor-Council-Manager
Area	11 Square Miles
Miles of City Streets	56.81
Number of Street Lights	365
Number of Traffic Lights	18

**Municipal Utilities:**

Miles of Sanitary Sewers	45.55
Miles of Storm Sewers	37.67
Miles of Water Distribution	57.42
Number of Residential Consumers	4,602
Number of Commercial Consumers	102
Average Monthly Consumption (per household)	
Sewer	7,125 gallons
Water	7,366 gallons
Minimum Rate	
Sewer	0-3,000 gallons \$12.87 - over 3,000 \$4.29/ thousand
Water	0-12,000 gallons \$2.13 - over 12,000 \$3.27/thousand
	Flat fee charge \$4.00
Stormwater	\$1.50/residence

**Fire Protection:**

Violet Township

Number of Stations	2
Number of Firefighters and Officers (FT)	38.00%
Number of Firefighters (PT)	21
Number of Firefighters (Volunteer)	11
Number of Certified EMT - Basic	14
Number of Certified EMT - Intermediate	2
Number of Certified EMT - Paramedics	49
Number of Nurses	0

**Police Protection:**

Pickerington City Police

Number of Stations	1
Number of Sworn Officers Including Administration	24
Number of Sworn Auxiliary Officers	
3 Active and 3 Inactive	6
Number of Cruisers Marked	8
Number of Unmarked Cruisers	5
Number of Dare Cars	2
Number of Motorcycles	1

Source: City Finance Department