

City of Franklin, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2000

Issued by:
Office of the Finance Director
Sandra L. Howell
Finance Director



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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Mayor and Members of City Council
City of Franklin
35 East Fourth Street
Franklin, Ohio 45005

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

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

JIM PETRO
Auditor of State

July 6, 2001

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City of Franklin, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2000

Table of Contents

INTRODUCTORY SECTION

Title Page	i
Table of Contents	ii
Letter of Transmittal	v
List of Principal Officials	xiv
Organizational Chart	xv
Certificate of Achievement for Excellence in Financial Reporting	xvi

FINANCIAL SECTION

Report of Independent Accountants	1
General Purpose Financial Statements (Combined Statements Overview)	
General Purpose Financial Statements Description	3
Combined Balance Sheet - All Fund Types and Account Groups	4
Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types and Expendable Trust Fund	8
Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Budget Basis) - All Governmental Fund Types and Expendable Trust Fund	9
Combined Statement of Revenues, Expenses and Changes in Fund Equity - Proprietary Fund Type	12
Combined Statement of Revenues, Expenses, and Changes in Fund Equity - Budget and Actual (Budget Basis) - Proprietary Fund Type	13
Combined Statement of Cash Flows - Proprietary Fund Type	14
Notes to the General Purpose Financial Statements	16
Financial Statements and Schedules of Individual Funds and Account Groups	49
General Fund:	
Fund Description	50
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Budget Basis)	51

Table of Contents (continued)

Special Revenue Funds:

Fund Descriptions	54
Combining Balance Sheet	56
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	58
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Budget Basis):	
Community Development Fund	60
Bikeway Fund	61
Fire Pension Fund	62
Miami Conservancy District Fund	63
Police Pension Fund	64
Recreation Fund	65
State Highway Fund	66
Street Fund	67
Street Lighting Fund	68
County Vehicle Tax Fund	69
In-House Monitoring Fund	70
Indigent Driver's Alcohol Treatment Fund	71
Law Enforcement Fund	72
Enforcement and Education Fund	73
Firemen's Indemnity Fund	74
Drug Law Enforcement Fund	75
Computer Research Fund	76
Court Improvement Fund	77
All Special Revenue Funds	78

Debt Service Fund:

Fund Description	80
------------------------	----

Capital Projects Funds:

Fund Descriptions	81
Combining Balance Sheet	82
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	84
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Budget Basis):	
Capital Improvement Fund	86
River Corridor Fund	87
Issue Two Fund	88
William C. Good Rehabilitation Fund	89
Shotwell Drive Fund	90
All Capital Projects Funds	91

Table of Contents (continued)

Enterprise Funds:

Fund Descriptions	92
Combining Balance Sheet	93
Combining Statement of Revenues, Expenses and Changes in Retained Earnings	95
Schedule of Revenues, Expenses and Changes in Fund Equity - Budget and Actual (Budget Basis):	
Sewer Fund	96
Water Fund	97
Trash Fund	98
All Enterprise Funds	99
Combining Statement of Cash Flows	100

Fiduciary Funds:

Fund Descriptions	103
Combining Balance Sheet	104
Combining Statement of Changes in Assets and Liabilities - All Agency Funds	106

General Fixed Assets Account Group:

Account Group Description	108
Schedule of General Fixed Assets by Sources	109
Schedule of General Fixed Assets by Function and Activity	110
Schedule of Changes in General Fixed Assets by Function and Activity	111

STATISTICAL SECTION

General Fund Expenditures By Function - Last Ten Years	113
General Fund Revenues By Source - Last Ten Years	114
Property Tax Levies and Collections - Last Ten Years	115
Assessed Valuation and Estimated Actual Values of Taxable Property - Last Ten Years	116
Property Tax Rates - Direct and Overlapping Governments Per \$1,000 of Assessed Valuation - Last Ten Years	117
Principal Taxpayers	118
Special Assessment Collections - Last Ten Years	119
Computation of Overall Legal Debt Margin	120
Computation of Unvoted Legal Debt Margin	121
Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita - Last Ten Years	122
Ratio of Annual Debt Principal and Interest Expenditures for General Obligation Bonded Debt to Total General Fund Expenditures - Last Ten Years	123
Computation of Direct and Overlapping Debt	124
Revenue Bond Coverage - Water Fund - Last Ten Years	125
Demographic Statistics - Last Ten Years	126
Construction, Bank Deposits and Property Value - Last Ten Years	127
Miscellaneous Statistics	128

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CITY OF FRANKLIN

35 E. Fourth Street • Franklin, Ohio 45005 (937) 746-9921 FAX (937) 746-1136

June 1, 2001

Citizens of Franklin
Mayor and Members of City Council

We are pleased to submit the City of Franklin's Comprehensive Annual Financial Report for the fiscal year ended December 31, 2000. The CAFR is presented in three sections:

1. The Introductory section includes a title page, the table of contents, this letter of transmittal, a list of principal officials, the organizational chart, and the Certificate of Achievement for Excellence in Financial Reporting.
2. The Financial section includes the general purpose financial statements and the combining and individual fund and account group financial statements and schedules, as well as the report of independent accountants on the financial statements.
3. The Statistical section includes a number of tables depicting the financial history of the City for the past ten years, as well as information on subjects such as overlapping governments and demographics.

This report is the culmination of the efforts of many people. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. We believe the data, as presented, is accurate in all material aspects, that it is presented in a manner designed to set forth fairly the financial position of the City's operations, and that all disclosures necessary to enable the reader to gain maximum understanding of the City's financial affairs have been included.

THE CITY OF FRANKLIN

Located in Warren County, Franklin is situated midway between Dayton and Cincinnati in Southwestern Ohio, along the Great Miami River. In 1983, voters approved a home rule charter, effective January 1, 1984, which provides for a Council/Manager form of government. Council members are elected on a non-partisan basis.

CITY ORGANIZATION AND REPORTING ENTITY

The reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements of the City are not misleading. The primary government consists of all funds and departments which are not legally separate from the City. They include a police force, a fire fighting force, a street maintenance and repair force, planning and zoning departments, a parks and recreation system, water and sewer systems, a community development department, and staff to provide essential support to these service providers. Council and the City Manager have direct responsibility for these activities.

v

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 provided financial support to, the organization; or the City is obligated for the debt of the organization. Component units may also include organizations for which the City approves the budget, the issuance of the debt or the levying of taxes. The City has one blended component unit included in its reporting entity.

The Franklin Municipal Building Corporation was created under State statute as a corporation whose only purpose was to provide funding for the construction of the City's administration and service buildings. The City appoints a majority of the governing board and is liable for the debt of the organization. Because this service entirely benefits the City, the Franklin Municipal Building Corporation is presented as a blended component unit of the City and has been included as part of the primary government. Debt service payments are apportioned to the general, water and sewer funds and are reflected as such.

Franklin Public Library and the Franklin City School District have been excluded from the City's financial statements because the City is not financially accountable for them nor are the entities fiscally dependent on the City.

The Joint Recreation Facility and the Hazardous Materials Response Team were determined to be joint ventures. The Warren County General Health District, the Joint Emergency Medical Service, the Center for Local Governments, and the Ohio-Kentucky-Indiana Regional Council of Governments were determined to be jointly governed organizations (See Note 19).

FORMATION OF THE CITY

Franklin was founded by General William C. Schenck in 1796 as part of a land grant from the Revolutionary War. General Schenck was a great admirer of Ben Franklin, and to honor the famous inventor and statesman, he named the new city after him.

Because of its ideal location, Franklin was always a major link in the transportation chain. During the 1800's it served as a stage coach stop between Dayton and Cincinnati, in addition to being serviced by all the major railroads of that era. A system of canals was built to aid in transporting agricultural goods to and from the market. Mules would pull the flat bottomed boats through the shallow waters of the canals out to the Great Miami River which flows into the Ohio River.

From the early 1900's to the post World War II era, Franklin became known as a paper mill town. Newly founded industries such as Franklin Boxboard, Cheney Pulp and Paper, and Maxwell Paper flourished. As these industries grew and created greater demands for labor, the City's population doubled. This growth continued through the 1970's.

Many changes have occurred in the past two hundred years. Today, Franklin's industrial base is becoming increasingly diversified due to its strategic position along Interstate 75, its easy access to other major transportation arteries, and the diligence of the City Council, Mayor, and Chamber of Commerce.

ECONOMIC CONDITION AND MAJOR INITIATIVES

The continued high level of economic activity in the Miami Valley over the last few years has assisted the efforts of Franklin in increasing its economic base. Since the earned income tax is the City's largest source of income, the creation of new jobs is essential for the City's revenue base.

The City has four excellent industrial/office parks with planned extensions for the future. In 2000, the City had 10 new industrial/commercial starts with a construction value of over \$6 million. In addition, four companies expanded their operation within the City in 2000. The largest single investment in Franklin occurred in 1997, with the ground breaking for the Dayton Daily News state-of-the-art printing and distribution facility. This \$100 million facility became fully operational in 1999. Economic development will continue to be vital to the City's future.

In addition to the City's industrial and commercial activity, Franklin has encouraged and is working with housing developers to increase the single family housing stock available within the City. Within the last five years, the City Planning Commission has approved approximately 1,050 new residential starts, with 60 starts planned for 2001.

Another major initiative by Franklin involves the City's water system. Franklin has received national acclaim for its public-private partnerships. The privatization of the wastewater treatment plant with US Filter/Environmental Operating Service was the first full privatization of an EPA grant-funded wastewater treatment plant in the nation. In addition the City formed a public-private partnership with Earth Tech regarding the City's water treatment facility.

The City's water system allows Franklin to sell water to surrounding communities. In effect, the City's water system has become a regional one with Franklin currently having water sales contracts with the City of Carlisle and Warren County. The water sales contracts along with the treatment plants ensure the continued efficient use of this valuable water resource.

A further initiative began in 2000 when, due to the City's space needs, a facility improvement Master Plan was initiated for the City's Public Works Department, the Police and Fire Departments, the Municipal Court, and the City's Administration offices. The facility improvement process began with a partnership with the Franklin Public Library. The Library was also investigating facility improvement options due to space limitations. The City and the Library entered into an agreement such that the City acquired the existing Library building at a reduced cost in exchange for City property. The Library's new building to be built on former City property, should be fully operational by mid 2002. The second phase of the City's facilities plan, the building of a new Public Works building, was approved in early 2001 and will be fully operational by the end of 2001. Further facility upgrades may evolve from the Master Plan.

FINANCIAL INFORMATION

Accounting System and Budgetary Control

The City's records are maintained on a cash basis for all fund types. Following the year end closing, necessary adjustments are made to the cash basis records to produce this CAFR. For Governmental and related Fiduciary Funds, the modified accrual basis of accounting is used for reporting purposes. This means that revenues are recognized when both measurable and available and expenditures are recognized when the fund liability is incurred.

The accrual basis of accounting is used for Proprietary Funds, which recognizes revenues when earned and expenses when incurred. A more detailed explanation of the basis of accounting for various funds is included in the Notes to the General Purpose Financial Statements, located in the Financial section of this report.

In developing and evaluating the City's accounting system, consideration was given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable assurance regarding:

1. The safeguarding of assets against loss from unauthorized use or disposition.
2. The reliability of financial records for preparing financial statements and maintaining accountability for assets.

The concept of reasonable assurance is based on the assumption that the cost of internal accounting controls should not exceed the benefits expected to be derived from their implementation.

Budgetary control is maintained by the encumbrance of purchase amounts prior to the release of purchase orders to vendors. Purchase orders are not issued when insufficient appropriations preclude the encumbrance of the amount of the purchase. Each department head is furnished a monthly budget report showing the status of the budget accounts for which he or she is responsible. The budget reports detail monthly transactions and summarize the balances available to be spent from the allocated appropriations.

Fund Structure

The City's accounting system is organized and operated on a fund basis. A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. The type of funds used is determined by the Ohio Revised Code, by Ordinances and Resolutions of City Council, and by generally accepted accounting principles. The number of individual funds established is determined by prudent financial administration.

General Fixed Assets

The general fixed assets of the City include all City owned land, buildings, improvements, equipment, and construction in progress used in the performance of general governmental functions. The general fixed assets exclude the fixed assets of the Proprietary Funds. Infrastructure improvements, such as roads, storm sewers, curbs and sidewalks, are not included in the fixed assets of either the General Fixed Assets Accounts Group or the Proprietary Funds. Water and sewer lines are included in the Proprietary Funds. As of December 31, 2000, the general fixed assets of the City amounted to \$4,974,925. This amount represents actual cost or estimated actual cost, if actual cost was not available.

General Government Functions

The Governmental Funds include the General, Special Revenue, Debt Service, and Capital Projects fund types. All financial data for Proprietary and Fiduciary Funds is excluded from the following analysis. Governmental Fund's revenues and variances when compared to last year are summarized below:

<u>Revenues</u>	<u>1999</u>	<u>2000</u>	<u>Increase (Decrease)</u>	<u>Percent of Increase (Decrease)</u>
Property and Other Local Taxes	\$358,939	\$506,263	\$147,324	41.04 %
Income Tax	3,690,372	3,893,976	203,604	5.52 %
Charges for Services	120,569	139,306	18,737	15.54 %
Fines, Licenses, and Permits	657,361	700,802	43,441	6.61 %
Intergovernmental	1,679,851	2,335,192	655,341	39.01 %
Special Assessments	434,661	476,745	42,084	9.68 %
Interest	341,972	373,495	31,523	9.22 %
Other	103,462	88,638	(14,824)	(14.33 %)
Total	<u>\$7,387,187</u>	<u>\$8,514,417</u>	<u>\$1,127,230</u>	15.26 %

Property and other local tax revenues increased in fiscal year 2000. The increase can be attributed to cable franchise fees recorded in 2000. There was a dispute in 1999 with the local cable company and these amounts were not recorded.

Intergovernmental revenue increased due to the City receiving more Issue Two monies than in the prior year.

The following schedule presents a summary of Governmental fund expenditures and variances as compared to last year.

<u>Expenditures</u>	<u>1999</u>	<u>2000</u>	<u>Increase (Decrease)</u>	<u>Percent of Increase (Decrease)</u>
General Government	\$1,460,587	\$1,845,467	\$384,880	26.35 %
Security of Persons and Property	2,844,349	3,143,004	298,655	10.50 %
Public Health and Welfare	1,527	13,868	12,341	808.19 %
Transportation	581,932	846,718	264,786	45.50 %
Community Environment	26,882	204,321	177,439	660.07 %
Basic Utility Services	57,968	86,758	28,790	49.67 %
Leisure Time Activities	329,434	275,370	(54,064)	(16.41 %)
Capital Outlay	667,085	2,167,141	1,500,056	224.87 %
Debt Service:				
Principal Retirement	338,924	314,875	(24,049)	(7.25 %)
Interest and fiscal charges	366,838	374,136	7,298	2.14 %
Total	<u>\$6,675,526</u>	<u>\$9,271,658</u>	<u>\$2,596,132</u>	39.35 %

Transportation expenditures increased due to increases in street maintenance and repair and snow and ice removal line items. The City purchased new equipment and built a new salt storage facility.

Community environment increased due to increases in public housing projects in the community development fund. This was due to an increase in community development block grant expenditures

Basic utility services increased due to higher engineering costs related to numerous new projects.

Public health and welfare increased due to increased expenditures in the computer research fund. The increase was due to the purchase of a new computer system.

Capital outlay increased due to improvements being made to the City's infrastructure in the capital projects funds.

General Fund Balance

In 2000, revenues and other financing sources of \$6,040,571 were more than expenditures and other financing uses by \$350,232, resulting in a fund balance of \$2,409,535 at December 31, 2000.

Special Revenue Funds

The Special Revenue Funds are created to account for funds from specifically identified sources that must be maintained and accounted for separately. The City's major Special Revenue Funds consist of the Community Development Fund, the Fire Pension Fund, the Police Pension Fund, the Recreation Fund, the Street Fund, and the Street Lighting Fund.

All Special Revenue Funds, on a combined basis, operated with \$1,517,351 in revenues and other financing sources and \$1,824,891 in expenditures and other financing uses. The December 31, 2000 fund balance was \$942,346.

Capital Projects Funds

All Capital Projects Funds, on a combined basis, operated with \$1,244,577 in revenues and other financing sources and \$2,113,195 in expenditures and other financing uses in 2000 which resulted in a decrease in fund balances of \$868,618. Capital Projects Funds will continue to be used to provide resources for capital improvements and renovations, and to acquire fixed assets as the City Council authorizes expenditures of bond and note proceeds.

Proprietary Funds

Proprietary Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Enterprise Operations

The City has three Enterprise Funds: Sewer, Water and Trash. Financial statements for these funds are included in this report. The Enterprise Funds are user fee supported.

	<u>Total Assets</u>	<u>Total Equity</u>	<u>Net Income (Loss)</u>	<u>Return On Assets</u>	<u>Return On Equity</u>
Sewer	\$2,732,332	\$2,045,044	(\$296,230)	(10.84 %)	(14.49 %)
Water	\$9,169,104	\$2,181,800	(\$252,365)	(2.75 %)	(11.57 %)
Trash	\$111,161	\$110,425	\$18,928	17.03 %	17.14 %

In January 1997, a 25 percent increase in water rates went into effect. The City has also increased rates for 2001 and 2002. The City will continue to monitor revenues in the Water Enterprise Fund to determine if any future increases are deemed necessary.

Fiduciary Funds

The City uses Fiduciary Funds to hold assets in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. The City's Fiduciary Fund types are Expendable Trust and Agency Funds.

Expendable Trust Fund

The Unclaimed Monies Fund holds and accounts for monies which have yet to be claimed by their rightful owners. This fund had a fund balance of \$2,144 as of December 31, 2000.

Agency Funds

These funds are strictly of a custodial nature and as such do not measure the results of operation. The City has five Agency Funds. The Agency Funds of the City include:

- Municipal Court
- Joint Emergency Medical Services (JEMS)
- Joint Recreation
- Building Standards Fee
- Hazardous Materials

DEBT ADMINISTRATION

The Debt Service Fund is used to pay the general obligations of the City and is used to accumulate resources for the payment of general and special assessment debt principal and interest.

At December 31, 2000, general obligation bonded debt outstanding payable from the Debt Service Fund amounted to \$1,160,000, while special assessment bonds totaled \$4,149,000. Special assessment debt is paid from assessments against property owners who benefitted from the capital construction financed by the debt issue. In the event property owners fail to make the required payments, the City would be responsible for the debt service. The Street Sweeper Note had an outstanding balance of \$12,478 at December 31, 2000 as well.

Debt expected to be paid from Enterprise Fund revenues is reported as a liability of the Enterprise Funds. Enterprise Fund bond and loan obligations at December 31, 2000, totaled \$6,543,911.

Bond anticipation note debt outstanding at December 31, 2000 amounted to \$2,087,000. The street improvement, fire rescue vehicle, and the fire equipment acquisition notes were reissued for \$150,000, \$70,000, and \$312,000 respectively. New notes were issued for waterworks system improvement, second street improvement and shotwell drive extension in the amounts of \$100,000, \$900,000, and \$555,000 respectively. These new note proceeds are being used for water line and street improvements.

The ratio of general bonded debt to assessed valuation and the amount of bonded debt per capita are considered good indicators of the City's debt position to city manager, citizens, and investors in general governmental debt.

The City's debt position as of December 31, 2000, was as follows:

Overall Legal Debt Margin	\$19,265,434
Unvoted Legal Debt Margin	\$8,611,261
Ratio of Net Bonded Debt to Assessed Valuation	.52 %
Net General Bonded Debt Per Capita	\$97.83

CASH MANAGEMENT

The Finance Director is in charge of the City's cash management program. All City cash is pooled for investment purposes. During 2000, the City earned \$465,401 in interest. A majority of the City's deposits are collateralized by pooled collateral. By law, financial institutions may establish a collateral pool to cover all public deposits. The face value of the pooled collateral must equal at least 110 percent of the public funds on deposit. The collateral is held by trustees, including the Federal Reserve Bank and designated third party trustees of the financial institutions. The City regularly reviews the market value of the pool to ensure that adequate collateral is being provided. The City invests in Star Ohio, a Federal Farm Credit Bank Note, Federal Home Loan Bank Bonds, Federal National Mortgage Association Notes, a Federal Home Loan Mortgage Corporation Debenture, money market mutual funds, and certificates of deposit.

RISK MANAGEMENT

The City is adequately insured in all areas including buildings, contents, vehicles, equipment and general liability. The City is also covered under the State Workers' Compensation Fund. Every effort is made by the City Administration to monitor insurance costs and related risk to insure proper fiscal management in this area.

A more detailed description of the City's insurance coverage may be found in Note 14 to the financial statements.

OTHER INFORMATION

Independent Audit

This report includes an unqualified audit report regarding the City's financial statements. This year's audit was conducted by the accounting firm of Trimble, Julian & Grube, Inc. The Independent Accountants' Report on the general purpose financial statements is included in the financial section of this report. The auditor's report related specifically to internal controls and compliance with applicable laws and regulations is presented in a separate report which may be obtained from the City finance office.

Certificate of Achievement

The Governmental Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Franklin, Ohio, for its 1999 Comprehensive Annual Financial Report.

The Governmental Finance Officers Association of the United States and Canada (GFOA) awards a Certificate of Achievement to any governmental unit that publishes an easily readable and efficiently organized CAFR which conforms to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

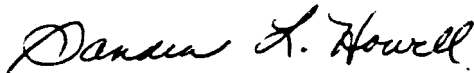
The Certificate of Achievement is the highest form of recognition in the area of governmental financial reporting, and its attainment is a significant accomplishment by a governmental unit.

We believe this report conforms to the reporting standards set forth by the GFOA. We are submitting our current Comprehensive Annual Financial Report for review and determination of eligibility for a certificate for 2000.

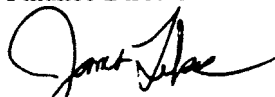
Acknowledgments

A note of sincere appreciation is extended to the many conscientious people who have contributed their time and effort to prepare this report. A special thank you is also extended to Mr. Jim Petro, Auditor of State, and to his Local Government Services staff for their assistance and guidance in the preparation of this CAFR.

Respectfully submitted,



Sandra L. Howell
Finance Director



James Lukas
City Manager

City of Franklin, Ohio

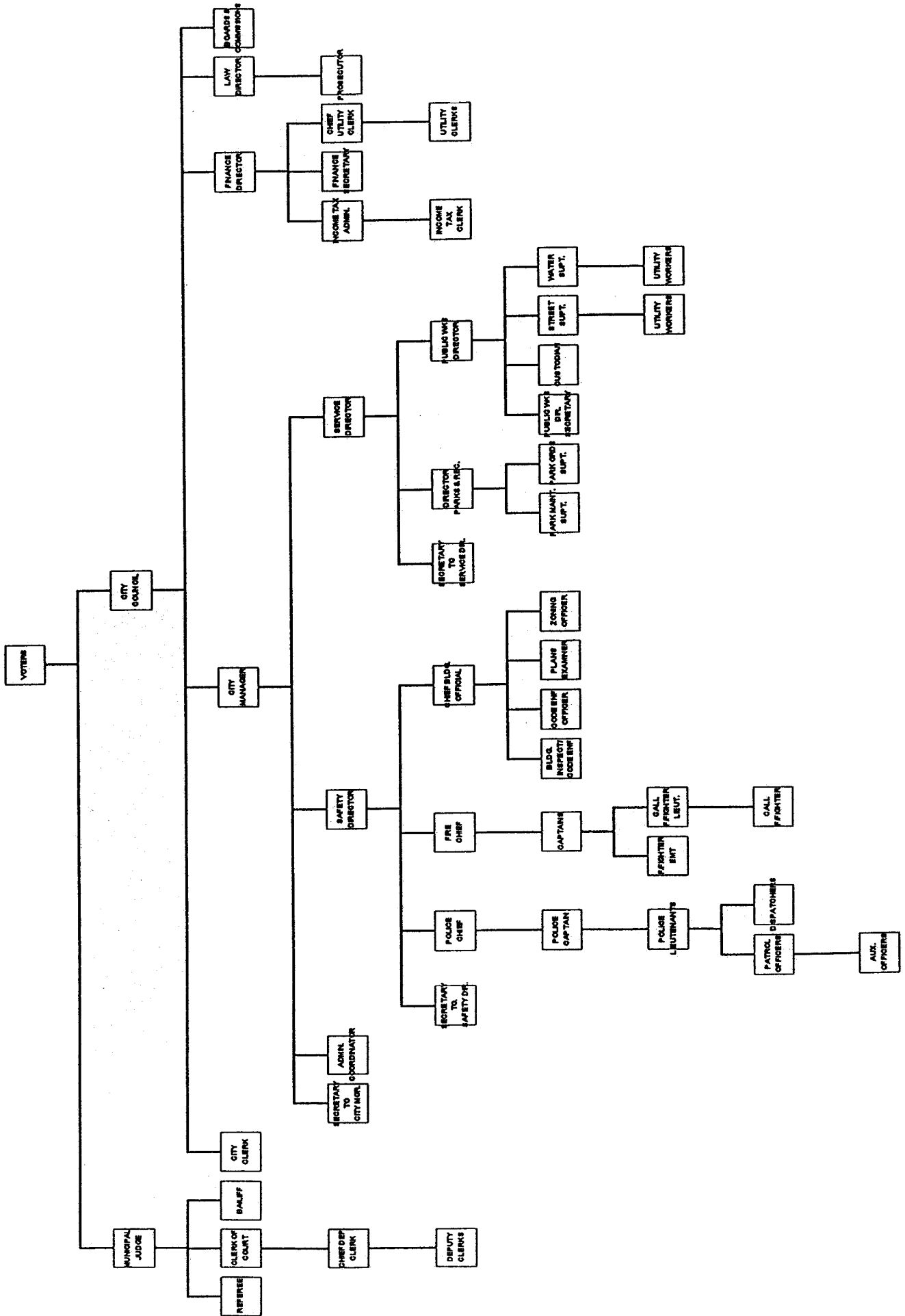
List of Principal Officials

December 31, 2000

<u>OFFICE HELD</u>	<u>NAME OF OFFICIAL</u>
Executive:	
City Manager	James Lucas
Assistant City Manager	Edward Schwaberow
Finance Director	Sandra L. Howell
Law Director	Steven Runge
Legislative:	
Mayor	Paul Hillard
Vice Mayor	Greg Sample
Council-At-Large	Todd Hall
	Greg Sample
	Billy Estes
	Scott Lipps
	Wilbur DePew
Judicial:	
Municipal Court Judge	James Ruppert
Municipal Court Clerk	Sherry Mullins
Administrative:	
City Clerk	Jane McGee
Income Tax Administrator	Norma Kennard
Police Chief	Robert Rockwood
Fire Chief	Jonathan Westendorf
Public Works Director	Howard Lewis
Chief Building Official	Don Woods

CITY OF FRANKLIN

2000 Organizational Chart



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Franklin,
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 1999

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



Anne Spray Kinney
President

Jeffrey L. Esler
Executive Director

TRIMBLE, JULIAN & GRUBE, INC.

"SERVING OHIO LOCAL GOVERNMENTS"

1445 Worthington Woods Boulevard
Suite B
Worthington, Ohio 43085

Telephone 614.846.1899
Facsimile 614.846.2799

Independent Auditor's Report

Mayor and Members of City Council
City of Franklin
35 East Fourth Street
Franklin, OH 45005

We have audited the accompanying general purpose financial statements of the City of Franklin, Warren County, Ohio as of and for the year ended December 31, 2000, as listed in the table of contents. These general purpose financial statements are the responsibility of the City of Franklin's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Franklin, as of December 31, 2000, and the results of its operations and the cash flows of its proprietary fund type for the year then ended in conformity with generally accepted accounting principles.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements of the City of Franklin, taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the table of contents, are presented for the purposes of additional analysis and are not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented, in all material respects, in relation to the general purpose financial statements taken as a whole.

We did not audit the introductory and statistical information as listed in the table of contents and therefore express no opinion thereon.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 1, 2001 on our consideration of the City of Franklin's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Trimble, Julian & Grube, Inc.

Trimble, Julian & Grube, Inc.
June 1, 2001

GENERAL PURPOSE FINANCIAL STATEMENTS

The following general purpose financial statements, along with the notes to the general purpose financial statements, present an overview of the City's financial position at December 31, 2000, and the results of operations and cash flows of its proprietary fund type for the year then ended.

CITY OF FRANKLIN, OHIO
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
DECEMBER 31, 2000

	Governmental Fund Types		
	General	Special Revenue	Debt Service
<u>Assets and Other Debits</u>			
<u>Assets</u>			
Equity in Pooled Cash and Cash Equivalents	\$2,499,677	\$965,451	\$41,106
Cash and Cash Equivalents in Segregated Accounts	0	0	0
Cash and Cash Equivalents with Fiscal Agent	0	0	13,790
Receivables:			
Taxes	1,097,387	146,485	0
Accounts	89,434	0	0
Interfund	61,236	1,550	25,199
Special Assessments	0	85,699	5,420,016
Accrued Interest	37,929	0	0
Due from Other Funds	70,995	0	0
Due from Other Governments	106,481	119,975	0
Materials and Supplies Inventory	21,966	56,921	0
Restricted Assets:			
Equity in Pooled Cash and Cash Equivalents	0	0	0
Cash and Cash Equivalents with Trustee	0	0	0
Fixed Assets (Net, where applicable, of Accumulated Depreciation)	0	0	0
<u>Other Debits</u>			
Amount Available in Debt Service Fund for Retirement of General Obligation Bonds	0	0	0
Amount Available in Debt Service Fund for Retirement of Special Assessment Bonds	0	0	0
Amount to be Provided for Retirement of Special Assessment Bonds	0	0	0
Amount to be Provided for Retirement of General Long-Term Obligations	0	0	0
Total Assets and Other Debits	<u>\$3,985,105</u>	<u>\$1,376,081</u>	<u>\$5,500,111</u>

Capital Projects	Proprietary Fund Type	Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)
	Enterprise	Trust and Agency	General Fixed Assets	General Long-Term Obligations	
\$1,404,110	\$1,359,718	\$135,316	\$0	\$0	\$6,405,378
0	0	162,502	0	0	162,502
0	0	0	0	0	13,790
0	0	0	0	0	1,243,872
0	737,972	0	0	0	827,406
0	1,308	0	0	0	89,293
0	0	0	0	0	5,505,715
0	0	0	0	0	37,929
0	0	0	0	0	70,995
289,135	16,108	0	0	0	531,699
0	18,043	0	0	0	96,930
0	949,638	0	0	0	949,638
0	364,357	0	0	0	364,357
0	8,565,453	0	4,974,925	0	13,540,378
0	0	0	0	51,150	51,150
0	0	0	0	16,115	16,115
0	0	0	0	4,132,885	4,132,885
0	0	0	0	1,780,402	1,780,402
<u>\$1,693,245</u>	<u>\$12,012,597</u>	<u>\$297,818</u>	<u>\$4,974,925</u>	<u>\$5,980,552</u>	<u>\$35,820,434</u>

(continued)

CITY OF FRANKLIN, OHIO
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
DECEMBER 31, 2000
(continued)

	Governmental Fund Types		
	General	Special Revenue	Debt Service
<u>Liabilities, Fund Equity and Other Credits</u>			
<u>Liabilities</u>			
Accounts Payable	\$120,064	\$42,118	\$0
Contracts Payable	11,711	55,870	0
Interfund Payable	13,230	60,000	0
Retainage Payable	0	0	0
Accrued Wages and Benefits	152,131	15,703	0
Compensated Absences Payable	14,699	2,245	0
Due to Other Funds	0	0	0
Due to Other Governments	91,236	13,534	0
Deferred Revenue	773,245	244,265	5,420,016
Undistributed Monies	0	0	0
Deposits Held and Due to Others	0	0	0
Matured Bonds Payable	0	0	10,500
Matured Interest Payable	0	0	2,330
Accrued Interest Payable	17,254	0	0
Notes Payable	382,000	0	0
Payable from Restricted Assets:			
Mortgage Revenue Bonds Payable	0	0	0
Refundable Deposits	0	0	0
Accrued Interest Payable	0	0	0
Police and Fire Pension	0	0	0
Mortgage Revenue Bonds Payable	0	0	0
Capital Leases Payable	0	0	0
OWDA Loans Payable	0	0	0
General Obligation Bonds Payable	0	0	0
Special Assessment Bonds Payable with Governmental Commitment	0	0	0
Total Liabilities	<u>1,575,570</u>	<u>433,735</u>	<u>5,432,846</u>
<u>Fund Equity and Other Credits</u>			
Investment in General Fixed Assets	0	0	0
Contributed Capital	0	0	0
Retained Earnings:			
Reserved for Revenue Bond Replacement and Improvement	0	0	0
Reserved for Revenue Bond Future Debt Service	0	0	0
Unreserved	0	0	0
Fund Balance:			
Reserved for Encumbrances	372,980	25,310	0
Reserved for Inventory	21,966	56,921	0
Unreserved:			
Undesignated (Deficit)	2,014,589	860,115	67,265
Total Fund Equity (Deficit) and Other Credits	<u>2,409,535</u>	<u>942,346</u>	<u>67,265</u>
Total Liabilities, Fund Equity and Other Credits	<u>\$3,985,105</u>	<u>\$1,376,081</u>	<u>\$5,500,111</u>

See accompanying notes to the general purpose financial statements

Capital Projects	Proprietary Fund Type	Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)
	Enterprise	Trust and Agency	General Fixed Assets	General Long-Term Obligations	
\$0	\$218,105	\$0	\$0	\$0	\$380,287
838,722	572,022	0	0	0	1,478,325
8,439	7,624	0	0	0	89,293
82,530	0	0	0	0	82,530
0	29,337	0	0	0	197,171
0	105,361	0	0	332,502	454,807
0	0	70,995	0	0	70,995
0	16,704	175,988	0	138,216	435,678
0	0	0	0	0	6,437,526
0	0	42,542	0	0	42,542
0	0	6,149	0	0	6,149
0	0	0	0	0	10,500
0	0	0	0	0	2,330
21,434	4,516	0	0	0	43,204
1,605,000	100,000	0	0	12,478	2,099,478
0	90,000	0	0	0	90,000
0	59,412	0	0	0	59,412
0	18,336	0	0	0	18,336
0	0	0	0	77,421	77,421
0	3,810,000	0	0	0	3,810,000
0	0	0	0	110,935	110,935
0	2,643,911	0	0	0	2,643,911
0	0	0	0	1,160,000	1,160,000
0	0	0	0	4,149,000	4,149,000
<u>2,556,125</u>	<u>7,675,328</u>	<u>295,674</u>	<u>0</u>	<u>5,980,552</u>	<u>23,949,830</u>
0	0	0	4,974,925	0	4,974,925
0	472,596	0	0	0	472,596
0	890,226	0	0	0	890,226
0	364,357	0	0	0	364,357
0	2,610,090	0	0	0	2,610,090
0	0	0	0	0	398,290
0	0	0	0	0	78,887
<u>(862,880)</u>	<u>0</u>	<u>2,144</u>	<u>0</u>	<u>0</u>	<u>2,081,233</u>
<u>(862,880)</u>	<u>4,337,269</u>	<u>2,144</u>	<u>4,974,925</u>	<u>0</u>	<u>11,870,604</u>
<u>\$1,693,245</u>	<u>\$12,012,597</u>	<u>\$297,818</u>	<u>\$4,974,925</u>	<u>\$5,980,552</u>	<u>\$35,820,434</u>

CITY OF FRANKLIN, OHIO
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2000

	Governmental Fund Types				Fiduciary	Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust	
Revenues:						
Property and Other Local Taxes	\$393,897	\$112,366	\$0	\$0	\$0	\$506,263
Income Taxes	3,805,503	88,473	0	0	0	3,893,976
Charges for Services	69,203	70,103	0	0	0	139,306
Fines, Licenses and Permits	680,768	20,034	0	0	0	700,802
Intergovernmental	646,101	626,331	0	1,062,760	0	2,335,192
Special Assessments	0	85,150	391,595	0	0	476,745
Interest	362,600	10,895	0	0	0	373,495
Other	82,323	3,722	797	1,796	0	88,638
Total Revenues	6,040,395	1,017,074	392,392	1,064,556	0	8,514,417
Expenditures:						
Current:						
General Government	1,843,079	2,388	0	0	0	1,845,467
Security of Persons and Property	2,824,697	318,307	0	0	0	3,143,004
Public Health and Welfare	0	13,868	0	0	0	13,868
Transportation	0	846,718	0	0	0	846,718
Community Environment	0	204,321	0	0	0	204,321
Basic Utility Services	86,758	0	0	0	0	86,758
Leisure Time Activities	25,000	250,370	0	0	0	275,370
Capital Outlay	0	81,545	0	2,085,596	0	2,167,141
Debt Service:						
Principal Retirement	19,216	11,659	284,000	0	0	314,875
Interest and Fiscal Charges	18,766	1,120	329,762	24,488	0	374,136
Total Expenditures	4,817,516	1,730,296	613,762	2,110,084	0	9,271,658
Excess of Revenues Over (Under) Expenditures	1,222,879	(713,222)	(221,370)	(1,045,528)	0	(757,241)
Other Financing Sources (Uses):						
Sale of Fixed Assets	176	0	0	0	0	176
Operating Transfers - In	0	500,277	290,231	180,021	0	970,529
Operating Transfers - Out	(872,823)	(94,595)	0	(3,111)	0	(970,529)
Total Other Financing Sources (Uses)	(872,647)	405,682	290,231	176,910	0	176
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	350,232	(307,540)	68,861	(868,618)	0	(757,065)
Fund Balances (Deficit) at Beginning of Year - Restated Note 21	2,056,184	1,251,768	(1,596)	5,738	2,144	3,314,238
Increase (Decrease) in Reserve for Inventory	3,119	(1,882)	0	0	0	1,237
Fund Balances (Deficit) at End of Year	\$2,409,535	\$942,346	\$67,265	(\$862,880)	\$2,144	\$2,558,410

See accompanying notes to the general purpose financial statements

CITY OF FRANKLIN, OHIO
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS)
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2000

	General Fund		Variance Favorable (Unfavorable)
	Revised Budget	Actual	
Revenues:			
Property and Other Local Taxes	\$342,000	\$388,911	\$46,911
Income Taxes	3,783,625	3,770,740	(12,885)
Charges for Services	32,500	69,203	36,703
Fines, Licenses and Permits	526,800	669,639	142,839
Intergovernmental	605,400	620,535	15,135
Special Assessments	0	0	0
Interest	286,213	313,767	27,554
Other	92,700	107,650	14,950
Total Revenues	5,669,238	5,940,445	271,207
Expenditures:			
Current:			
General Government	2,484,522	1,957,673	526,849
Security of Persons and Property	3,489,300	2,795,263	694,037
Public Health and Welfare	0	0	0
Transportation	0	0	0
Community Environment	0	0	0
Basic Utility Services	120,174	91,625	28,549
Leisure Time Activities	25,000	25,000	0
Capital Outlay	0	0	0
Debt Service:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
Total Expenditures	6,118,996	4,869,561	1,249,435
Excess of Revenues Over (Under) Expenditures	(449,758)	1,070,884	1,520,642
Other Financing Sources (Uses):			
Proceeds of Notes	0	0	0
Sale of Fixed Assets	1,984	176	(1,808)
Operating Transfers - In	10,000	0	(10,000)
Operating Transfers - Out	(1,377,780)	(1,338,041)	39,739
Total Other Financing Sources (Uses)	(1,365,796)	(1,337,865)	27,931
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,815,554)	(266,981)	1,548,573
Fund Balances at Beginning of Year	1,730,275	1,730,275	0
Prior Year Encumbrances Appropriated	595,764	595,764	0
Fund Balances at End of Year	\$510,485	\$2,059,058	\$1,548,573

(continued)

CITY OF FRANKLIN, OHIO
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS)
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2000
(continued)

	Special Revenue Funds			Debt Service Fund		
	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:						
Property and Other Local Taxes	\$252,720	\$112,366	(\$140,354)	\$0	\$0	\$0
Income Taxes	78,000	88,473	10,473	0	0	0
Charges for Services	64,486	70,169	5,683	0	0	0
Fines, Licenses and Permits	9,900	11,767	1,867	0	0	0
Intergovernmental	618,811	551,566	(67,245)	0	0	0
Special Assessments	85,150	85,150	0	379,465	391,595	12,130
Interest	300	10,895	10,595	0	0	0
Other	28,300	29,641	1,341	0	786	786
Total Revenues	1,137,667	960,027	(177,640)	379,465	392,381	12,916
Expenditures:						
Current:						
General Government	3,000	1,182	1,818	0	0	0
Security of Persons and Property	347,767	317,938	29,829	0	0	0
Public Health and Welfare	144,800	13,868	130,932	0	0	0
Transportation	1,003,077	857,081	145,996	0	0	0
Community Environment	425,966	207,754	218,212	0	0	0
Basic Utility Services	0	0	0	0	0	0
Leisure Time Activities	311,540	264,145	47,395	0	0	0
Capital Outlay	110,000	81,545	28,455	0	0	0
Debt Service:						
Principal Retirement	11,123	11,659	(536)	1,235,000	1,235,000	0
Interest and Fiscal Charges	1,656	1,120	536	364,450	364,450	0
Total Expenditures	2,358,929	1,756,292	602,637	1,599,450	1,599,450	0
Excess of Revenues Over (Under) Expenditures	(1,221,262)	(796,265)	424,997	(1,219,985)	(1,207,069)	12,916
Other Financing Sources (Uses):						
Proceeds of Notes	0	0	0	632,000	632,000	0
Sale of Fixed Assets	0	0	0	0	0	0
Operating Transfers - In	654,975	500,277	(154,698)	644,146	643,360	(786)
Operating Transfers - Out	(97,000)	(94,595)	2,405	0	0	0
Total Other Financing Sources (Uses)	557,975	405,682	(152,293)	1,276,146	1,275,360	(786)
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(663,287)	(390,583)	272,704	56,161	68,291	12,130
Fund Balances (Deficit) at Beginning of Year	1,041,255	1,041,255	0	(27,185)	(27,185)	0
Prior Year Encumbrances Appropriated	174,642	174,642	0	0	0	0
Fund Balances at End of Year	\$552,610	\$825,314	\$272,704	\$28,976	\$41,106	\$12,130

See accompanying notes to the general purpose financial statements

Capital Projects Funds			Expendable Trust Fund		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
391,200	773,625	382,425	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	1,796	1,796	0	0	0
<u>391,200</u>	<u>775,421</u>	<u>384,221</u>	<u>0</u>	<u>0</u>	<u>0</u>
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
1,941,000	1,183,128	757,872	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>1,941,000</u>	<u>1,183,128</u>	<u>757,872</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>(1,549,800)</u>	<u>(407,707)</u>	<u>1,142,093</u>	<u>0</u>	<u>0</u>	<u>0</u>
1,455,000	1,455,000	0	0	0	0
0	0	0	0	0	0
50,000	50,000	0	0	0	0
(3,111)	(3,111)	0	(1,500)	0	1,500
<u>1,501,889</u>	<u>1,501,889</u>	<u>0</u>	<u>(1,500)</u>	<u>0</u>	<u>1,500</u>
(47,911)	1,094,182	1,142,093	(1,500)	0	1,500
309,928	309,928	0	2,144	2,144	0
0	0	0	0	0	0
<u>\$262,017</u>	<u>\$1,404,110</u>	<u>\$1,142,093</u>	<u>\$644</u>	<u>\$2,144</u>	<u>\$1,500</u>

CITY OF FRANKLIN, OHIO
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND EQUITY
PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2000

	<u>Enterprise</u>
Operating Revenues:	
Charges for Services	\$4,522,742
Other Operating Revenues	<u>17,018</u>
Total Operating Revenues	<u>4,539,760</u>
Operating Expenses:	
Personal Services	715,963
Contractual Services	3,428,769
Materials and Supplies	235,090
Depreciation	<u>381,705</u>
Total Operating Expenses	<u>4,761,527</u>
Operating Loss	<u>(221,767)</u>
Non-Operating Revenues (Expenses):	
Operating Grants	29,903
Loss on the Disposal of Fixed Assets	(13,021)
Interest and Fiscal Charges	(416,688)
Interest Revenue	<u>91,906</u>
Total Non-Operating Revenues (Expenses)	<u>(307,900)</u>
Net Loss	(529,667)
Retained Earnings at Beginning of Year - Restated Note 21	<u>4,394,340</u>
Retained Earnings at End of Year	3,864,673
Contributed Capital at Beginning and End of Year	<u>472,596</u>
Fund Equity at End of Year	<u><u>\$4,337,269</u></u>

See accompanying notes to the general purpose financial statements

CITY OF FRANKLIN, OHIO
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND EQUITY - BUDGET AND ACTUAL (BUDGET BASIS)
PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2000

	Enterprise		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Charges for Services	\$4,108,218	\$4,331,063	\$222,845
Deposits Received	13,500	17,160	3,660
Interest	0	70,666	70,666
Grants	85,400	29,903	(55,497)
Other Operating Revenues	1,600	910	(690)
Total Revenues	<u>4,208,718</u>	<u>4,449,702</u>	<u>240,984</u>
Expenses:			
Personal Services	798,258	697,701	100,557
Contractual Services	3,753,485	3,183,757	569,728
Materials and Supplies	209,857	155,567	54,290
Deposit Refunds	72,343	18,520	53,823
Capital Outlay	681,042	292,009	389,033
Debt Service:			
Principal Retirement	173,810	158,810	15,000
Interest and Fiscal Charges	398,190	395,950	2,240
Total Expenses	<u>6,086,985</u>	<u>4,902,314</u>	<u>1,184,671</u>
Excess of Revenues Over (Under) Expenses Before Transfers	(1,878,267)	(452,612)	1,425,655
Operating Transfers - In	50,000	0	(50,000)
Operating Transfers - Out	<u>(227,581)</u>	<u>(117,890)</u>	<u>109,691</u>
Excess of Revenues Over (Under) Expenses and Operating Transfers	(2,055,848)	(570,502)	1,485,346
Fund Equity at Beginning of Year	2,584,099	2,584,099	0
Prior Year Encumbrances Appropriated	<u>170,542</u>	<u>170,542</u>	<u>0</u>
Fund Equity at End of Year	<u><u>\$698,793</u></u>	<u><u>\$2,184,139</u></u>	<u><u>\$1,485,346</u></u>

See accompanying notes to the general purpose financial statements

CITY OF FRANKLIN, OHIO
STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2000

	<u>Enterprise</u>
<u>Increase (Decrease) in Cash and Cash Equivalents</u>	
<u>Cash Flows from Operating Activities:</u>	
Cash Received from Customers	\$4,331,063
Cash Paid for Employee Services and Benefits	(697,701)
Cash Paid to Suppliers for Goods and Services	(3,323,284)
Utility Deposits Received	17,160
Utility Deposits Returned	(18,520)
Other Operating Revenues	910
	<u>309,628</u>
<u>Cash Flows from Noncapital Financing Activities:</u>	
Operating Grants Received	29,903
	<u>29,903</u>
<u>Cash Flows from Capital and Related Financing Activities:</u>	
Proceeds of General Obligation Notes	100,000
Acquisition of Capital Assets	(180,332)
Interest Paid on General Obligation Notes	(7,890)
Principal Paid on General Obligation Notes	(210,000)
Interest Paid on OWDA Loans	(187,103)
Principal Paid on OWDA Loans	(63,810)
Interest Paid on Mortgage Revenue Bonds	(224,404)
Principal Paid on Mortgage Revenue Bonds	(95,000)
	<u>(868,539)</u>
<u>Cash Flows from Investing Activities:</u>	
Interest and Dividends	91,906
	<u>91,906</u>
Net Decrease in Cash and Cash Equivalents	(437,102)
Cash and Cash Equivalents at Beginning of Year	<u>3,110,815</u>
Cash and Cash Equivalents at End of Year	<u>\$2,673,713</u>

(continued)

CITY OF FRANKLIN, OHIO
STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2000
(continued)

	<u>Enterprise</u>
Reconciliation of Operating Loss to <u>Net Cash Provided by Operating Activities:</u>	
Operating Loss	<u>(\$221,767)</u>
Adjustments to Reconcile Operating Loss to <u>Net Cash Provided by Operating Activities:</u>	
Depreciation Expense	381,705
Change in Assets and Liabilities:	
Increase in Accounts Receivable	(215,413)
Increase in Due from Other Governments	(16,108)
Decrease in Materials and Supplies Inventory	739
Decrease in Prepaid Items	5,316
Increase in Accounts Payable	438,004
Decrease in Contracts Payable	(71,330)
Increase in Accrued Wages and Benefits	6,405
Increase in Compensated Absences Payable	7,511
Decrease in Due to Other Governments	(970)
Decrease in Deferred Revenue	(3,104)
Decrease in Refundable Deposits	<u>(1,360)</u>
Total Adjustments	<u>531,395</u>
Net Cash Provided by Operating Activities	<u><u>\$309,628</u></u>

See accompanying notes to the general purpose financial statements

CITY OF FRANKLIN, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 2000

NOTE 1 - REPORTING ENTITY AND BASIS OF PRESENTATION

The City of Franklin (the "City") is a home rule municipal corporation organized under the laws of the State of Ohio. The City operates under its own charter. The current Charter, which provides for a Council/Manager form of government, was adopted in 1984. The seven-member Council is elected to four - year terms. Annually, Council selects one of its members to serve as Mayor. Council appoints the City Manager, Finance Director and Law Director.

THE REPORTING ENTITY

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the City consists of all funds and departments which are not legally separate from the City. They provide various services including a police force, a fire fighting force, street maintenance and repair force, planning and zoning departments, a parks and recreation system, a water and sewer system, a contracting service for trash collection, a community development department, and a staff to provide essential support to these service providers. Council and the City Manager have direct responsibility for these activities.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing 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 may also include organizations that are fiscally dependent on the City in that the City approves the organization's budget, the issuance of its debt or the levying of its taxes. The City has one blended component unit included in its reporting entity.

The Franklin Municipal Building Corporation was created under State statute as a corporation whose only purpose is to provide funding for the construction of the City's administration and service buildings. The City appoints a majority of the governing board and is liable for the debt of the organization. Because this service entirely benefits the City, the Franklin Municipal Building Corporation is presented as a blended component unit of the City and has been included as part of the primary government. The Corporation's sole purpose was to issue the debt and construct the Municipal building for the City. Since that time, there has been no financial activity in the Corporation.

The City is associated with two organizations which are defined as joint ventures and four organizations which are defined as jointly governed organizations. These organizations are presented in Note 19 of the General Purpose Financial Statements. These organizations are:

Joint Ventures:

Joint Recreation Facility
Hazardous Materials Response Team

Jointly Governed Organizations:

Warren County General Health District
Joint Emergency Medical Service
Center for Local Governments
Ohio - Kentucky - Indiana Regional Council of Governments

CITY OF FRANKLIN, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 2000

NOTE 1 - REPORTING ENTITY AND BASIS OF PRESENTATION (continued)

The Franklin Municipal Court has been included in the City's financial statements as an agency fund. The clerk of courts has a fiduciary responsibility for the collection and distribution of the court fees and fines.

BASIS OF PRESENTATION - FUND ACCOUNTING

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

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

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

GOVERNMENTAL FUNDS

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

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.

Special Revenue Funds - These funds are established to account for the proceeds of specific revenue sources (other than amounts relating to the expendable trust or major capital projects) that are legally restricted to expenditure for specific purposes.

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

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

CITY OF FRANKLIN, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 2000

NOTE 1 - REPORTING ENTITY AND BASIS OF PRESENTATION (continued)

PROPRIETARY FUNDS

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

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

FIDUCIARY FUNDS

Fiduciary funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments and other funds. The City's fiduciary funds include an expendable trust fund and agency funds. The expendable trust fund is accounted for in essentially the same manner as governmental funds. Agency funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations.

ACCOUNT GROUPS

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

General Fixed Assets Account Group - This account group is used to account for all general fixed assets of the City other than those accounted for in proprietary or trust funds.

General Long-Term Obligations Account Group - This account group is used to account for all unmatured general long-term indebtedness of the City that is not a specific liability of the proprietary funds, including special assessment debt for which the City is obligated in some manner.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Franklin have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The City also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its proprietary activities provided they do not conflict with or contradict GASB pronouncements.

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

CITY OF FRANKLIN, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 2000

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

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

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

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

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

Other revenues, including licenses, permits, special assessments, certain charges for services, income taxes other than those withheld by employers, and miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received.

The City reports deferred revenue on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the measurable and available criteria for recognition in the current period. In subsequent periods, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized. Current and delinquent property taxes measurable as of December 31, 2000, whose availability is indeterminate and which are not intended to finance current period obligations, have been recorded as a receivable and deferred revenue. Levied special assessments are measurable, and have been recorded as a receivable. Since all assessments are due outside the available period, the entire amount has been deferred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year. The costs of accumulated unpaid vacation and sick leave are reported as fund liabilities in the period in which they will be liquidated with available financial resources rather than in the period earned by employees.

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

CITY OF FRANKLIN, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 2000

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

BUDGETARY PROCESS

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation ordinance, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriation ordinance are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than agency funds, are legally required to be budgeted and appropriated. The Street Improvement Capital Projects Fund is created for GAAP purposes for repayment of short-term debt issues and is not part of the City's appropriated budget. There is also unbudgeted trustee activity in the Water Enterprise Fund. The primary level of budgetary control is at the object level (personal services and other expenditures) within each department. Budgetary modifications may only be made by resolution of the City Council.

Tax Budget

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

Estimated Resources

The County Budget Commission determines if the budget substantiates a need to levy all of previously authorized taxes and reviews estimated revenue. The Commission certifies its actions to the City by September 1. As part of this certification, the City receives the official certificate of estimated resources, which states the projected revenue of each fund. Prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the appropriation ordinance. On or about January 1, the certificate of estimated resources is amended to include unencumbered fund balances at December 31 of the preceding year. The certificate may be further amended during the year if the fiscal officer determines that the revenue to be collected is greater or less than the current estimates. The amounts reported on the budgetary statements reflect the amounts in the final amended official certificate of estimated resources issued during 2000.

Appropriations

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

CITY OF FRANKLIN, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 2000

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Encumbrances

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

Lapsing of Appropriations

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

CASH AND CASH EQUIVALENTS

Cash balances of the City's funds, except cash held by a trustee or fiscal agent, are pooled and invested in short-term investments in order to provide improved cash management. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the balance sheet. The City's Municipal Court has its own checking accounts for collection and distribution of court fines and forfeitures which are presented on the combined balance sheet as "Cash and Cash Equivalents in Segregated Accounts." The City utilizes financial institutions to service bonded debt as principal and interest payments come due and is presented on the combined balance sheet as "Cash and Cash Equivalents with Fiscal Agents." The City's deposits on hand for future principal and interest payments on mortgage revenue bonds are presented on the combined balance sheet as "Restricted Cash and Cash Equivalents with Trustee."

During fiscal year 2000, investments were limited to STAR Ohio, a Federal Farm Credit Bank Note, a Federal Home Loan Bank Bond, Federal National Mortgage Association Notes, Federal Home Loan Mortgage Corporation Debenture, money market mutual funds and certificates of deposit. Except for non-participating investment contracts, investments are reported at fair value which is based on quoted market prices. For investments in open-end mutual funds, the fair value is determined by the fund's current share price. Non-participating investment contracts such as non-negotiable certificates of deposit are reported at cost.

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, 2000.

Interest revenue credited to the general fund during fiscal year 2000 amounted to \$362,600, which includes \$233,653 assigned from other funds. The special revenue and enterprise funds also received interest in the amount of 10,895 and \$91,906.

For purposes of the statement of cash flows and for presentation on the combined balance sheet, investments with original maturities of three months or less and funds within the cash management pool are considered to be cash and cash equivalents.

CITY OF FRANKLIN, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 2000

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

INVENTORY OF SUPPLIES

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

RESTRICTED ASSETS

Restricted assets in the enterprise funds represent cash and cash equivalents held by trustee, which have been set aside to satisfy bond indenture requirements for future debt payments, and cash and cash equivalents set aside for replacement and improvement of fixed assets originally acquired with bond proceeds. In addition, water and sewer customer deposits are presented as restricted assets.

INTERFUND ASSETS/LIABILITIES

Receivables and payables resulting from transactions between funds for services provided or goods received are classified as "Due from Other Funds" or "Due to Other Funds" on the balance sheet. Short-term interfund loans are classified as "Interfund Receivables" or "Interfund Payables."

FIXED ASSETS AND DEPRECIATION

General fixed assets (assets used in the general operations of the City) are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. Fund fixed assets are assets used in providing services accounted for in proprietary funds. They are accounted for within the proprietary funds.

All purchased fixed assets are valued at cost when historical records are available and estimated historical cost where no historical records exist. For certain assets, estimates were calculated by indexing estimated current costs back to the estimated year of acquisition. Donated fixed assets are valued at their estimated fair market value on the date received.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized. An improvement to a fund fixed asset is depreciated over the remaining useful life of the related asset.

Public domain ("infrastructure") general fixed assets consisting of roads, bridges, curbs, gutters, sidewalks, and drainage systems are not capitalized, as these assets are immovable and of value only to the City.

CITY OF FRANKLIN, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 2000

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Assets in the general fixed assets account group are not depreciated. Depreciation of fund fixed assets is computed using the straight-line method over the following useful lives:

Buildings	40 years
Equipment	5-10 years
Sewer and Water Lines	40 years

COMPENSATED ABSENCES

The City reports compensated absences in accordance with the provisions of Governmental Accounting Standards Board Statement No. 16, "Accounting for 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 funds, the current portion of unpaid compensated absences is the amount expected to be paid using available expendable resources. This amount is recorded as a fund liability, while the balance of the liability is recorded in the general long-term obligations account group. In proprietary funds, the entire amount of unpaid compensated absences is reported as a fund liability.

ACCRUED LIABILITIES AND LONG-TERM OBLIGATIONS

In general, governmental fund payables and accrued liabilities are reported as obligations of the funds regardless of whether they will be liquidated with current resources. However, compensated absences and contractually required pension contributions are reported as a liability in the general long-term obligations account group to the extent that they will not be paid with current available expendable financial resources. Payments made more than thirty-one days after year-end are generally considered not to have been paid with current available financial resources. Bonds, capital leases, the police and fire pension liability, and long-term loans are recognized as a liability of the general long-term obligations account group until due.

Long-term debt and other obligations financed by proprietary funds are reported as liabilities in the appropriate proprietary funds. Long-term liabilities are being repaid from the following funds:

<u>Obligation</u>	<u>Fund</u>
General Obligation Bonds	Debt Service Fund
Special Assessment Bonds	Debt Service Fund
Police Pension Liability	Police Pension Special Revenue Fund
Fire Pension Liability	Fire Pension Special Revenue Fund
Compensated Absences and Pension Obligation	Will be paid by the fund from which the employee's salary is paid.
Capital Leases	General Fund (the fund which is utilizing the asset being acquired).

CITY OF FRANKLIN, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 2000

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

OWDA Loans	Water Fund (the fund which utilized the proceeds of loans).
Long-Term Notes	Street Special Revenue Fund (the fund which utilized the proceeds of the notes).
Mortgage Revenue Bonds	Water Fund (the fund which utilized the proceeds of the bonds).

CAPITALIZATION OF INTEREST

The City's policy is to capitalize net interest on proprietary fund construction projects until substantial completion of the project. The amount of capitalized interest equals the difference between the interest cost associated with the tax exempt borrowing used to finance the project and the interest earned from temporary investment of the debt proceeds. Capitalized interest is amortized on the straight-line basis over the estimated useful life of the asset. For 2000, interest costs incurred on construction projects in proprietary funds were not material.

CONTRIBUTED CAPITAL

Contributed capital represents resources from other funds, federal and state grants, other governments, and private sources provided to the City's proprietary funds which are not subject to repayment. There were no changes in contributed capital during the fiscal year.

Because the City had not prepared its financial statements in accordance with generally accepted accounting principles in years prior to 1988, the exact amount of contributed capital at December 31, 2000, cannot be determined. Only those amounts that have been specifically identified have been classified as contributed capital in the accompanying combined financial statements. All other fund equity amounts pertaining to the proprietary funds are classified as retained earnings.

RESERVATIONS OF FUND EQUITY

Reservations of fund balances are established to identify the existence of assets that, because of their non-monetary nature or lack of liquidity, represent financial resources not available for current appropriation or expenditure or the portion of fund balance that is legally segregated for a specific future use. Fund balances have been reserved for encumbrances, and inventory. Retained earnings are reserved for replacement and improvement and for future debt service for revenue bonds.

ACCOUNTING 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.

CITY OF FRANKLIN, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 2000

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

INTERGOVERNMENTAL REVENUES

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

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

INTERFUND TRANSACTIONS

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

All other interfund transactions are reported as operating transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers.

TOTAL COLUMNS ON GENERAL PURPOSE FINANCIAL STATEMENTS

Total columns on the General Purpose Financial Statements - Overview are captioned "Totals - Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of these data.

NOTE 3 - BUDGET TO GAAP RECONCILIATION

BUDGETARY BASIS OF ACCOUNTING

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

The Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Budget Basis) - All Governmental Fund Types and Expendable Trust Fund and the Statement of Revenues, Expenses and Changes in Fund Equity - Budget and Actual (Budget Basis) - Proprietary Fund Type is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. 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/expenses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).

CITY OF FRANKLIN, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 2000

NOTE 3 - BUDGET TO GAAP RECONCILIATION (continued)

3. Outstanding year-end encumbrances are treated as expenditures (budget basis) rather than as a reservation of fund balance for governmental fund types or note disclosure for proprietary fund types (GAAP basis).
4. Proceeds from and principal payments on short-term note obligations are reported on the operating statement (budget basis) rather than as balance sheet transactions (GAAP basis).
5. For proprietary funds, the acquisition and construction of capital assets are reported on the operating statement (budget basis) rather than as balance sheet transactions (GAAP basis).
6. The City does not budget for the activities of the trustee who collects and holds the restricted assets used for the retirement mortgage revenue bonds of the water enterprise fund. However, the activities of the trustee are included in their respective funds for GAAP reporting purposes.

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

	Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses All Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
GAAP Basis	\$350,232	(\$307,540)	\$68,861	(\$868,618)
Revenue Accruals	(99,950)	(57,047)	(11)	(289,135)
Expenditure Accruals	405,533	54,141	(34,688)	934,144
Encumbrances	(457,578)	(80,137)	0	(7,188)
Debt Principal Retirement	0	0	(951,000)	0
Debt Proceeds	0	0	632,000	1,455,000
Transfers	(465,218)	0	353,129	(130,021)
Budget Basis	(\$266,981)	(\$390,583)	\$68,291	\$1,094,182

CITY OF FRANKLIN, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 2000

NOTE 3 - BUDGET TO GAAP RECONCILIATION (continued)

	Enterprise
Net Loss/Excess of Revenues Under Expenses and Operating Transfers All Enterprise Funds	
GAAP Basis	(\$529,667)
Revenue Accruals	(207,787)
Deposits	(1,360)
Expense Accruals	(142,399)
Encumbrances	(125,217)
Operating Transfers	(117,890)
Capital Outlay	180,332
Loss on Disposal of Fixed Assets	13,021
Non-Budgeted Activity	(21,240)
Depreciation	381,705
Budget Basis	(\$570,502)

NOTE 4 - COMPLIANCE AND ACCOUNTABILITY

STATUTORY COMPLIANCE

The following appropriation accounts had an excess of expenditures plus encumbrances over appropriations for the year ended December 31, 2000, in accordance with Ohio Revised Code, section 5705.41(b):

Fund Type/Fund	Appropriations	Expenditures Plus Encumbrances	Excess
General Fund:			
General Government			
Clerk and Council			
Personal Services	\$66,442	\$67,024	(\$582)
Planning Commission			
Personal Services	0	735	(735)
Special Appropriations			
Personal Services	0	33	(33)

CITY OF FRANKLIN, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 2000

NOTE 4 - COMPLIANCE AND ACCOUNTABILITY (continued)

The following funds had appropriations which exceeded estimated resources for the fiscal year ended December 31, 2000, in accordance with Ohio Revised Code, section 5705.39:

	Excess
Special Revenue Funds:	
Miami Conservancy District	\$212
Indigent Driver's Alcohol Treatment	1,100
Firemen's Indemnity	39

FUND DEFICITS

At year end, the special revenue fund county vehicle tax maintained a negative cash fund balance of \$60,000 in noncompliance with Ohio Revised Code, section 5705.10. The capital improvement, issue two, street improvement and shotwell drive capital projects funds have deficit fund balances of \$64,150, \$58,698, \$157,193, and \$585,466 respectively. The deficits in all of the funds listed above result from the issuance of short-term bond anticipation notes which are used to finance projects until bonds are issued. The deficits will be eliminated when long-term bonds are issued.

NOTE 5 - DEPOSITS AND INVESTMENTS

POLICIES AND PROCEDURES

State statutes classify monies held by the City into three categories.

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

Inactive deposits are public deposits that Council has identified as not required for use within the current two 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 (FDIC), 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.

CITY OF FRANKLIN, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 2000

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

The City may deposit or invest interim monies in the following securities:

1. United States Treasury Notes, Bills, Bonds, or any other obligations or security issued by the United States treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bond, notes, debentures, or any other obligations or securities issued by the federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this section are made only through eligible institutions; and,
6. The State Treasurer's investment pool (STAR Ohio).

The City may also invest any monies not required to be used for a period of six months or more in the following:

1. Bonds of the State of Ohio;
2. Bonds of any municipal corporation, village, county, township, or other political subdivision of this State, as to which there is no default of principal, interest or coupons; and
3. Obligations of the City.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the City, and must be purchased with the expectation that it 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 Finance Director or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

CITY OF FRANKLIN, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 2000

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

DEPOSITS

At year end, the carrying amount of the City's deposits was \$2,585,151 and the bank balance was \$2,714,042. Of the bank balance, \$313,790 was covered by federal deposit insurance. The remainder of the deposits were not insured or collateralized. Although all statutory requirements for the deposit of money had been followed, non-compliance 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 the City's investments be classified in categories of 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. Money market mutual funds and Star Ohio investments are unclassified since they are not evidenced by securities that exist in physical or book entry form.

	<u>Category 3</u>	<u>Fair Value</u>
STAR Ohio	\$0	\$2,902,137
Federal Home Loan Bank Bonds	946,018	946,018
Federal National Mortgage Association Notes	598,467	598,467
Federal Home Loan Mortgage Corporation Debenture	499,530	499,530
Money Market Mutual Funds	0	364,362
Total	<u>\$2,044,015</u>	<u>\$5,310,514</u>

The classification of cash and cash equivalents, and investments on the combined financial statements is based on criteria set forth in GASB Statement No. 9. A reconciliation between classifications of cash and investments on the combined financial statements and the classifications per GASB Statement No. 3 is as follows:

	<u>Cash and Cash Equivalents/ Deposits</u>	<u>Investments</u>
GASB Statement No. 9	\$7,895,665	\$0
Investments:		
STAR Ohio	(2,902,137)	2,902,137
Federal Home Loan Bank Bonds	(946,018)	946,018
Federal National Mortgage Association Notes	(598,467)	598,467
Federal Home Loan Mortgage Corporation Debenture	(499,530)	499,530
Money Market Mutual Funds	(364,362)	364,362
GASB Statement No. 3	<u>\$2,585,151</u>	<u>\$5,310,514</u>

CITY OF FRANKLIN, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 2000

NOTE 6 - 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 2000 for real and public utility property taxes represents collections of 1999 taxes. Property tax payments received during 2000 for tangible personal property (other than public utility property) is for 2000 taxes.

2000 real property taxes are levied after October 1, 2000 on the assessed value as of January 1, 2000, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2000 real property taxes are collected in and intended to finance 2001.

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. 2000 public utility property taxes became a lien December 31, 1999, are levied after October 1, 2000, and are collected in 2001 with real property taxes.

2000 tangible personal property taxes are levied after October 1, 1999, on the value as of December 31, 1999. Collections are made in 2000. Tangible personal property assessments are 25 percent of true value.

The full tax rate for all City operations for the year ended December 31, 2000 was \$2.83 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2000 property tax receipts were based are as follows:

Category	Assessed Value
Real Property	\$144,059,380
Personal Property	58,622,764
Public Utility Personal Property	10,401,300
Totals	\$213,083,444

Real property taxes are payable annually or 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; if 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 all taxing districts in the county, including the City of Franklin. Property taxes receivable represent real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2000. Although total property tax collections for the next fiscal year are measurable, amounts to be received during the available period are not subject to reasonable estimation at December 31, nor are they intended to finance 2000 operations. The receivable is therefore offset by a credit to deferred revenue.

CITY OF FRANKLIN, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 2000

NOTE 7 - INCOME TAX

The City levies a municipal income tax of 1.5 percent on substantially all income earned within the City. In addition, the residents of the City are required to pay income tax on income earned outside of the City; however, the City allows a credit for income taxes paid to another municipality up to 100 percent of the City's current tax rate.

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

Income tax proceeds are to be used to pay the cost of administering the tax, general fund operations, capital improvements, debt service and other governmental functions when needed, as determined by Council. In 2000, the proceeds were allocated to the general fund and street special revenue fund. Income tax revenue for 2000 was \$3,893,976.

NOTE 8 - RECEIVABLES

Receivables at December 31, 2000 consisted of taxes, interfund, intergovernmental receivables and shared revenues, special assessments, interest on investments, and accounts (including utility). All receivables are considered fully collectible.

A summary of intergovernmental receivables follows:

	Amount
<u>General Fund</u>	
Local Government Assistance	\$4,831
Estate Tax	30,172
Bureau of Workers' Compensation Reimbursement	71,478
Total General Fund	106,481
<u>Special Revenue Funds</u>	
<u>State Highway</u>	
Gas Tax	667
Motor Vehicle Tax	476
Cents Per Gallon Tax	1,303
<u>Street Fund</u>	
Gas Tax	8,230
Motor Vehicle Tax	5,872
Cents Per Gallon Tax	16,069
Permissive Tax	7,076
Bureau of Workers' Compensation Reimbursement	11,074
<u>County Vehicle Tax Fund</u>	
Permissive tax	60,000
<u>Law Enforcement Fund</u>	
Bureau of Workers' Compensation Reimbursement	8,201
<u>Recreation Fund</u>	
Bureau of Workers' Compensation Reimbursement	1,007
Total Special Revenue Funds	119,975
<u>Capital Projects Fund</u>	
Issue Two	\$289,135

CITY OF FRANKLIN, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 2000

NOTE 8 - RECEIVABLES (continued)

<u>Proprietary Funds</u>	
<u>Water Fund</u>	
Bureau of Workers' Compensation Reimbursement	\$8,054
<u>Sewer Fund</u>	
Bureau of Workers' Compensation Reimbursement	8,054
Total Proprietary Funds	<u>16,108</u>
Total All Funds	<u><u>\$531,699</u></u>

NOTE 9 - FIXED ASSETS

Changes in general fixed assets during the year ended December 31, 2000 were as follows:

Class	Restated Balance December 31, 1999	Additions	Deletions	Balance December 31, 2000
Land	\$478,627	\$0	\$73,623	\$405,004
Buildings	527,747	220,704	22,029	726,422
Improvements other than Buildings	415,285	20,551	2,600	433,236
Vehicles, Furniture and Equipment	3,175,945	324,431	180,783	3,319,593
Construction in Progress	73,536	17,134	0	90,670
Totals	<u>\$4,671,140</u>	<u>\$582,820</u>	<u>\$279,035</u>	<u>\$4,974,925</u>

Fixed asset balances for enterprise funds as of December 31, 2000 were as follows:

Class	Sewer	Water	Total
Land	\$5,153	\$901,497	\$906,650
Buildings	74,584	713,149	787,733
Equipment	340,025	427,118	767,143
Sewer and Water Lines	3,079,940	7,846,328	10,926,268
Total	<u>3,499,702</u>	<u>9,888,092</u>	<u>13,387,794</u>
Less: Accumulated Depreciation	<u>(2,109,642)</u>	<u>(2,712,699)</u>	<u>(4,822,341)</u>
Net Fixed Assets	<u><u>\$1,390,060</u></u>	<u><u>\$7,175,393</u></u>	<u><u>\$8,565,453</u></u>

CITY OF FRANKLIN, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 2000

NOTE 10 - DEFINED BENEFIT PENSION PLANS

Public Employees Retirement System

All full-time employees, other than non-administrative full-time police officers and firefighters, participate in the Public Employees Retirement System of Ohio (PERS), a cost-sharing multiple-employer public employee retirement system administered by the Public Employees Retirement Board. PERS provides basic retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 145 of the Ohio Revised Code. PERS issues a stand-alone financial report which may be obtained by writing to the Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642.

Plan members are required to contribute 8.5 percent of their annual covered salary to fund pension obligations. For calendar year 2000, PERS instituted a temporary employer rate rollback for state and local governments. The 2000 employer pension contribution rate for the City was 6.54 percent of covered payroll, reduced from 9.35 percent in 1999. Contributions are authorized by State statute. The contribution rates are determined actuarially. The City's required contributions to PERS for the years ended December 31, 2000, 1999, and 1998 were \$115,496, \$175,049, and \$129,664, respectively. The full amount has been contributed for 1999 and 1998. 75 percent has been contributed for 2000 with the remainder being reported as a liability in the general long-term obligations account group.

Ohio Police and Fire Pension Fund

The City contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple-employer public employee retirement system administered by the OP&F's Board of Trustees. 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 by Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information. That report may be obtained by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Police and firefighters are required to contribute 10 percent of their annual covered salary to fund pension obligations and the City is required to contribute 12.25 percent for police and 16.75 percent for firefighters. For 1999, the City contributions were 12.5 percent for police and 17 percent for firefighters. Contributions are authorized by State statute. The City's contributions to the OP&F for police and firefighters for the years ended December 31, 2000, 1999 and 1998 were \$176,652, 175,186 and \$155,868, respectively. The full amount has been contributed for 1999 and 1998. 71 percent and 69 percent, respectively, have been contributed for 2000 with the remainder being reported as a liability in the general long-term obligations account group.

In addition to current contributions, the City pays installments on the accrued liability incurred when the State of Ohio established the statewide pension system for police and fire fighters in 1967. As of December 31, 2000, the unfunded liability of the City was \$77,421 payable in semi-annual payments through the year 2035. This is an accounting liability of the City which will not vary. The liability is reported in the general long-term obligations account group.

CITY OF FRANKLIN, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 2000

NOTE 11 - OTHER EMPLOYEE BENEFITS

COMPENSATED ABSENCES

Accumulated Unpaid Vacation

City employees earn vacation leave at varying rates based upon length of service. Upon departure from City employment, an employee (or his or her estate) will be paid for unused vacation leave.

Accumulated Unpaid Sick Leave

City employees earn sick leave at the rate of 4.62 hours per eighty hours of service. Sick leave is cumulative without limit. In the case of death or retirement, every employee will be paid for a maximum of 150 days of sick leave hours. Those employees that leave City employment for reasons other than death or retirement will be paid 50 percent of accumulated sick leave up to a maximum of 150 days (600 hours).

The total obligation for compensated absences for the City as a whole as of December 31, 2000, was \$454,807.

HEALTH CARE BENEFITS

The City has elected to provide employee medical/surgical benefits through Anthem Blue Cross/Blue Shield. The City provides life insurance and accidental death and dismemberment insurance to most employees as part of the health care plan. The employees share the cost of the monthly premium with the City. The premium varies with employee depending on the terms of the union contract. Dental insurance is provided by the City to all employees through Anthem Blue Cross/Blue Shield.

DEFERRED COMPENSATION

City employees may participate in the Ohio Public Employees Deferred Compensation Plan. This plan was created in accordance with Internal Revenue Code Section 457. Participation is on a voluntary payroll deduction basis. The plan permits deferral of compensation until future years. According to the plan, the deferred compensation is not available until termination, retirement, death, or an unforeseeable emergency.

NOTE 12 - POSTEMPLOYMENT BENEFITS

Public Employees Retirement System

The Public Employees Retirement System of Ohio (PERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit and to primary survivor recipients of such retirees. Health care coverage for disability recipients is available. 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 PERS is set aside for the funding of postretirement health care based on authority granted by State statute. The 2000 employer contribution rate was 10.84 percent of covered payroll; 4.30 percent was the portion that was used to fund health care for 2000. For 1999, the contribution rate was 13.55 percent of covered payroll; 4.20 percent was the portion that was used to fund health care.

CITY OF FRANKLIN, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 2000

NOTE 12 - POSTEMPLOYMENT BENEFITS (continued)

Benefits are advance-funded using the entry age normal cost method. Significant actuarial assumptions, based on PERS's latest actuarial review performed as of December 31, 1999, include a rate of return on investments of 7.75 percent, an annual increase in active employee total payroll of 4.75 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .54 percent and 5.1 percent based on additional annual pay increases. Health care premiums were assumed to increase 4.75 percent annually.

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.

The number of active contributing participants was 401,339. The City's actual contributions for 2000 which were used to fund postemployment benefits were \$75,938. The actual contribution and the actuarially required contribution amounts are the same. PERS's net assets available for payment of benefits at December 31, 1999, (the latest information available) were \$10,805.5 million. The actuarially accrued liability and the unfunded actuarial accrued liability were \$12,473.6 million and \$1,668.1 million, respectively.

For 2000, PERS elected to return to an actuarially pre-funded type of disclosure because it is a better presentation of PERS's actual funding methodology. Since 1997, disclosures had been based on a pay-as-you-go funding basis.

Ohio Police and Fire 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 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 Ohio Police and Fire Pension Fund 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 is 19.5 percent of covered payroll and the total firefighter employer contribution rate is 24 percent of covered payroll, of which 7.25 percent of covered payroll was applied to the postemployment health care program during 2000. For 1999, the percent used to fund healthcare was 7 percent. 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.

The City's actual contributions for 2000 that were used to fund postemployment benefits were \$77,677 for police and \$19,653 for fire. The OP&F's total health care expenses for the year ended December 31, 1999, (the latest information available) were \$95,004,633, which was net of member contributions of \$5,518,098. The number of OP&F participants eligible to receive health care benefits as of December 31, 1999, was 12,467 for police and 9,807 for firefighters.

CITY OF FRANKLIN, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 2000

NOTE 13 - CAPITAL LEASES - LESSEE DISCLOSURE

In previous years, the City has entered into capital leases for vehicles and equipment. By the terms of each agreement, ownership of the equipment is transferred to the City by the end of the 3-5 year lease terms. 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 combined financial statements for the governmental funds. The equipment, machinery and vehicles acquired by lease have been capitalized in the general fixed assets account group in the amount of \$251,927 which equals the present value of the future minimum lease payments at the time of acquisition. A corresponding liability was recorded in the general long-term obligations account group. Principal payments in 2000 totaled \$19,216.

The following is a schedule of the future long-term minimum lease payments required for capital leases reported in the General Long-Term Obligations Account Group and the present value of the minimum lease payments as of December 31, 2000.

Year Ending December 31, 2000	General Long-Term Obligations
2001	\$25,503
2002	25,503
2003	25,503
2004	25,503
2005	25,503
Subtotal	127,515
Less: Amount Representing Interest	(16,580)
Present Value of Minimum Lease Payments	\$110,935

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 2000, the City contracted with The Hartford Insurance Company for vehicle, property and general liability insurance. Hartford Steam Boiler Company covers boiler and machinery, while police and professional liability are protected by the City Insurance Company.

Boiler and machinery hold a \$1,000 deductible. Vehicle deductible levels vary with vehicles while property and general liability deductibles range from \$250-\$1,000. The City carries a \$1,000 deductible for both police and professional liability insurance. A local claims agent, Simpkins Insurance, is contracted by the City and reviews all claims.

CITY OF FRANKLIN, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 2000

NOTE 14 - RISK MANAGEMENT (continued)

Coverage provided by the insurance agency follows:

Public Official Liability	\$2,000,000
Police Professional Liability	2,000,000
EDP Equipment Policy	100,000
Boiler and Machinery	1,000,000
Public Employees Blanket Bond	50,000
Comprehensive General Liability	
Each Occurrence	2,000,000
General Aggregate	2,000,000
Excess Liability	5,000,000

Settled claims have not exceeded this commercial coverage in any of the past three years. There was no significant decline in the level of coverage from the prior year.

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

NOTE 15 - LONG-TERM OBLIGATIONS

Long-term obligations at December 31, 2000 were as follows:

Types/Issues	Restated Balance December 31, 1999	Increase	Decrease	Balance December 31, 2000
Enterprise Fund Obligations				
6.70% OWDA Loans	\$2,707,721	\$0	\$63,810	\$2,643,911
4.00% - 5.80% Mortgage Revenue Bonds	3,995,000	0	95,000	3,900,000
Compensated Absences	97,850	7,511	0	105,361
TOTAL - All Enterprise Fund Obligations	\$6,800,571	\$7,511	\$158,810	\$6,649,272

(continued)

CITY OF FRANKLIN, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 2000

NOTE 15 - LONG-TERM OBLIGATIONS (continued)

Type/Issues	Restated Balance December 31, 1999	Increase	Decrease	Balance December 31, 2000
<u>General Long-Term Obligations</u>				
<u>Special Assessment Bonds</u>				
6.85% - 1991 Franklin Commerce Improvement	\$1,040,000	\$0	\$55,000	\$985,000
8.78% - 1985 Streetscape	35,000	0	5,000	30,000
7.125% - 1989 Shady Glenn	98,000	0	8,000	90,000
6.00% - 1995 Miller Stub Street	69,000	0	3,000	66,000
5.75% - 1995 Shotwell Drive	201,000	0	8,000	193,000
5.80% - 1997 Franklin Commerce Center	535,000	0	20,000	515,000
5.00% - 1998 Scholl Road	485,000	0	15,000	470,000
5.00% - 1998 Fourth Street Improvement	315,000	0	10,000	305,000
5.00% - 1998 Schumaker-Franklin	1,270,000	0	35,000	1,235,000
5.00% - 1998 Deardoff Phase II	150,000	0	5,000	145,000
5.70% - 1999 Eastlawn Sewer Line Extension	120,000	0	5,000	115,000
TOTAL-Special Assessment Bonds	<u>\$4,318,000</u>	<u>\$0</u>	<u>\$169,000</u>	<u>\$4,149,000</u>

CITY OF FRANKLIN, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 2000

NOTE 15 - LONG-TERM OBLIGATIONS (continued)

Type/Issues	Restated Balance December 31, 1999	Increase	Decrease	Balance December 31, 2000
<u>General Obligation Bonds</u>				
<u>(Unvoted)</u>				
4.25% - 6.10% 1994 Road Extension	\$1,275,000	\$0	\$115,000	\$1,160,000
<u>Other Long-Term Obligations</u>				
4.70% - 1994 Street Sweeper Note	24,137	0	11,659	12,478
Compensated Absences	286,910	45,592	0	332,502
Police and Fire Pension	78,399	0	978	77,421
Pension Obligation	100,516	138,216	100,516	138,216
Capital Leases Payable	130,151	0	19,216	110,935
TOTAL-Other Long-Term Obligations	620,113	183,808	132,369	671,552
TOTAL- All General Long-Term Obligations	6,213,113	183,808	416,369	5,980,552
TOTAL - All Types	\$13,013,684	\$191,319	\$575,179	\$12,629,824

The special assessment bond issues are backed by the full faith and credit of the City. In the event that an assessed property owner fails to make payments, the City will be required to pay the related debt.

The unvoted general obligation bond issues for the Road Extension will be paid from property taxes. The general obligation bonds in the enterprise funds will be repaid from operating revenues.

The Road Extension general obligation bonds are callable at the option of the City at the following redemption premiums on the dates indicated:

<u>Redemption Dates</u>	<u>Premium - % of Par Value</u>
September 1, 2004 through August 31, 2005	102%
September 1, 2005 through August 31, 2006	101%
September 1, 2006 and thereafter	100%

The Street Sweeper Note is a long-term loan because the loan is similar to a serial bond where annual payments are made each year and there is no rollover of principal from year to year. The Street Sweeper Note will be paid from the street fund with no specifically identifiable revenue source.

CITY OF FRANKLIN, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 2000

NOTE 15 - LONG-TERM OBLIGATIONS (continued)

The Ohio Water Development Authority (OWDA) loans are for the construction of water mains. The loans will be paid from water fund operating revenues.

The Mortgage Revenue Bonds will be paid from water fund operating revenues. The bonds will mature in the year 2016.

The enterprise fund's related bond indentures have certain restrictive covenants and principally require that bond reserve funds be maintained and charges for fees to customers be in sufficient amounts, as defined, to satisfy the obligations under the indenture agreements. In addition, special provisions exist regarding covenant violations, redemption of principal, and maintenance of properties in good condition.

As of December 31, 2000, the City's overall legal debt margin (the ability to issue additional amounts of general obligation bonded debt) was \$19,265,434. Principal and interest requirements to retire the City's long-term obligations outstanding at December 31, 2000 are:

Year	Special Assessments Bonds	General Obligation Bonds	Police and Fire Pension	General Obligation Notes	Mortgage Revenue Bonds	OWDA Loans	Total
2001	\$418,419	\$187,980	\$4,300	\$12,766	\$310,033	\$250,914	\$1,184,412
2002	418,570	191,380	4,300	0	315,803	250,914	1,180,967
2003	417,064	184,100	4,300	0	311,003	250,914	1,167,381
2004	420,962	186,690	4,300	0	316,103	250,914	1,178,969
2005	428,914	188,570	4,300	0	315,603	250,914	1,188,301
2006-10	2,103,571	550,210	21,500	0	1,591,402	1,254,570	5,521,253
2011-15	1,584,424	0	21,500	0	1,586,000	1,254,570	4,446,494
2016-35	529,916	0	73,100	0	2,228,663	1,254,570	4,086,249
Total	<u>\$6,321,840</u>	<u>\$1,488,930</u>	<u>\$137,600</u>	<u>\$12,766</u>	<u>\$6,974,610</u>	<u>\$5,018,280</u>	<u>\$19,954,026</u>

REVENUE HOUSING BONDS

The City served as the issuer of \$7,220,000 in revenue housing bonds in 1997. The proceeds were loaned to Emerald Edge/Warren, Limited Partnership to finance the acquisition, construction and equipping of a multifamily residential rental housing facility. The housing revenue bonds do not constitute a general obligation, debt or bonded indebtedness of the City. Neither is the full faith and credit or taxing power of the City pledged to make repayment. As of December 31, 2000, the outstanding principal balance was \$7,051,250.

CITY OF FRANKLIN, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 2000

NOTE 16 - SHORT-TERM OBLIGATIONS

A summary of the short-term note transactions for the year ended December 31, 2000 follows:

Fund Type	Balance December 31, 1999	Increase	Decrease	Balance December 31, 2000
General	\$471,000	\$382,000	\$471,000	\$382,000
Capital Projects	270,000	1,605,000	270,000	1,605,000
Enterprise	210,000	100,000	210,000	100,000
Total	\$951,000	\$2,087,000	\$951,000	\$2,087,000

Short-term notes outstanding at year end consisted of the following issues:

Issue	Principal Outstanding	Annualized Rate
Street Improvement	\$150,000	6.00%
Waterworks System Improvement	100,000	6.00
Fire Rescue Vehicle	70,000	6.00
Fire Equipment Acquisition	312,000	6.00
Second Street Improvement	900,000	4.65
Shotwell Drive Extension Phase II	555,000	4.65
Total	\$2,087,000	

These notes are generally issued in anticipation of long-term bond financing and will be refinanced until such bonds are issued. They are backed by the full faith and credit of the City and mature within one year.

NOTE 17 - INTERFUND RECEIVABLES AND PAYABLES

Interfund asset and liability balances at December 31, 2000 were as follows:

DUE FROM/TO OTHER FUNDS

	Receivable	Payable
General Fund	\$70,995	\$0
Municipal Court Agency Fund	0	70,995
	\$70,995	\$70,995

CITY OF FRANKLIN, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 2000

NOTE 17 - INTERFUND RECEIVABLES AND PAYABLES (continued)

INTERFUND RECEIVABLES/PAYABLES

	<u>Receivable</u>	<u>Payable</u>
<u>General Fund</u>	\$61,236	\$13,230
<u>Special Revenue Funds</u>		
Street	1,550	0
County Vehicle Tax	0	60,000
Total Special Revenue Funds	<u>1,550</u>	<u>60,000</u>
<u>Debt Service Fund</u>	<u>25,199</u>	<u>0</u>
<u>Capital Projects Funds</u>		
Capital Improvement	0	1,408
Issue Two	0	5,715
Street Improvement	0	418
Shotwell Drive	0	898
Total Capital Projects Funds	<u>0</u>	<u>8,439</u>
<u>Enterprise Funds</u>		
Sewer	0	3,014
Water	1,308	4,610
Total Enterprise Funds	<u>1,308</u>	<u>7,624</u>
Total All Funds	<u><u>\$89,293</u></u>	<u><u>\$89,293</u></u>

CITY OF FRANKLIN, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 2000

NOTE 18 - SEGMENT INFORMATION

The City's enterprise funds account for the provision of sewer, water and trash services. Key financial information as of and for the year ended December 31, 2000 for each enterprise fund is as follows:

	<u>Sewer</u>	<u>Water</u>	<u>Trash</u>	<u>Total</u>
Operating Revenues	\$2,169,393	\$1,932,016	\$438,351	\$4,539,760
Depreciation Expense	110,951	270,754	0	381,705
Operating Income (Loss)	(355,302)	114,607	18,928	(221,767)
Operating Grants	29,903	0	0	29,903
Net Income (Loss)	(296,230)	(252,365)	18,928	(529,667)
Fixed Asset Additions	8,651	171,681	0	180,332
Net Working Capital	446,330	583,864	110,425	1,140,619
Total Assets	2,732,332	9,169,104	111,161	12,012,597
Bonds and Other Long-Term Liabilities Payable from Revenues	30,193	6,484,857	0	6,515,050
Total Equity	2,045,044	2,181,800	110,425	4,337,269
Encumbrances at 12/31/00	121,301	3,916	0	125,217

NOTE 19 - JOINT VENTURES/JOINTLY GOVERNED ORGANIZATIONS

The City participates in a joint venture with Franklin Township pertaining to a Joint Recreation Facility. The joint venture was formed for the purpose of constructing and operating a swimming pool for the citizens of the City and Township. The recreation facility is governed by a Board of Trustees consisting of ten members, five appointed by each entity. The funding for the operations of the pool is charges for services, with the remainder of the budget being financed equally by the City and Township. There is no explicit and measurable equity interest in the Joint Recreation Facility. The City has an ongoing financial responsibility because the continued existence of the joint venture depends on the City's contribution, which totaled \$25,000 in 2000. The City of Franklin is the fiscal agent. The financial statements of the Joint Recreation facility can be obtained at the Finance Department, City of Franklin, 35 East Fourth Street, Franklin, Ohio, 45005.

CITY OF FRANKLIN, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 2000

NOTE 19 - JOINT VENTURES/JOINTLY GOVERNED ORGANIZATIONS (continued)

The City also participates in a joint venture with the City of Lebanon, and Franklin and Clearcreek Townships pertaining to a Hazardous Materials Response Team (HAZMAT). The joint venture was formed for the purpose of providing protection and assistance for hazardous waste spills. The team is governed by a Board of Trustees consisting of four members, one appointed by each entity.

In March 2000, the HAZMAT joint venture was disbanded and management of its operations was assumed by the Warren County Board of Commissioners. The balance of the Hazardous Materials fund will be paid to the County during the next fiscal year.

The following is a summary of the financial information for both joint ventures for the year ended December 31, 2000 prepared on the basis of cash receipts and disbursements:

	Joint Recreation	Hazardous Materials
Operating Revenues	\$95,326	\$0
Operating Expenditures	91,009	21,338
Excess of Operating Revenues Over (Under) Expenditures	4,317	(21,338)
Fund Balance Beginning of Year	29,475	21,351
Fund Balance End of Year	\$33,792	\$13

The Warren County General Health District (the District), a jointly governed organization, provides health services to the citizens within the County. The Board of Health, which consists of a representative from each of the participating governments, including the City, oversees the operation of the District. The City contributed \$1,188 during 2000 for the operation of the District. The City does not have any financial interest in or responsibility for the District. The County Commissioners serve as the taxing authority, and the County Auditor and Treasurer serve as fiscal officers. Financial information may be obtained from Kathy Stephenson at the Warren County General Health District, 416 S. East Street, Lebanon, Ohio 45036.

The Joint Emergency Medical Service (JEMS), a jointly governed organization, provides ambulance services to the City of Franklin, the City of Carlisle and Franklin Township. Each of the three political subdivisions appoints one member of the three member Board of Trustees. The Board has the authority to levy taxes and approve its own budget. Funding for operations comes from the participants in the organization, charges for services and a tax levy. The City does not retain an ongoing financial interest in or responsibility for the organization. The City acts as fiscal agent for the organization. The financial activity of the organization is reported as an agency fund within the City's financial statements.

CITY OF FRANKLIN, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 2000

NOTE 19 - JOINT VENTURES/JOINTLY GOVERNED ORGANIZATIONS (continued)

The Center for Local Governments (the Center), a jointly governed organization, was established to improve public service delivery by the cities, townships and villages in the Greater Cincinnati metropolitan area, especially among its member jurisdictions, through improved information exchange, cost reductions, shared resources, interjurisdictional collaboration, and new approaches to capital equipment and skills acquisition. The Board of Trustees consists of eight members made up of elected representatives from the participating governments. The City does not have any financial interest in or responsibility for the Center. Information can be obtained from the Center by writing the Center for Local Governments, 4144 Crossgate Drive, Cincinnati, Ohio 45236.

The City participates in the Ohio-Kentucky-Indiana Regional Council of Governments (OKI), a jointly governed organization. OKI members include Butler, Clermont and Warren Counties in Ohio, Boone, Campbell and Kenton Counties in Kentucky and Dearborn and Ohio Counties in Indiana. The purpose of OKI is to provide coordinated planning services to the appropriate federal, state and local governments, their political subdivisions, agencies, departments, instrumentalities, and special districts, in connection with the preparation and development of comprehensive and continuing regional transportation and development plans within the OKI Region. OKI also serves as an area wide review agency in conjunction with comprehensive planning within the OKI Region.

OKI contracts periodically for local funds and other support with the governing board of each of the governments who are members of OKI or with such other persons as may be appropriate to provide such funds and support. The support is based on the population of the area represented. A Board of Trustees was created for conducting the activities of the OKI. This Board consists of one elected official of each county and municipal corporation, one individual selected by each county planning agency or commission and one person selected by each planning agency or commission of each municipal corporation located in each member county. This Board of Trustees then selects not more than ten residents of the OKI Region. The total membership of the Board of Trustees shall not exceed 100. Any member of OKI may withdraw its membership upon written notice to OKI to be effective two years after receipt of the notice by OKI.

Payments to OKI are made from the general fund. To obtain financial information, write to the Ohio-Kentucky-Indiana Regional Council of Governments at 801-B W. Eighth St. - Suite 400, Cincinnati, Ohio, 45203.

NOTE 20 - CONTINGENT LIABILITIES

LITIGATION

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

FEDERAL AND STATE GRANTS

For the period January 1, 2000 to December 31, 2000 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.

CITY OF FRANKLIN, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 2000

NOTE 21 - RESTATEMENT OF FUND BALANCE/RETAINED EARNINGS AND ACCOUNT GROUP BALANCES

Restatements occurred due to the following accounting errors:

	General Fund	Proprietary Funds	General Fixed Assets Account Group	General Long- Term Obligations Account Group
Balance at December 31, 1999	\$2,053,301	\$4,264,159	\$5,368,883	\$6,167,025
Compensated Absences	2,883	31,930	0	(70,998)
Accounts Payable	0	(53,037)	0	0
Capital Leases Payable	0	0	0	(2,914)
Accrued Interest Payable	0	14,978	0	0
OWDA Loans Payable	0	37,957	0	0
General Obligation Bonds Payable	0	120,000	0	0
Special Assessment Bonds Payable	0	0	0	120,000
Cash	0	(18,568)	0	0
Fixed Assets	0	(3,079)	(697,743)	0
Restated Balance at December 31, 1999	<u>\$2,056,184</u>	<u>\$4,394,340</u>	<u>\$4,671,140</u>	<u>\$6,213,113</u>

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FINANCIAL STATEMENTS AND SCHEDULES OF
INDIVIDUAL FUNDS AND ACCOUNT GROUPS

GENERAL FUND

To account for governmental resources which are not accounted for in any other fund. The general fund balance is available to the City for any purpose provided it is expended or transferred according to the charter and/or the general laws of Ohio.

CITY OF FRANKLIN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Property and Other Local Taxes	\$342,000	\$388,911	\$46,911
Income Taxes	3,783,625	3,770,740	(12,885)
Charges for Services	32,500	69,203	36,703
Fines, Licenses and Permits	526,800	669,639	142,839
Intergovernmental	605,400	620,535	15,135
Interest	286,213	313,767	27,554
Other	92,700	107,650	14,950
Total Revenues	5,669,238	5,940,445	271,207
Expenditures:			
Current:			
General Government			
Clerk and Council			
Personal Services	66,442	67,024	(582)
Other	109,678	62,777	46,901
Total Clerk and Council	176,120	129,801	46,319
Municipal Court			
Personal Services	436,758	348,066	88,692
Other	204,186	179,849	24,337
Total Municipal Court	640,944	527,915	113,029
Mayor's and Administrative Offices			
Personal Services	224,522	188,930	35,592
Other	15,473	14,182	1,291
Total Mayor's and Administrative Office	239,995	203,112	36,883
Clerk Treasurer			
Personal Services	120,805	116,056	4,749
Other	20,606	16,397	4,209
Total Clerk Treasurer	141,411	132,453	8,958
Income Tax Administration			
Personal Services	128,330	127,479	851
Other	203,303	194,767	8,536
Total Income Tax Administration	\$331,633	\$322,246	\$9,387

(continued)

CITY OF FRANKLIN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2000
(continued)

	Budget	Actual	Variance Favorable (Unfavorable)
Solicitor			
Personal Services	\$54,143	\$50,011	\$4,132
Other	54,039	37,588	16,451
Total Solicitor	108,182	87,599	20,583
Civil Service Commission			
Other	19,500	18,363	1,137
Total Civil Service Commission	19,500	18,363	1,137
Planning Commission			
Personal Services	0	735	(735)
Other	49,900	43,850	6,050
Total Planning Commission	49,900	44,585	5,315
Board of Zoning, Building and Housing			
Other	1,242	520	722
Total Board of Zoning, Building and Housing	1,242	520	722
Building and Grounds			
Personal Services	33,346	31,245	2,101
Other	203,463	147,701	55,762
Total Building and Grounds	236,809	178,946	57,863
Special Appropriations			
Personal Services	0	33	(33)
Other	480,240	275,686	204,554
Total Special Appropriations	480,240	275,719	204,521
Economic Development			
Personal Services	7,346	235	7,111
Other	51,200	36,179	15,021
Total Economic Development	58,546	36,414	22,132
Total General Government	2,484,522	1,957,673	526,849
Security of Persons and Property			
Police Law Enforcement			
Personal Services	1,799,705	1,545,096	254,609
Other	834,032	400,770	433,262
Total Police Law Enforcement	2,633,737	1,945,866	687,871
Fire Department			
Personal Services	540,796	441,880	98,916
Other	182,930	161,436	21,494
Total Fire Department	\$723,726	\$603,316	\$120,410

(continued)

CITY OF FRANKLIN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2000
(continued)

	Budget	Actual	Variance Favorable (Unfavorable)
Building Inspection			
Personal Services	\$216,075	\$207,697	\$8,378
Other	65,762	38,384	27,378
Total Building Inspection	281,837	246,081	35,756
Total Security of Persons and Property	3,639,300	2,795,263	844,037
Basic Utility Services			
Waste Disposal			
Other	20,000	240	19,760
Total Waste Disposal	20,000	240	19,760
Engineering			
Other	100,000	91,385	8,615
Total Engineering	100,000	91,385	8,615
Storm Drains			
Other	174	0	174
Total Storm Drains	174	0	174
Total Basic Utility Services	120,174	91,625	28,549
Leisure Time Activities			
Other	25,000	25,000	0
Total Leisure Time Activities	25,000	25,000	0
Total Expenditures	6,268,996	4,869,561	1,399,435
Excess of Revenues Over (Under) Expenditures	(599,758)	1,070,884	1,670,642
Other Financing Sources (Uses):			
Sale of Fixed Assets	1,984	176	(1,808)
Operating Transfers - In	10,000	0	(10,000)
Operating Transfers - Out	(1,227,780)	(1,338,041)	(110,261)
Total Other Financing Sources (Uses)	(1,215,796)	(1,337,865)	(122,069)
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,815,554)	(266,981)	1,548,573
Fund Balance at Beginning of Year	1,730,275	1,730,275	0
Prior Year Encumbrances Appropriated	595,764	595,764	0
Fund Balance at End of Year	\$510,485	\$2,059,058	\$1,548,573

SPECIAL REVENUE FUNDS

To account for the proceeds of specific revenue sources (other than expendable trust or for major capital projects) that are legally restricted to expenditure for specified purposes.

Community Development

To account for loans to small businesses obtained through Community Development Block Grant programs.

Bikeway

To account for monies designated for engineering fees and construction costs of the City Bikeway.

Fire Pension

To accumulate property taxes levied for the payment of the current and accrued liability for fire disability and pension benefits.

Miami Conservancy District

To account for a property tax levied for the purpose of paying the City's annual assessment to the Miami Conservancy District.

Police Pension

To accumulate property taxes levied for the payment of the current and accrued liability for police disability and pension benefits.

Recreation

To account for recreation fees and transfers from the General Fund. Expenditures pertain to recreational activities and upkeep of park facilities.

State Highway

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

Street

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

Street Lighting

To account for an assessment levied by the City to pay for street lighting.

All Other

County Vehicle Tax

To account for additional motor vehicle license taxes levied for routine street maintenance and repairs.

In-House Monitoring

To account for monies received from persons participating in the in-house incarceration program.

Indigent Driver's Alcohol Treatment

To account for a portion of fines collected in DUI cases used to pay for the treatment of indigent persons convicted of DUI offenses.

SPECIAL REVENUE FUNDS

(continued)

All Other (continued)

Law Enforcement

To account for monies received from the sale of forfeited goods and property that is spent on law enforcement.

Enforcement and Education

To account for a portion of fines collected in DUI cases used to enforce DUI laws and teach the public about the dangers of driving under the influence.

Firemen's Indemnity

To account for money transferred from the General Fund for the purpose of making low or no-interest loans to injured or disabled volunteer firemen.

Drug Law Enforcement

To account for monies received from fines and costs collected from felonious drug trafficking convictions used to pay for the security of persons and property.

Computer Research

To account for monies received from fines for the payment of a computer used for court purposes and to maintain and update the computer as necessary.

Court Improvement

To account for monies received from additional fines to be used for any court activity such as training, equipment, or improvements to the building related to the court.

**CITY OF FRANKLIN, OHIO
COMBINING BALANCE SHEET
ALL SPECIAL REVENUE FUNDS
DECEMBER 31, 2000**

	COMMUNITY DEVELOPMENT	BIKEWAY	FIRE PENSION	MIAMI CONSERVANCY DISTRICT
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$114,777	\$2,324	\$1,924	\$185
Receivables:				
Taxes	0	0	60,199	26,087
Interfund	0	0	0	0
Special Assessments	0	0	0	0
Due from Other Governments	0	0	0	0
Materials and Supplies Inventory	0	0	0	0
Total Assets	<u>\$114,777</u>	<u>\$2,324</u>	<u>\$62,123</u>	<u>\$26,272</u>
<u>Liabilities</u>				
Accounts Payable	\$2,219	\$0	\$0	\$0
Contracts Payable	0	0	0	0
Interfund Payable	0	0	0	0
Accrued Wages and Benefits	0	0	0	0
Compensated Absences Payable	0	0	0	0
Due to Other Governments	0	0	0	0
Deferred Revenue	0	0	60,199	26,087
Total Liabilities	<u>2,219</u>	<u>0</u>	<u>60,199</u>	<u>26,087</u>
<u>Fund Equity</u>				
Fund Balances:				
Reserved for Encumbrances	0	0	0	0
Reserved for Inventory	0	0	0	0
Unreserved:				
Undesignated	112,558	2,324	1,924	185
Total Fund Equity	<u>112,558</u>	<u>2,324</u>	<u>1,924</u>	<u>185</u>
Total Liabilities and Fund Equity	<u>\$114,777</u>	<u>\$2,324</u>	<u>\$62,123</u>	<u>\$26,272</u>

<u>POLICE PENSION</u>	<u>RECREATION</u>	<u>STATE HIGHWAY</u>	<u>STREET</u>	<u>STREET LIGHTING</u>	<u>ALL OTHER</u>	<u>TOTALS</u>
\$428	\$117,430	\$44,838	\$262,095	\$80,121	\$341,329	\$965,451
60,199	0	0	0	0	0	146,485
0	0	0	1,550	0	0	1,550
0	0	0	0	85,699	0	85,699
0	1,007	2,446	48,321	0	68,201	119,975
0	0	0	56,921	0	0	56,921
<u>\$60,627</u>	<u>\$118,437</u>	<u>\$47,284</u>	<u>\$368,887</u>	<u>\$165,820</u>	<u>\$409,530</u>	<u>\$1,376,081</u>
\$0	\$1,940	\$19,000	\$10,849	\$6,904	\$1,206	\$42,118
0	12,915	0	42,955	0	0	55,870
0	0	0	0	0	60,000	60,000
0	2,620	0	13,083	0	0	15,703
0	1,372	0	873	0	0	2,245
0	4,667	0	8,867	0	0	13,534
60,199	1,007	0	11,074	85,699	0	244,265
<u>60,199</u>	<u>24,521</u>	<u>19,000</u>	<u>87,701</u>	<u>92,603</u>	<u>61,206</u>	<u>433,735</u>
0	16,048	0	9,262	0	0	25,310
0	0	0	56,921	0	0	56,921
<u>428</u>	<u>77,868</u>	<u>28,284</u>	<u>215,003</u>	<u>73,217</u>	<u>348,324</u>	<u>860,115</u>
<u>428</u>	<u>93,916</u>	<u>28,284</u>	<u>281,186</u>	<u>73,217</u>	<u>348,324</u>	<u>942,346</u>
<u>\$60,627</u>	<u>\$118,437</u>	<u>\$47,284</u>	<u>\$368,887</u>	<u>\$165,820</u>	<u>\$409,530</u>	<u>\$1,376,081</u>

CITY OF FRANKLIN, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
ALL SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2000

	<u>COMMUNITY DEVELOPMENT</u>	<u>BIKEWAY</u>	<u>FIRE PENSION</u>	<u>MIAMI CONSERVANCY DISTRICT</u>
Revenues:				
Property and Other Local Taxes	\$0	\$0	\$56,183	\$0
Income Taxes	0	0	0	0
Charges for Services	0	0	0	0
Fines, Licenses and Permits	0	0	0	0
Intergovernmental	64,600	0	0	24,346
Special Assessments	0	0	0	0
Interest	10,570	0	0	0
Other	2,926	0	0	0
Total Revenues	<u>78,096</u>	<u>0</u>	<u>56,183</u>	<u>24,346</u>
Expenditures:				
Current:				
General Government	0	0	0	0
Security of Persons and Property	0	0	57,239	0
Public Health and Welfare	0	0	0	0
Transportation	0	0	0	0
Community Environment	179,533	0	0	24,788
Leisure Time Activities	0	0	0	0
Capital Outlay	0	0	0	0
Debt Service:				
Principal Retirement	0	0	0	0
Interest and Fiscal Charges	0	0	0	0
Total Expenditures	<u>179,533</u>	<u>0</u>	<u>57,239</u>	<u>24,788</u>
Excess of Revenues Over (Under) Expenditures	<u>(101,437)</u>	<u>0</u>	<u>(1,056)</u>	<u>(442)</u>
Other Financing Sources (Uses):				
Operating Transfers - In	0	0	0	427
Operating Transfers - Out	0	0	0	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>427</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>(101,437)</u>	<u>0</u>	<u>(1,056)</u>	<u>(15)</u>
Fund Balances at Beginning of Year	213,995	2,324	2,980	200
Decrease in Reserve for Inventory	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances at End of Year	<u><u>\$112,558</u></u>	<u><u>\$2,324</u></u>	<u><u>\$1,924</u></u>	<u><u>\$185</u></u>

<u>POLICE PENSION</u>	<u>RECREATION</u>	<u>STATE HIGHWAY</u>	<u>STREET</u>	<u>STREET LIGHTING</u>	<u>ALL OTHER</u>	<u>TOTALS</u>
\$56,183	\$0	\$0	\$0	\$0	\$0	\$112,366
0	0	0	88,473	0	0	88,473
0	280	0	1,275	0	68,548	70,103
0	0	0	0	0	20,034	20,034
0	0	33,077	444,308	0	60,000	626,331
0	0	0	0	85,150	0	85,150
0	0	0	325	0	0	10,895
0	18	0	25	0	753	3,722
<u>56,183</u>	<u>298</u>	<u>33,077</u>	<u>534,406</u>	<u>85,150</u>	<u>149,335</u>	<u>1,017,074</u>
0	0	0	0	0	2,388	2,388
178,105	0	0	0	81,843	1,120	318,307
0	0	0	0	0	13,868	13,868
0	0	32,044	814,674	0	0	846,718
0	0	0	0	0	0	204,321
0	250,370	0	0	0	0	250,370
0	0	0	0	0	81,545	81,545
0	0	0	11,659	0	0	11,659
0	0	0	1,120	0	0	1,120
<u>178,105</u>	<u>250,370</u>	<u>32,044</u>	<u>827,453</u>	<u>81,843</u>	<u>98,921</u>	<u>1,730,296</u>
<u>(121,922)</u>	<u>(250,072)</u>	<u>1,033</u>	<u>(293,047)</u>	<u>3,307</u>	<u>50,414</u>	<u>(713,222)</u>
122,350	200,000	0	175,000	2,500	0	500,277
0	0	0	(94,595)	0	0	(94,595)
<u>122,350</u>	<u>200,000</u>	<u>0</u>	<u>80,405</u>	<u>2,500</u>	<u>0</u>	<u>405,682</u>
428	(50,072)	1,033	(212,642)	5,807	50,414	(307,540)
0	143,988	27,251	495,710	67,410	297,910	1,251,768
0	0	0	(1,882)	0	0	(1,882)
<u>\$428</u>	<u>\$93,916</u>	<u>\$28,284</u>	<u>\$281,186</u>	<u>\$73,217</u>	<u>\$348,324</u>	<u>\$942,346</u>

CITY OF FRANKLIN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
COMMUNITY DEVELOPMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2000

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$64,600	\$64,600	\$0
Interest	0	10,570	10,570
Other	<u>26,600</u>	<u>28,845</u>	<u>2,245</u>
Total Revenues	<u>91,200</u>	<u>104,015</u>	<u>12,815</u>
Expenditures:			
Current:			
Community Environment			
Public Housing Projects			
Other	<u>400,966</u>	<u>182,966</u>	<u>218,000</u>
Total Expenditures	<u>400,966</u>	<u>182,966</u>	<u>218,000</u>
Excess of Revenues Over (Under) Expenditures	<u>(309,766)</u>	<u>(78,951)</u>	<u>230,815</u>
Other Financing Sources:			
Operating Transfers - In	<u>118,366</u>	<u>0</u>	<u>(118,366)</u>
Total Other Financing Sources	<u>118,366</u>	<u>0</u>	<u>(118,366)</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	(191,400)	(78,951)	112,449
Fund Balance at Beginning of Year	<u>193,728</u>	<u>193,728</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$2,328</u></u>	<u><u>\$114,777</u></u>	<u><u>\$112,449</u></u>

CITY OF FRANKLIN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
BIKEWAY FUND
FOR THE YEAR ENDED DECEMBER 31, 2000

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Total Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Current:			
Leisure Time Activities			
Other	<u>2,324</u>	<u>0</u>	<u>2,324</u>
Total Expenditures	<u>2,324</u>	<u>0</u>	<u>2,324</u>
Excess of Revenues Under Expenditures	(2,324)	0	0
Fund Balance at Beginning of Year	<u>2,324</u>	<u>2,324</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$2,324</u></u>	<u><u>\$2,324</u></u>

CITY OF FRANKLIN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
FIRE PENSION FUND
FOR THE YEAR ENDED DECEMBER 31, 2000

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:			
Property and Other Local Taxes	<u>\$98,907</u>	<u>\$56,183</u>	<u>(\$42,724)</u>
Total Revenues	<u>98,907</u>	<u>56,183</u>	<u>(42,724)</u>
Expenditures:			
Current:			
Security of Persons and Property			
Fire Disability and Pension			
Other	<u>58,700</u>	<u>57,239</u>	<u>1,461</u>
Total Expenditures	<u>58,700</u>	<u>57,239</u>	<u>1,461</u>
Excess of Revenues Over (Under)			
Expenditures	<u>40,207</u>	<u>(1,056)</u>	<u>(41,263)</u>
Other Financing Sources:			
Operating Transfers - In	<u>10,000</u>	<u>0</u>	<u>(10,000)</u>
Total Other Financing Sources	<u>10,000</u>	<u>0</u>	<u>(10,000)</u>
Excess of Revenues and Other Financing			
Sources Over (Under) Expenditures	50,207	(1,056)	(51,263)
Fund Balance at Beginning of Year	<u>2,980</u>	<u>2,980</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$53,187</u></u>	<u><u>\$1,924</u></u>	<u><u>(\$51,263)</u></u>

CITY OF FRANKLIN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
MIAMI CONSERVANCY DISTRICT FUND
FOR THE YEAR ENDED DECEMBER 31, 2000

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	<u>\$24,161</u>	<u>\$24,346</u>	<u>\$185</u>
Total Revenues	<u>24,161</u>	<u>24,346</u>	<u>185</u>
Expenditures:			
Current:			
Community Environment			
Other Community Environment	<u>25,000</u>	<u>24,788</u>	<u>212</u>
Total Expenditures	<u>25,000</u>	<u>24,788</u>	<u>212</u>
Excess of Revenues Over (Under) Expenditures	<u>(839)</u>	<u>(442)</u>	<u>397</u>
Other Financing Sources:			
Operating Transfers - In	<u>427</u>	<u>427</u>	<u>0</u>
Total Other Financing Sources	<u>427</u>	<u>427</u>	<u>0</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	(412)	(15)	397
Fund Balance at Beginning of Year	<u>200</u>	<u>200</u>	<u>0</u>
Fund Balance at End of Year	<u><u>(\$212)</u></u>	<u><u>\$185</u></u>	<u><u>\$397</u></u>

CITY OF FRANKLIN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
POLICE PENSION FUND
FOR THE YEAR ENDED DECEMBER 31, 2000

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:			
Property and Other Local Taxes	<u>\$153,813</u>	<u>\$56,183</u>	<u>(\$97,630)</u>
Total Revenues	<u>153,813</u>	<u>56,183</u>	<u>(97,630)</u>
Expenditures:			
Current:			
Security of Persons and Property			
Police Disability and Pension			
Other	<u>178,622</u>	<u>178,105</u>	<u>517</u>
Total Expenditures	<u>178,622</u>	<u>178,105</u>	<u>517</u>
Excess of Revenues Under Expenditures	<u>(24,809)</u>	<u>(121,922)</u>	<u>(97,113)</u>
Other Financing Sources:			
Operating Transfers - In	<u>148,682</u>	<u>122,350</u>	<u>(26,332)</u>
Total Other Financing Sources	<u>148,682</u>	<u>122,350</u>	<u>(26,332)</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	123,873	428	(123,445)
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$123,873</u>	<u>\$428</u>	<u>(\$123,445)</u>

CITY OF FRANKLIN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
RECREATION FUND
FOR THE YEAR ENDED DECEMBER 31, 2000

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:			
Charges for Services	\$0	\$280	\$280
Other	<u>0</u>	<u>18</u>	<u>18</u>
Total Revenues	<u>0</u>	<u>298</u>	<u>298</u>
Expenditures:			
Current:			
Leisure Time Activities			
Provide and Maintain Parks			
Personal Services	108,250	98,934	9,316
Other	<u>200,966</u>	<u>165,211</u>	<u>35,755</u>
Total Expenditures	<u>309,216</u>	<u>264,145</u>	<u>45,071</u>
Excess of Revenues Over (Under) Expenditures	<u>(309,216)</u>	<u>(263,847)</u>	<u>45,369</u>
Other Financing Sources (Uses):			
Operating Transfers - In	200,000	200,000	0
Operating Transfers - Out	<u>(2,000)</u>	<u>0</u>	<u>2,000</u>
Total Other Financing Sources (Uses)	<u>198,000</u>	<u>200,000</u>	<u>2,000</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(111,216)	(63,847)	47,369
Fund Balance at Beginning of Year	148,551	148,551	0
Prior Year Encumbrances Appropriated	<u>6,438</u>	<u>6,438</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$43,773</u></u>	<u><u>\$91,142</u></u>	<u><u>\$47,369</u></u>

CITY OF FRANKLIN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
STATE HIGHWAY FUND
FOR THE YEAR ENDED DECEMBER 31, 2000

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	<u>\$30,000</u>	<u>\$31,905</u>	<u>\$1,905</u>
Total Revenues	<u>30,000</u>	<u>31,905</u>	<u>1,905</u>
Expenditures:			
Current:			
Transportation			
State Highway Maintenance			
Other	<u>33,830</u>	<u>27,627</u>	<u>6,203</u>
Total Expenditures	<u>33,830</u>	<u>27,627</u>	<u>6,203</u>
Excess of Revenues Over (Under) Expenditures	(3,830)	4,278	8,108
Fund Balance at Beginning of Year	39,730	39,730	0
Prior Year Encumbrances Appropriated	<u>830</u>	<u>830</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$36,730</u></u>	<u><u>\$44,838</u></u>	<u><u>\$8,108</u></u>

CITY OF FRANKLIN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
STREET FUND
FOR THE YEAR ENDED DECEMBER 31, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Income Taxes	\$78,000	\$88,473	\$10,473
Charges for Services	1,100	1,275	175
Intergovernmental	440,050	430,715	(9,335)
Interest	300	325	25
Other	700	25	(675)
Total Revenues	<u>520,150</u>	<u>520,813</u>	<u>663</u>
Expenditures:			
Current:			
Transportation			
Street Maintenance and Repair			
Personal Services	283,300	251,626	31,674
Other	387,966	321,814	66,152
Snow and Ice Removal			
Personal Services	31,500	13,121	18,379
Other	197,500	184,693	12,807
Street Cleaning			
Personal Services	6,000	2,648	3,352
Other	16,076	13,439	2,637
Traffic Controls and Marking			
Other	46,905	42,113	4,792
Total Transportation	<u>969,247</u>	<u>829,454</u>	<u>139,793</u>
Debt Service:			
Principal Retirement	11,123	11,123	0
Interest and Fiscal Charges	1,656	1,656	0
Total Debt Service	<u>12,779</u>	<u>12,779</u>	<u>0</u>
Total Expenditures	<u>982,026</u>	<u>842,233</u>	<u>139,793</u>
Excess of Revenues Over (Under) Expenditures	<u>(461,876)</u>	<u>(321,420)</u>	<u>140,456</u>
Other Financing Sources (Uses):			
Operating Transfers - In	175,000	175,000	0
Operating Transfers - Out	(95,000)	(94,595)	405
Total Other Financing Sources (Uses)	<u>80,000</u>	<u>80,405</u>	<u>405</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(381,876)	(241,015)	140,861
Fund Balance at Beginning of Year	282,412	282,412	0
Prior Year Encumbrances Appropriated	<u>166,849</u>	<u>166,849</u>	<u>0</u>
Fund Balance at End of Year	<u>\$67,385</u>	<u>\$208,246</u>	<u>\$140,861</u>

CITY OF FRANKLIN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
STREET LIGHTING FUND
FOR THE YEAR ENDED DECEMBER 31, 2000

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:			
Special Assessments	<u>\$85,150</u>	<u>\$85,150</u>	<u>\$0</u>
Total Revenues	<u>85,150</u>	<u>85,150</u>	<u>0</u>
Expenditures:			
Current:			
Security of Persons and Property			
Street Lighting			
Other	<u>85,000</u>	<u>81,174</u>	<u>3,826</u>
Total Expenditures	<u>85,000</u>	<u>81,174</u>	<u>3,826</u>
Excess of Revenues Over Expenditures	<u>150</u>	<u>3,976</u>	<u>3,826</u>
Other Financing Sources:			
Operating Transfers - In	<u>2,500</u>	<u>2,500</u>	<u>0</u>
Total Other Financing Sources	<u>2,500</u>	<u>2,500</u>	<u>0</u>
Excess of Revenues and Other Financing Sources Over Expenditures	2,650	6,476	3,826
Fund Balance at Beginning of Year	<u>73,643</u>	<u>73,643</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$76,293</u></u>	<u><u>\$80,119</u></u>	<u><u>\$3,826</u></u>

CITY OF FRANKLIN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
COUNTY VEHICLE TAX FUND
FOR THE YEAR ENDED DECEMBER 31, 2000

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	<u>\$60,000</u>	<u>\$0</u>	<u>(\$60,000)</u>
Total Revenues	<u>60,000</u>	<u>0</u>	<u>(60,000)</u>
Expenditures:			
Capital Outlay	<u>60,000</u>	<u>60,000</u>	<u>0</u>
Total Expenditures	<u>60,000</u>	<u>60,000</u>	<u>0</u>
Excess of Revenues Under Expenditures	0	(60,000)	(60,000)
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u><u>\$0</u></u>	<u><u>(\$60,000)</u></u>	<u><u>(\$60,000)</u></u>

CITY OF FRANKLIN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
IN-HOUSE MONITORING FUND
FOR THE YEAR ENDED DECEMBER 31, 2000

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:			
Charges for Services	<u>\$820</u>	<u>\$820</u>	<u>\$0</u>
Total Revenues	<u>820</u>	<u>820</u>	<u>0</u>
Expenditures:			
Current:			
General Government			
Legislative and Executive			
Other	<u>3,000</u>	<u>1,182</u>	<u>1,818</u>
Total Expenditures	<u>3,000</u>	<u>1,182</u>	<u>1,818</u>
Excess of Revenues Over (Under) Expenditures	(2,180)	(362)	1,818
Fund Balance at Beginning of Year	<u>6,713</u>	<u>6,713</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$4,533</u></u>	<u><u>\$6,351</u></u>	<u><u>\$1,818</u></u>

CITY OF FRANKLIN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
INDIGENT DRIVER'S ALCOHOL TREATMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2000

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:			
Fines, Licenses and Permits	<u>\$8,000</u>	<u>\$9,684</u>	<u>\$1,684</u>
Total Revenues	<u>8,000</u>	<u>9,684</u>	<u>1,684</u>
Expenditures:			
Current:			
Public Health and Welfare			
Other	<u>50,000</u>	<u>0</u>	<u>50,000</u>
Total Expenditures	<u>50,000</u>	<u>0</u>	<u>50,000</u>
Excess of Revenues Over (Under) Expenditures	(42,000)	9,684	51,684
Fund Balance at Beginning of Year	<u>40,900</u>	<u>40,900</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u><u>(\$1,100)</u></u>	<u><u>\$50,584</u></u>	<u><u>\$51,684</u></u>

CITY OF FRANKLIN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
LAW ENFORCEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2000

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:			
Other	<u>\$1,000</u>	<u>\$753</u>	<u>(\$247)</u>
Total Revenues	<u>1,000</u>	<u>753</u>	<u>(247)</u>
Expenditures:			
Current:			
Security of Persons and Property			
Other	<u>1,945</u>	<u>1,420</u>	<u>525</u>
Total Expenditures	<u>1,945</u>	<u>1,420</u>	<u>525</u>
Excess of Revenues Over (Under) Expenditures	(945)	(667)	278
Fund Balance at Beginning of Year	433	433	0
Prior Year Encumbrances Appropriated	<u>525</u>	<u>525</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$13</u></u>	<u><u>\$291</u></u>	<u><u>\$278</u></u>

CITY OF FRANKLIN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
ENFORCEMENT AND EDUCATION FUND
FOR THE YEAR ENDED DECEMBER 31, 2000

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:			
Fines, Licenses and Permits	<u>\$1,900</u>	<u>\$2,083</u>	<u>\$183</u>
Total Revenues	<u>1,900</u>	<u>2,083</u>	<u>183</u>
Expenditures:			
Current:			
Public Health and Welfare			
Other	<u>20,000</u>	<u>0</u>	<u>20,000</u>
Total Expenditures	<u>20,000</u>	<u>0</u>	<u>20,000</u>
Excess of Revenues Over (Under) Expenditures	(18,100)	2,083	20,183
Fund Balance at Beginning of Year	<u>18,909</u>	<u>18,909</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$809</u></u>	<u><u>\$20,992</u></u>	<u><u>\$20,183</u></u>

CITY OF FRANKLIN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
FIREMEN'S INDEMNITY FUND
FOR THE YEAR ENDED DECEMBER 31, 2000

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Total Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Expenditures:			
Current:			
Security of Persons and Property			
Firemen's Indemnity			
Other	<u>15,000</u>	<u>0</u>	<u>15,000</u>
Total Expenditures	<u>15,000</u>	<u>0</u>	<u>15,000</u>
Excess of Revenues Over (Under) Expenditures	(15,000)	0	15,000
Fund Balance at Beginning of Year	<u>14,961</u>	<u>14,961</u>	<u>0</u>
Fund Balance at End of Year	<u><u>(\$39)</u></u>	<u><u>\$14,961</u></u>	<u><u>\$15,000</u></u>

CITY OF FRANKLIN , OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
DRUG LAW ENFORCEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2000

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:			
Fines, Licenses and Permits	<u>\$66</u>	<u>\$66</u>	<u>\$0</u>
Total Revenues	<u>66</u>	<u>66</u>	<u>0</u>
Expenditures:			
Current:			
Security of Persons and Property			
Other	<u>8,500</u>	<u>0</u>	<u>8,500</u>
Total Expenditures	<u>8,500</u>	<u>0</u>	<u>8,500</u>
Excess of Revenues Over (Under) Expenditures	(8,434)	66	8,500
Fund Balance at Beginning of Year	<u>8,520</u>	<u>8,520</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$86</u></u>	<u><u>\$8,586</u></u>	<u><u>\$8,500</u></u>

CITY OF FRANKLIN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
COMPUTER RESEARCH FUND
FOR THE YEAR ENDED DECEMBER 31, 2000

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:			
Charges for Services	<u>\$18,500</u>	<u>\$19,750</u>	<u>\$1,250</u>
Total Revenues	<u>18,500</u>	<u>19,750</u>	<u>1,250</u>
Expenditures:			
Current:			
Public Health and Welfare			
Other	<u>74,800</u>	<u>13,868</u>	<u>60,932</u>
Total Expenditures	<u>74,800</u>	<u>13,868</u>	<u>60,932</u>
Excess of Revenues Over (Under) Expenditures	(56,300)	5,882	62,182
Fund Balance at Beginning of Year	<u>66,869</u>	<u>66,869</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$10,569</u></u>	<u><u>\$72,751</u></u>	<u><u>\$62,182</u></u>

CITY OF FRANKLIN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
COURT IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2000

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:			
Charges for Services	<u>\$44,000</u>	<u>\$47,978</u>	<u>\$3,978</u>
Total Revenues	<u>44,000</u>	<u>47,978</u>	<u>3,978</u>
Expenditures:			
Capital Outlay	<u>50,000</u>	<u>21,545</u>	<u>28,455</u>
Total Expenditures	<u>50,000</u>	<u>21,545</u>	<u>28,455</u>
Excess of Revenues Over (Under) Expenditures	(6,000)	26,433	32,433
Fund Balance at Beginning of Year	<u>140,382</u>	<u>140,382</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$134,382</u></u>	<u><u>\$166,815</u></u>	<u><u>\$32,433</u></u>

CITY OF FRANKLIN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
ALL SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Property and Other Local Taxes	\$252,720	\$112,366	(\$140,354)
Income Taxes	78,000	88,473	10,473
Charges for Services	64,486	70,169	5,683
Fines, Licenses and Permits	9,900	11,767	1,867
Intergovernmental	618,811	551,566	(67,245)
Special Assessments	85,150	85,150	0
Interest	300	10,895	10,595
Other	28,300	29,641	1,341
Total Revenues	1,137,667	960,027	(177,640)
Expenditures:			
Current:			
General Government			
Legislative and Executive			
Other	3,000	1,182	1,818
Total General Government	3,000	1,182	1,818
Security of Persons and Property			
Police Disability and Pension			
Other	189,067	179,525	9,542
Fire Disability and Pension			
Other	58,700	57,239	1,461
Street Lighting			
Other	85,000	81,174	3,826
Firemen's Indemnity			
Other	15,000	0	15,000
Total Security of Persons and Property	347,767	317,938	29,829
Public Health and Welfare			
Other	144,800	13,868	130,932
Total Public Health and Welfare	144,800	13,868	130,932
Transportation			
Street Maintenance and Repair			
Personal Services	283,300	251,626	31,674
Other	387,966	321,814	66,152
State Highway Maintenance			
Other	\$33,830	\$27,627	\$6,203

(continued)

CITY OF FRANKLIN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
ALL SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2000
(continued)

	Budget	Actual	Variance Favorable (Unfavorable)
Snow and Ice Removal			
Personal Services	\$31,500	\$13,121	\$18,379
Other	197,500	184,693	12,807
Street Cleaning			
Personal Services	6,000	2,648	3,352
Other	16,076	13,439	2,637
Traffic Controls and Marking			
Other	46,905	42,113	4,792
Total Transportation	1,003,077	857,081	145,996
Community Environment			
Public Housing Projects			
Other	400,966	182,966	218,000
Other Community Environment	25,000	24,788	212
Total Community Environment	425,966	207,754	218,212
Leisure Time Activities			
Provide and Maintain Parks			
Personal Services	108,250	98,934	9,316
Other	203,290	165,211	38,079
Total Leisure Time Activities	311,540	264,145	47,395
Capital Outlay	110,000	81,545	28,455
Debt Service:			
Principal Retirement	11,123	11,123	0
Interest and Fiscal Charges	1,656	1,656	0
Total Debt Service	12,779	12,779	0
Total Expenditures	2,358,929	1,756,292	602,637
Excess of Revenues Over (Under) Expenditures	(1,221,262)	(796,265)	424,997
Other Financing Sources (Uses):			
Operating Transfers - In	654,975	500,277	(154,698)
Operating Transfers - Out	(97,000)	(94,595)	2,405
Total Other Financing Sources (Uses)	557,975	405,682	(152,293)
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(663,287)	(390,583)	272,704
Fund Balances at Beginning of Year	1,041,255	1,041,255	0
Prior Year Encumbrances Appropriated	174,642	174,642	0
Fund Balances at End of Year	\$552,610	\$825,314	\$272,704

DEBT SERVICE FUND

To account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

Since there is only one debt service fund and the level of budgetary control is not greater than that presented in the combined financial statements, no additional financial statements are presented here.

CAPITAL PROJECTS FUNDS

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

Capital Improvement

To account for monies received primarily from transfers from the General Fund. Expenditures relate to the retirement of note debt issued for Municipal Building improvements and Riley Boulevard improvements.

River Corridor

To account for grant monies received from the State and expenditures relating to improvements being made to the river corridor.

Issue Two

To account for City infrastructure reconstruction and replacement projects which are financed primarily through the Ohio Public Works Commission.

Street Improvement

To account for monies received from the issuance of debt to pay for engineering costs and improvements to streets within the City limits. The City did not anticipate any activity in this fund, and none occurred. Therefore, no budgetary statement is presented.

William C. Good Rehabilitation

To account for monies received from the issuance of debt to pay for improvements to the William C. Good Road area.

Shotwell Drive

To account for monies received primarily from the issuance of debt to pay for improvements to the Shotwell Drive area.

**CITY OF FRANKLIN, OHIO
 COMBINING BALANCE SHEET
 ALL CAPITAL PROJECTS FUNDS
 DECEMBER 31, 2000**

	<u>CAPITAL IMPROVEMENT</u>	<u>RIVER CORRIDOR</u>	<u>ISSUE TWO</u>
<u>Assets</u>			
Equity in Pooled Cash and Cash Equivalents	\$153,063	\$2,627	\$797,894
Due from Other Governments	<u>0</u>	<u>0</u>	<u>289,135</u>
Total Assets	<u><u>\$153,063</u></u>	<u><u>\$2,627</u></u>	<u><u>\$1,087,029</u></u>
<u>Liabilities</u>			
Contracts Payable	\$13,810	\$0	\$367,386
Interfund Payable	1,408	0	5,715
Retainage Payable	0	0	65,553
Accrued Interest Payable	1,995	0	7,073
Notes Payable	<u>200,000</u>	<u>0</u>	<u>700,000</u>
Total Liabilities	<u>217,213</u>	<u>0</u>	<u>1,145,727</u>
<u>Fund Equity</u>			
Fund Balances:			
Unreserved:			
Undesignated (Deficit)	<u>(64,150)</u>	<u>2,627</u>	<u>(58,698)</u>
Total Fund Equity (Deficit)	<u>(64,150)</u>	<u>2,627</u>	<u>(58,698)</u>
Total Liabilities and Fund Equity	<u><u>\$153,063</u></u>	<u><u>\$2,627</u></u>	<u><u>\$1,087,029</u></u>

<u>STREET IMPROVEMENT</u>	<u>SHOTWELL DRIVE</u>	<u>TOTALS</u>
\$0	\$450,526	\$1,404,110
<u>0</u>	<u>0</u>	<u>289,135</u>
<u><u>\$0</u></u>	<u><u>\$450,526</u></u>	<u><u>\$1,693,245</u></u>
\$0	\$457,526	\$838,722
418	898	8,439
0	16,977	82,530
6,775	5,591	21,434
<u>150,000</u>	<u>555,000</u>	<u>1,605,000</u>
<u>157,193</u>	<u>1,035,992</u>	<u>2,556,125</u>
<u>(157,193)</u>	<u>(585,466)</u>	<u>(862,880)</u>
<u>(157,193)</u>	<u>(585,466)</u>	<u>(862,880)</u>
<u><u>\$0</u></u>	<u><u>\$450,526</u></u>	<u><u>1,693,245</u></u>

CITY OF FRANKLIN, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
ALL CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2000

	<u>CAPITAL IMPROVEMENT</u>	<u>RIVER CORRIDOR</u>
Revenues:		
Intergovernmental	\$0	\$0
Other	<u>0</u>	<u>0</u>
Total Revenues	<u>0</u>	<u>0</u>
Expenditures:		
Capital Outlay	155,977	0
Debt Service:		
Interest and Fiscal Charges	<u>2,319</u>	<u>0</u>
Total Expenditures	<u>158,296</u>	<u>0</u>
Excess of Revenues Under Expenditures	<u>(158,296)</u>	<u>0</u>
Other Financing Sources (Uses):		
Operating Transfers - In	50,000	0
Operating Transfers - Out	<u>0</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>50,000</u>	<u>0</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(108,296)	0
Fund Balances (Deficit) at Beginning of Year	<u>44,146</u>	<u>2,627</u>
Fund Balances (Deficit) at End of Year	<u><u>(\$64,150)</u></u>	<u><u>\$2,627</u></u>

<u>ISSUE TWO</u>	<u>STREET IMPROVEMENT</u>	<u>WILLIAM C. GOOD REHABILITATION</u>	<u>SHOTWELL DRIVE</u>	<u>TOTALS</u>
\$1,062,760	\$0	\$0	\$0	\$1,062,760
1,796	0	0	0	1,796
<u>1,064,556</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,064,556</u>
1,350,642	0	0	578,977	2,085,596
10,934	4,746	0	6,489	24,488
<u>1,361,576</u>	<u>4,746</u>	<u>0</u>	<u>585,466</u>	<u>2,110,084</u>
<u>(297,020)</u>	<u>(4,746)</u>	<u>0</u>	<u>(585,466)</u>	<u>(1,045,528)</u>
73,101	56,920	0	0	180,021
0	0	(3,111)	0	(3,111)
<u>73,101</u>	<u>56,920</u>	<u>(3,111)</u>	<u>0</u>	<u>176,910</u>
(223,919)	52,174	(3,111)	(585,466)	(868,618)
<u>165,221</u>	<u>(209,367)</u>	<u>3,111</u>	<u>0</u>	<u>5,738</u>
<u>(\$58,698)</u>	<u>(\$157,193)</u>	<u>\$0</u>	<u>(\$585,466)</u>	<u>(\$862,880)</u>

CITY OF FRANKLIN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2000

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Total Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Expenditures:			
Capital Outlay	<u>142,500</u>	<u>142,167</u>	<u>333</u>
Total Expenditures	<u>142,500</u>	<u>142,167</u>	<u>333</u>
Excess of Revenues Over (Under) Expenditures	<u>(142,500)</u>	<u>(142,167)</u>	<u>333</u>
Other Financing Sources:			
Proceeds of Notes	<u>200,000</u>	<u>200,000</u>	<u>0</u>
Operating Transfers - In	<u>50,000</u>	<u>50,000</u>	<u>0</u>
Total Other Financing Sources	<u>250,000</u>	<u>250,000</u>	<u>0</u>
Excess of Revenues and Other Financing Sources Over Expenditures	<u>107,500</u>	<u>107,833</u>	<u>333</u>
Fund Balance at Beginning of Year	<u>45,230</u>	<u>45,230</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$152,730</u></u>	<u><u>\$153,063</u></u>	<u><u>\$333</u></u>

CITY OF FRANKLIN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL (BUDGET BASIS)
RIVER CORRIDOR FUND
FOR THE YEAR ENDED DECEMBER 31, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
Total Revenues	\$0	\$0	\$0
Total Expenditures	0	0	0
Excess of Revenues Over Expenditures	0	0	0
Fund Balance at Beginning of Year	2,626	2,626	0
Fund Balance at End of Year	\$2,626	\$2,626	\$0

CITY OF FRANKLIN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL (BUDGET BASIS)
ISSUE TWO FUND
FOR THE YEAR ENDED DECEMBER 31, 2000

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$391,200	\$773,625	\$382,425
Other	<u>0</u>	<u>1,796</u>	<u>1,796</u>
Total Revenues	<u>391,200</u>	<u>775,421</u>	<u>384,221</u>
Expenditures:			
Capital Outlay	<u>1,348,000</u>	<u>936,487</u>	<u>411,513</u>
Total Expenditures	<u>1,348,000</u>	<u>936,487</u>	<u>411,513</u>
Excess of Revenues Over (Under) Expenditures	<u>(956,800)</u>	<u>(161,066)</u>	<u>795,734</u>
Other Financing Sources:			
Proceeds of Notes	<u>700,000</u>	<u>700,000</u>	<u>0</u>
Total Other Financing Sources	<u>700,000</u>	<u>700,000</u>	<u>0</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	(256,800)	538,934	795,734
Fund Balance at Beginning of Year	<u>258,961</u>	<u>258,961</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$2,161</u></u>	<u><u>\$797,895</u></u>	<u><u>\$795,734</u></u>

CITY OF FRANKLIN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
WILLIAM C. GOOD REHABILITATION FUND
FOR THE YEAR ENDED DECEMBER 31, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
Total Revenues	\$0	\$0	\$0
Total Expenditures	0	0	0
Excess of Revenues Over Expenditures	0	0	0
Other Financing Uses:			
Operating Transfers - Out	(3,111)	(3,111)	0
Total Other Financing Uses	(3,111)	(3,111)	0
Excess of Revenues Under Expenditures and Other Financing Uses	(3,111)	(3,111)	0
Fund Balance at Beginning of Year	3,111	3,111	0
Fund Balance at End of Year	\$0	\$0	\$0

CITY OF FRANKLIN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
SHOTWELL DRIVE FUND
FOR THE YEAR ENDED DECEMBER 31, 2000

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable) <u> </u>
Total Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Expenditures:			
Capital Outlay	<u>450,500</u>	<u>104,474</u>	<u>346,026</u>
Total Expenditures	<u>450,500</u>	<u>104,474</u>	<u>346,026</u>
Excess of Revenues Over (Under) Expenditures	<u>(450,500)</u>	<u>(104,474)</u>	<u>346,026</u>
Other Financing Sources:			
Proceeds of Notes	<u>555,000</u>	<u>555,000</u>	<u>0</u>
Total Other Financing Sources	<u>555,000</u>	<u>555,000</u>	<u>0</u>
Excess of Revenues and Other Financing Sources Over Expenditures	<u>104,500</u>	<u>450,526</u>	<u>346,026</u>
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$104,500</u></u>	<u><u>\$450,526</u></u>	<u><u>\$346,026</u></u>

CITY OF FRANKLIN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
ALL CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$391,200	\$773,625	\$382,425
Other	0	1,796	1,796
Total Revenues	<u>391,200</u>	<u>775,421</u>	<u>384,221</u>
Expenditures:			
Capital Outlay	1,941,000	1,183,128	757,872
Total Expenditures	<u>1,941,000</u>	<u>1,183,128</u>	<u>757,872</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,549,800)</u>	<u>(407,707)</u>	<u>1,142,093</u>
Other Financing Sources (Uses):			
Proceeds of Notes	1,455,000	1,455,000	0
Operating Transfers - In	50,000	50,000	0
Operating Transfers - Out	(3,111)	(3,111)	0
Total Other Financing Sources (Uses)	<u>1,501,889</u>	<u>1,501,889</u>	<u>0</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(47,911)	1,094,182	1,142,093
Fund Balance at Beginning of Year	<u>309,928</u>	<u>309,928</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$262,017</u></u>	<u><u>\$1,404,110</u></u>	<u><u>\$1,142,093</u></u>

ENTERPRISE FUNDS

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

Sewer

To account for the provision of sanitary sewer service to the residents and commercial users in the City.

Water

To account for the provision of water treatment and distribution to residential and commercial users in the City.

Trash

To account for the provision of trash collection services to the residents and commercial users in the City.

CITY OF FRANKLIN
COMBINING BALANCE SHEET
ALL ENTERPRISE FUNDS
DECEMBER 31, 2000

	<u>SEWER</u>	<u>WATER</u>	<u>TRASH</u>	<u>TOTALS</u>
<u>Assets</u>				
Current Assets:				
Equity in Pooled Cash and Cash Equivalents	\$609,936	\$700,359	\$49,423	\$1,359,718
Receivables:				
Accounts	426,494	249,740	61,738	737,972
Interfund	0	1,308	0	1,308
Due from Other Governments	8,054	8,054	0	16,108
Materials and Supplies Inventory	<u>0</u>	<u>18,043</u>	<u>0</u>	<u>18,043</u>
Total Current Assets	<u>1,044,484</u>	<u>977,504</u>	<u>111,161</u>	<u>2,133,149</u>
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	297,788	651,850	0	949,638
Cash and Cash Equivalents with Trustee	<u>0</u>	<u>364,357</u>	<u>0</u>	<u>364,357</u>
Total Restricted Assets	<u>297,788</u>	<u>1,016,207</u>	<u>0</u>	<u>1,313,995</u>
Fixed Assets (Net of Accumulated Depreciation)				
	<u>1,390,060</u>	<u>7,175,393</u>	<u>0</u>	<u>8,565,453</u>
Total Assets	<u><u>\$2,732,332</u></u>	<u><u>\$9,169,104</u></u>	<u><u>\$111,161</u></u>	<u><u>\$12,012,597</u></u>

(continued)

CITY OF FRANKLIN
COMBINING BALANCE SHEET
ALL ENTERPRISE FUNDS
DECEMBER 31, 2000
(continued)

	SEWER	WATER	TRASH	TOTALS
<u>Liabilities</u>				
Current Liabilities:				
Accounts Payable	\$5,583	\$212,522	\$0	\$218,105
Contracts Payable	571,840	182	0	572,022
Interfund Payable	3,014	4,610	0	7,624
Accrued Wages and Benefits	8,628	20,323	386	29,337
Compensated Absences Payable	3,395	10,564	0	13,959
Due to Other Governments	5,694	10,660	350	16,704
Accrued Interest Payable	0	4,516	0	4,516
Notes Payable	0	100,000	0	100,000
Current Portion of OWDA Loans Payable	0	30,263	0	30,263
Total Current Liabilities	598,154	393,640	736	992,530
Payable from Restricted Assets:				
Mortgage Revenue Bonds Payable (Current Portion)	0	90,000	0	90,000
Refundable Deposits	58,941	471	0	59,412
Accrued Interest Payable	0	18,336	0	18,336
Total Payable from Restricted Assets	58,941	108,807	0	167,748
Long-Term Liabilities:				
Compensated Absences Payable	30,193	61,209	0	91,402
Mortgage Revenue Bonds Payable (Net of Current Portion)	0	3,810,000	0	3,810,000
OWDA Loans Payable (Net of Current Portion)	0	2,613,648	0	2,613,648
Total Long-Term Liabilities	30,193	6,484,857	0	6,515,050
Total Liabilities	687,288	6,987,304	736	7,675,328
<u>Fund Equity</u>				
Contributed Capital	230,254	242,342	0	472,596
Retained Earnings:				
Reserved for Revenue Bond Replacement and Improvement	238,846	651,380	0	890,226
Reserved for Revenue Bond Current Debt Service	0	364,357	0	364,357
Unreserved	1,575,944	923,721	110,425	2,610,090
Total Fund Equity	2,045,044	2,181,800	110,425	4,337,269
Total Liabilities and Fund Equity	\$2,732,332	\$9,169,104	\$111,161	\$12,012,597

CITY OF FRANKLIN, OHIO
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND EQUITY
ALL ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2000

	<u>SEWER</u>	<u>WATER</u>	<u>TRASH</u>	<u>TOTALS</u>
Operating Revenues:				
Charges for Services	\$2,161,339	\$1,923,437	\$437,966	\$4,522,742
Other Operating Revenues	<u>8,054</u>	<u>8,579</u>	<u>385</u>	<u>17,018</u>
Total Operating Revenues	<u>2,169,393</u>	<u>1,932,016</u>	<u>438,351</u>	<u>4,539,760</u>
Operating Expenses:				
Personal Services	273,990	428,172	13,801	715,963
Contractual Services	2,100,443	932,484	395,842	3,428,769
Materials and Supplies	39,311	185,999	9,780	235,090
Depreciation	<u>110,951</u>	<u>270,754</u>	<u>0</u>	<u>381,705</u>
Total Operating Expenses	<u>2,524,695</u>	<u>1,817,409</u>	<u>419,423</u>	<u>4,761,527</u>
Operating Income (Loss)	<u>(355,302)</u>	<u>114,607</u>	<u>18,928</u>	<u>(221,767)</u>
Non-Operating Revenues (Expenses):				
Operating Grants	29,903	0	0	29,903
Loss on the Disposal of Fixed Assets	(7,497)	(5,524)	0	(13,021)
Interest and Fiscal Charges	0	(416,688)	0	(416,688)
Interest Revenue	<u>36,666</u>	<u>55,240</u>	<u>0</u>	<u>91,906</u>
Total Non-Operating Revenues (Expenses)	<u>59,072</u>	<u>(366,972)</u>	<u>0</u>	<u>(307,900)</u>
Net Income (Loss)	(296,230)	(252,365)	18,928	(529,667)
Retained Earnings at Beginning of Year	<u>2,111,020</u>	<u>2,191,823</u>	<u>91,497</u>	<u>4,394,340</u>
Retained Earnings at End of Year	\$1,814,790	\$1,939,458	\$110,425	\$3,864,673
Contributed Capital at Beginning and End of Year	<u>230,254</u>	<u>242,342</u>	<u>0</u>	<u>472,596</u>
Total Fund Equity at End of Year	<u><u>2,045,044</u></u>	<u><u>2,181,800</u></u>	<u><u>110,425</u></u>	<u><u>4,337,269</u></u>

CITY OF FRANKLIN, OHIO
SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND EQUITY - BUDGET AND ACTUAL (BUDGET BASIS)
SEWER FUND
FOR THE YEAR ENDED DECEMBER 31, 2000

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:			
Charges for Services	\$1,888,100	\$1,991,978	\$103,878
Deposits Received	6,500	8,605	2,105
Interest	0	36,666	36,666
Grants	<u>85,400</u>	<u>29,903</u>	<u>(55,497)</u>
Total Revenues	<u>1,980,000</u>	<u>2,067,152</u>	<u>87,152</u>
Expenses:			
Personal Services	308,696	267,459	41,237
Contractual Services	2,080,685	1,831,694	248,991
Materials and Supplies	65,120	41,768	23,352
Deposit Refunds	27,187	1,503	25,684
Capital Outlay	<u>90,355</u>	<u>5,140</u>	<u>85,215</u>
Total Expenses	<u>2,572,043</u>	<u>2,147,564</u>	<u>424,479</u>
Excess of Revenues Over (Under) Expenses	(592,043)	(80,412)	511,631
Operating Transfers - In	25,000	0	(25,000)
Operating Transfers - Out	<u>(43,500)</u>	<u>0</u>	<u>43,500</u>
Excess of Revenues Over (Under) Expenses and Operating Transfers	(610,543)	(80,412)	530,131
Fund Equity at Beginning of Year	974,727	974,727	0
Prior Year Encumbrances Appropriated	<u>9,494</u>	<u>9,494</u>	<u>0</u>
Fund Equity at End of Year	<u>\$373,678</u>	<u>\$903,809</u>	<u>\$530,131</u>

CITY OF FRANKLIN, OHIO
SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND EQUITY - BUDGET AND ACTUAL (BUDGET BASIS)
WATER FUND
FOR THE YEAR ENDED DECEMBER 31, 2000

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:			
Charges for Services	\$1,824,518	\$1,909,236	\$84,718
Deposits Received	7,000	8,555	1,555
Interest	0	34,000	34,000
Other Operating Revenues	<u>1,000</u>	<u>525</u>	<u>(475)</u>
Total Revenues	<u>1,832,518</u>	<u>1,952,316</u>	<u>119,798</u>
Expenses:			
Personal Services	474,662	416,263	58,399
Contractual Services	1,264,000	956,221	307,779
Materials and Supplies	134,837	104,019	30,818
Deposit Refunds	45,156	17,017	28,139
Capital Outlay	590,187	286,869	303,318
Debt Service:			
Principal Retirement	173,810	158,810	15,000
Interest and Fiscal Charges	<u>398,190</u>	<u>395,950</u>	<u>2,240</u>
Total Expenses	<u>3,080,842</u>	<u>2,335,149</u>	<u>745,693</u>
Excess of Revenues Over (Under) Expenses	(1,248,324)	(382,833)	865,491
Operating Transfers - In	25,000	0	(25,000)
Operating Transfers - Out	<u>(184,081)</u>	<u>(117,890)</u>	<u>66,191</u>
Excess of Revenues Over (Under) Expenses and Operating Transfers	(1,407,405)	(500,723)	906,682
Fund Equity at Beginning of Year	1,570,582	1,570,582	0
Prior Year Encumbrances Appropriated	<u>161,048</u>	<u>161,048</u>	<u>0</u>
Fund Equity at End of Year	<u><u>\$324,225</u></u>	<u><u>\$1,230,907</u></u>	<u><u>\$906,682</u></u>

CITY OF FRANKLIN, OHIO
SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND EQUITY - BUDGET AND ACTUAL (BUDGET BASIS)
TRASH FUND
FOR THE YEAR ENDED DECEMBER 31, 2000

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:			
Charges for Services	\$395,600	\$429,849	\$34,249
Other Operating Revenues	<u>600</u>	<u>385</u>	<u>(215)</u>
Total Revenues	<u>396,200</u>	<u>430,234</u>	<u>34,034</u>
Expenses:			
Personal Services	14,900	13,979	921
Contractual Services	408,800	395,842	12,958
Materials and Supplies	9,900	9,780	120
Capital Outlay	<u>500</u>	<u>0</u>	<u>500</u>
Total Expenses	<u>434,100</u>	<u>419,601</u>	<u>14,499</u>
Excess of Revenues Over (Under) Expenses	(37,900)	10,633	48,533
Fund Equity at Beginning of Year	<u>38,790</u>	<u>38,790</u>	<u>0</u>
Fund Equity at End of Year	<u><u>\$890</u></u>	<u><u>\$49,423</u></u>	<u><u>\$48,533</u></u>

CITY OF FRANKLIN, OHIO
SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND EQUITY - BUDGET AND ACTUAL (BUDGET BASIS)
ALL ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2000

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:			
Charges for Services	\$4,108,218	\$4,331,063	\$222,845
Deposits Received	13,500	17,160	3,660
Interest	0	70,666	70,666
Grants	85,400	29,903	(55,497)
Other Operating Revenues	<u>1,600</u>	<u>910</u>	<u>(690)</u>
Total Revenues	<u>4,208,718</u>	<u>4,449,702</u>	<u>240,984</u>
Expenses:			
Personal Services	798,258	697,701	100,557
Contractual Services	3,753,485	3,183,757	569,728
Materials and Supplies	209,857	155,567	54,290
Deposit Refunds	72,343	18,520	53,823
Capital Outlay	681,042	292,009	389,033
Debt Service:			
Principal Retirement	173,810	158,810	15,000
Interest and Fiscal Charges	<u>398,190</u>	<u>395,950</u>	<u>2,240</u>
Total Expenses	<u>6,086,985</u>	<u>4,902,314</u>	<u>1,184,671</u>
Excess of Revenues Over (Under) Expenses	(1,878,267)	(452,612)	1,425,655
Operating Transfers - In	50,000	0	(50,000)
Operating Transfers - Out	<u>(227,581)</u>	<u>(117,890)</u>	<u>109,691</u>
Excess of Revenues Over (Under) Expenses and Operating Transfers	(2,055,848)	(570,502)	1,485,346
Fund Equity at Beginning of Year	2,584,099	2,584,099	0
Prior Year Encumbrances Appropriated	<u>170,542</u>	<u>170,542</u>	<u>0</u>
Fund Equity at End of Year	<u>\$698,793</u>	<u>\$2,184,139</u>	<u>\$1,485,346</u>

CITY OF FRANKLIN, OHIO
COMBINING STATEMENT OF CASH FLOWS
ALL ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2000

	<u>SEWER</u>	<u>WATER</u>	<u>TRASH</u>	<u>TOTALS</u>
<u>Increase (Decrease) in Cash and Cash Equivalents</u>				
<u>Cash Flows from Operating Activities:</u>				
Cash Received from Customers	\$1,991,978	\$1,909,236	\$429,849	\$4,331,063
Cash Paid for Employee Services and Benefits	(267,459)	(416,263)	(13,979)	(697,701)
Cash Paid to Suppliers for Goods and Services	(1,863,535)	(1,054,127)	(405,622)	(3,323,284)
Utility Deposits Received	8,605	8,555	0	17,160
Utility Deposits Returned	(1,503)	(17,017)	0	(18,520)
Other Operating Revenues	0	525	385	910
Net Cash Provided by (Used for) Operating Activities	<u>(131,914)</u>	<u>430,909</u>	<u>10,633</u>	<u>309,628</u>
<u>Cash Flows from Noncapital Financing Activities:</u>				
Operating Grants Received	<u>29,903</u>	<u>0</u>	<u>0</u>	<u>29,903</u>
Net Cash Provided by Noncapital Financing Activities	<u>29,903</u>	<u>0</u>	<u>0</u>	<u>29,903</u>
<u>Cash Flows from Capital and Related Financing Activities:</u>				
Proceeds of General Obligation Notes	0	100,000	0	100,000
Acquisition of Capital Assets	(8,651)	(171,681)	0	(180,332)
Interest Paid on General Obligation Notes	0	(7,890)	0	(7,890)
Principal Paid on General Obligation Notes	0	(210,000)	0	(210,000)
Interest Paid on OWDA Loans	0	(187,103)	0	(187,103)
Principal Paid on OWDA Loans	0	(63,810)	0	(63,810)
Interest Paid on Mortgage Revenue Bonds	0	(224,404)	0	(224,404)
Principal Paid on Mortgage Revenue Bonds	0	(95,000)	0	(95,000)
Net Cash Used for Capital and Related Financing Activities	<u>(8,651)</u>	<u>(859,888)</u>	<u>0</u>	<u>(868,539)</u>
<u>Cash Flows from Investing Activities:</u>				
Interest and Dividends	<u>36,666</u>	<u>55,240</u>	<u>0</u>	<u>91,906</u>
Net Cash Provided By Investing Activities	<u>36,666</u>	<u>55,240</u>	<u>0</u>	<u>91,906</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(73,996)	(373,739)	10,633	(437,102)
Cash and Cash Equivalents at Beginning of Year	<u>981,720</u>	<u>2,090,305</u>	<u>38,790</u>	<u>3,110,815</u>
Cash and Cash Equivalents at End of Year	<u>\$907,724</u>	<u>\$1,716,566</u>	<u>\$49,423</u>	<u>\$2,673,713</u>

(continued)

CITY OF FRANKLIN, OHIO
COMBINING STATEMENT OF CASH FLOWS
ALL ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2000
(continued)

	<u>SEWER</u>	<u>WATER</u>	<u>TRASH</u>	<u>TOTALS</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Operating Income (Loss)	<u>(\$355,302)</u>	<u>\$114,607</u>	<u>\$18,928</u>	<u>(\$221,767)</u>
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Depreciation Expense	110,951	270,754	0	381,705
Change in Assets and Liabilities:				
Increase in Accounts Receivable	(175,570)	(31,726)	(8,117)	(215,413)
Increase in Due From Other Governments	(8,054)	(8,054)	0	(16,108)
(Increase) Decrease in Materials and Supplies Inventories	1,100	(361)	0	739
Decrease in Prepaid Items	2,658	2,658	0	5,316
Increase in Accounts Payable	284,706	153,298	0	438,004
Decrease in Contracts Payable	(274)	(71,056)	0	(71,330)
Increase (Decrease) in Accrued Wages and Benefits	(60)	6,503	(38)	6,405
Increase in Compensated Absences Payable	4,302	3,209	0	7,511
Decrease in Due to Other Governments	(369)	(461)	(140)	(970)
Decrease in Deferred Revenue	(3,104)	0	0	(3,104)
Increase (Decrease) in Refundable Deposits	<u>7,102</u>	<u>(8,462)</u>	<u>0</u>	<u>(1,360)</u>
Total Adjustments	<u>223,388</u>	<u>316,302</u>	<u>(8,295)</u>	<u>531,395</u>
Net Cash Provided by (Used for) Operating Activities	<u>(\$131,914)</u>	<u>\$430,909</u>	<u>\$10,633</u>	<u>\$309,628</u>

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FIDUCIARY FUNDS

To account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds.

EXPENDABLE TRUST FUND

Unclaimed Monies

To account for monies which have yet to be claimed by their rightful owners.

Since there is only one expendable trust fund and the level of budgetary control is not greater than that presented in the combined financial statements, no additional financial statements are presented here.

AGENCY FUNDS

Municipal Court

To account for the collection and distribution of court fines and forfeitures.

Joint Emergency Medical Services (JEMS)

To account for financial activities of the agency for which the City is the fiscal agent.

Joint Recreation

To account for the financial activities of the joint venture for which the City is the fiscal agent.

Building Standards Fee

To account for monies received on building permits which will be disbursed to the State of Ohio.

Hazardous Materials

To account for the financial activities of the joint venture.

**CITY OF FRANKLIN, OHIO
 COMBINING BALANCE SHEET
 ALL FIDUCIARY FUNDS
 DECEMBER 31, 2000**

	EXPENDABLE TRUST		JOINT EMERGENCY MEDICAL SERVICES (JEMS)
	UNCLAIMED MONIES	MUNICIPAL COURT	
<u>Assets:</u>			
Equity in Pooled Cash and Cash Equivalents	\$2,144	\$0	\$99,315
Cash and Cash Equivalents in Segregated Accounts	0	162,502	0
Total Assets	<u>\$2,144</u>	<u>\$162,502</u>	<u>\$99,315</u>
<u>Liabilities:</u>			
Due to Other Funds	\$0	\$70,995	\$0
Due to Other Governments	0	76,608	99,315
Undistributed Monies	0	8,750	0
Deposits Held and Due to Others	0	6,149	0
Total Liabilities	<u>0</u>	<u>162,502</u>	<u>99,315</u>
<u>Fund Equity</u>			
Fund Balance:			
Unreserved:			
Undesignated	2,144	0	0
Total Fund Equity	<u>2,144</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Equity	<u>\$2,144</u>	<u>\$162,502</u>	<u>\$99,315</u>

AGENCY			
<u>JOINT RECREATION</u>	<u>BUILDING STANDARDS FEE</u>	<u>HAZARDOUS MATERIALS</u>	<u>TOTALS</u>
\$33,792	\$52	\$13	\$135,316
<u>0</u>	<u>0</u>	<u>0</u>	<u>162,502</u>
<u>\$33,792</u>	<u>\$52</u>	<u>\$13</u>	<u>\$297,818</u>
\$0	\$0	\$0	\$70,995
0	52	13	175,988
33,792	0	0	42,542
<u>0</u>	<u>0</u>	<u>0</u>	<u>6,149</u>
<u>33,792</u>	<u>52</u>	<u>13</u>	<u>295,674</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>2,144</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>2,144</u>
<u>\$33,792</u>	<u>\$52</u>	<u>\$13</u>	<u>\$297,818</u>

CITY OF FRANKLIN, OHIO
COMBINING STATEMENT OF CHANGES
IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2000

	BALANCE 1/1/00	ADDITIONS	REDUCTIONS	BALANCE 12/31/00
MUNICIPAL COURT				
<u>Assets:</u>				
Cash and Cash Equivalents in Segregated Accounts	\$143,267	\$162,502	\$143,267	\$162,502
Total Assets	<u>\$143,267</u>	<u>\$162,502</u>	<u>\$143,267</u>	<u>\$162,502</u>
<u>Liabilities:</u>				
Due to Other Funds	\$59,866	\$70,995	\$59,866	\$70,995
Due to Other Governments	61,006	76,608	61,006	76,608
Undistributed Monies	18,312	8,750	18,312	8,750
Deposits Held and Due to Others	4,083	6,149	4,083	6,149
Total Liabilities	<u>\$143,267</u>	<u>\$162,502</u>	<u>\$143,267</u>	<u>\$162,502</u>
JOINT EMERGENCY MEDICAL SERVICES (JEMS)				
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$85,782	\$721,046	\$707,513	\$99,315
Total Assets	<u>\$85,782</u>	<u>\$721,046</u>	<u>\$707,513</u>	<u>\$99,315</u>
<u>Liabilities:</u>				
Accounts Payable	\$4,018	\$0	\$4,018	\$0
Contracts Payable	2,679	0	2,679	0
Due to Other Governments	79,085	721,046	700,816	99,315
Total Liabilities	<u>\$85,782</u>	<u>\$721,046</u>	<u>\$707,513</u>	<u>\$99,315</u>
JOINT RECREATION				
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$29,474	\$95,326	\$91,008	\$33,792
Total Assets	<u>\$29,474</u>	<u>\$95,326</u>	<u>\$91,008</u>	<u>\$33,792</u>
<u>Liabilities:</u>				
Accounts Payable	\$56	\$0	\$56	\$0
Undistributed Monies	29,418	95,326	90,952	33,792
Total Liabilities	<u>\$29,474</u>	<u>\$95,326</u>	<u>\$91,008</u>	<u>\$33,792</u>

(continued)

CITY OF FRANKLIN, OHIO
COMBINING STATEMENT OF CHANGES
IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2000
(continued)

	BALANCE 1/1/00	ADDITIONS	REDUCTIONS	BALANCE 12/31/00
BUILDING STANDARDS FEE				
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$246	\$2,726	\$2,920	\$52
Total Assets	<u>\$246</u>	<u>\$2,726</u>	<u>\$2,920</u>	<u>\$52</u>
<u>Liabilities:</u>				
Due to Other Governments	\$246	\$2,726	\$2,920	\$52
Total Liabilities	<u>\$246</u>	<u>\$2,726</u>	<u>\$2,920</u>	<u>\$52</u>
HAZARDOUS MATERIALS				
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$21,351	\$0	\$21,338	\$13
Total Assets	<u>\$21,351</u>	<u>\$0</u>	<u>\$21,338</u>	<u>\$13</u>
<u>Liabilities:</u>				
Due to Other Governments	\$21,351	\$0	\$21,338	\$13
Total Liabilities	<u>\$21,351</u>	<u>\$0</u>	<u>\$21,338</u>	<u>\$13</u>
TOTAL - ALL AGENCY FUNDS				
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$136,853	\$819,098	\$822,779	\$133,172
Cash and Cash Equivalents in Segregated Accounts	143,267	162,502	143,267	162,502
Total Assets	<u>\$280,120</u>	<u>\$981,600</u>	<u>\$966,046</u>	<u>\$295,674</u>
<u>Liabilities:</u>				
Accounts Payable	\$4,074	\$0	\$4,074	\$0
Contracts Payable	2,679	0	2,679	0
Due to Other Funds	59,866	70,995	59,866	70,995
Due to Other Governments	161,688	800,380	786,080	175,988
Undistributed Monies	47,730	104,076	109,264	42,542
Deposits Held and Due to Others	4,083	6,149	4,083	6,149
Total Liabilities	<u>\$280,120</u>	<u>\$981,600</u>	<u>\$966,046</u>	<u>\$295,674</u>

GENERAL FIXED ASSETS ACCOUNT GROUP

To account for fixed assets other than those accounted for in the proprietary funds.

CITY OF FRANKLIN, OHIO
SCHEDULE OF GENERAL FIXED ASSETS
BY SOURCES
DECEMBER 31, 2000

General Fixed Assets:	
Land	\$405,004
Buildings	726,422
Improvements Other Than Buildings	433,236
Vehicles, Furniture and Equipment	3,319,593
Construction in Progress	90,670
	<hr/>
Total	<u>\$4,974,925</u>

Investment in General Fixed Assets
from:

General Fund Revenues	\$3,916,419
Special Revenue Fund Revenues	1,015,966
Donations	42,540
	<hr/>
Total General Fixed Assets	<u>\$4,974,925</u>

CITY OF FRANKLIN, OHIO
SCHEDULE OF GENERAL FIXED ASSETS
BY FUNCTION AND ACTIVITY
DECEMBER 31, 2000

<u>FUNCTION AND ACTIVITY</u>	<u>LAND</u>	<u>BUILDINGS</u>	<u>IMPROVEMENTS OTHER THAN BUILDINGS</u>	<u>VEHICLES, FURNITURE AND EQUIPMENT</u>	<u>CONSTRUCTION IN PROGRESS</u>	<u>TOTALS</u>
GENERAL GOVERNMENT:						
Administration	\$31,935	\$2,310	\$37,954	\$192,309	\$73,536	\$338,044
City Hall	42,198	274,136	0	23,333	0	339,667
Municipal Court	0	0	17,247	113,571	0	130,818
Finance	0	5,364	0	11,594	0	16,958
Tax	0	794	0	11,297	0	12,091
Total General Government	74,133	282,604	55,201	352,104	73,536	837,578
SECURITY OF PERSONS AND PROPERTY:						
Police Protection	1,500	137,881	184,822	579,573	0	903,776
Fire Department	1,500	39,583	2,550	1,725,348	0	1,768,981
Total Security of Persons and Property	3,000	177,464	187,372	2,304,921	0	2,672,757
TRANSPORTATION:						
Street Department	28,078	229,765	95,976	463,178	0	816,997
LEISURE TIME ACTIVITIES:						
Recreation Department	299,793	36,589	94,687	199,390	17,134	647,593
TOTAL GENERAL FIXED ASSETS	\$405,004	\$726,422	\$433,236	\$3,319,593	\$90,670	\$4,974,925

CITY OF FRANKLIN, OHIO
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS
BY FUNCTION AND ACTIVITY
FOR THE YEAR ENDED DECEMBER 31, 2000

FUNCTION AND ACTIVITY	GENERAL FIXED ASSETS 1/1/00	ADDITIONS	DELETIONS	GENERAL FIXED ASSETS 12/31/00
GENERAL GOVERNMENT:				
Administration	\$325,873	\$12,171	\$0	\$338,044
City Hall	254,720	106,381	21,434	339,667
Municipal Court	104,060	26,758	0	130,818
Finance	15,244	1,714	0	16,958
Tax	12,489	2,602	3,000	12,091
Total General Government	<u>712,386</u>	<u>149,626</u>	<u>24,434</u>	<u>837,578</u>
SECURITY OF PERSONS AND PROPERTY:				
Police Protection	911,209	136,993	144,426	903,776
Fire Department	1,750,495	33,007	14,521	1,768,981
Total Security of Persons and Property	<u>2,661,704</u>	<u>170,000</u>	<u>158,947</u>	<u>2,672,757</u>
TRANSPORTATION:				
Street Department	592,678	228,206	3,887	816,997
LEISURE TIME ACTIVITIES:				
Recreation Department	704,372	34,988	91,767	647,593
TOTAL GENERAL FIXED ASSETS	<u><u>\$4,671,140</u></u>	<u><u>\$582,820</u></u>	<u><u>\$279,035</u></u>	<u><u>\$4,974,925</u></u>

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**CITY OF FRANKLIN, OHIO
GENERAL FUND EXPENDITURES BY FUNCTION
LAST TEN YEARS**

TABLE 1

YEAR	GENERAL GOVERNMENT	SECURITY OF PERSONS AND PROPERTY	PUBLIC HEALTH AND WELFARE	COMMUNITY ENVIRONMENT	BASIC UTILITY SERVICES	LEISURE TIME ACTIVITIES	CAPITAL OUTLAY	DEBT SERVICE	TOTAL
1991	\$793,025	\$1,664,712	\$8,053	\$274	\$47,223	\$27,000	\$0	\$17,924	\$2,558,211
1992	763,648	1,522,294	7,789	168	30,050	33,431	0	17,424	2,374,804
1993	822,214	1,553,287	0	0	19,746	33,590	0	18,273	2,447,110
1994	953,503	1,723,022	0	0	9,696	26,000	0	18,374	2,730,595
1995	995,591	2,104,794	0	0	50,158	26,000	0	27,389	3,203,932
1996	1,226,860	2,043,215	0	0	56,344	25,000	0	50,523	3,401,942
1997	1,318,215	2,117,637	0	0	111,789	0	0	49,168	3,596,809
1998	1,567,870	2,989,234	0	0	75,019	25,000	110,000	70,049	4,837,172
1999	1,460,278	2,549,468	0	0	57,968	25,000	11,814	42,488	4,147,016
2000	1,843,079	2,824,697	0	0	86,758	25,000	0	37,982	4,817,516

SOURCE: City of Franklin's Finance Office

TABLE 2

**CITY OF FRANKLIN, OHIO
GENERAL FUND REVENUES BY SOURCE
LAST TEN YEARS**

YEAR	TAXES	CHARGES FOR SERVICES	FINES, LICENSES AND PERMITS	INTER-GOVERNMENTAL	INTEREST	OTHER	TOTAL
1991	\$1,888,314	\$20,525	\$406,196	\$300,323	\$61,582	\$3,164	\$2,680,104
1992	2,043,980	17,920	392,559	317,266	43,378	5,881	2,820,984
1993	2,313,917	87,715	378,244	400,923	36,909	9,679	3,227,387
1994	2,487,022	69,344	384,343	377,374	74,670	9,056	3,401,809
1995	2,942,031	72,111	431,736	401,891	153,476	72,926	4,074,171
1996	3,238,048	62,134	477,703	463,303	179,312	81,583	4,502,083
1997	3,507,176	37,681	484,631	476,988	355,783	101,348	4,963,607
1998	4,052,846	46,688	544,348	727,918	312,860	403,705	6,088,365
1999	3,890,894	32,985	642,185	786,421	334,225	95,998	5,782,708
2000	4,199,400	69,203	680,768	646,101	362,600	82,323	6,040,395

SOURCE: City of Franklin's Finance Office

**CITY OF FRANKLIN, OHIO
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS**

TABLE 3

COLLECTION YEAR	TOTAL TAX LEVY	CURRENT TAX COLLECTIONS	DELINQUENT TAX COLLECTIONS	TOTAL TAX COLLECTIONS	PERCENTAGE OF TOTAL TAX COLLECTIONS TO TAX LEVY	ACCUMULATED OUTSTANDING DELINQUENT TAXES	PERCENTAGE OF ACCUMULATED DELINQUENT TAXES TO TOTAL TAX LEVY
1991	271,380	247,530	9,498	257,028	94.70%	13,406	4.9%
1992	303,619	276,812	735	277,547	91.40	17,478	5.8
1993	320,905	290,793	11,521	302,314	94.20	14,577	4.5
1994	341,412	310,684	9,447	320,131	93.80	14,671	4.3
1995	363,943	341,431	11,186	352,617	96.90	12,588	3.5
1996	372,510	360,292	9,048	369,340	99.10	8,049	2.2
1997	383,488	378,567	10,717	389,284	101.50	9,989	2.6
1998	423,981	414,523	10,186	424,709	100.20	11,497	2.7
1999	466,406	451,368	9,817	461,185	98.88	16,474	3.6
2000	534,141	506,035	18,871	524,906	98.27	32,799	6.1

SOURCE: Warren County Auditor's Office

**CITY OF FRANKLIN, OHIO
 ASSESSED VALUATION AND ESTIMATED
 ACTUAL VALUES OF TAXABLE PROPERTY
 LAST TEN YEARS**

TABLE 4

YEAR	REAL PROPERTY		PERSONAL PROPERTY		PUBLIC UTILITY		PERSONAL		TOTAL		PERCENTAGE OF ASSESSED VALUE TO ESTIMATED ACTUAL VALUE
	ASSESSED VALUE	ESTIMATED ACTUAL VALUE	ASSESSED VALUE	ESTIMATED ACTUAL VALUE	ASSESSED VALUE	ESTIMATED ACTUAL VALUE	ASSESSED VALUE	ESTIMATED ACTUAL VALUE	ASSESSED VALUE	ESTIMATED ACTUAL VALUE	
1991	\$69,992,420	\$199,978,343	\$17,802,361	\$65,934,670	\$10,370,540	\$10,370,540	\$10,370,540	\$10,370,540	\$98,165,321	\$276,283,553	36.00%
1992	71,962,680	205,607,658	19,903,415	76,551,596	10,888,480	12,373,273	12,373,273	12,373,273	102,754,575	294,532,527	34.89
1993	74,228,870	212,082,486	22,326,012	89,304,048	11,379,650	12,931,420	12,931,420	12,931,420	107,934,532	314,317,954	34.34
1994	84,947,240	242,706,400	25,087,683	100,350,732	11,255,270	12,790,080	12,790,080	12,790,080	121,290,193	355,847,212	34.08
1995	86,800,030	248,000,086	27,499,334	109,997,336	10,905,560	12,392,682	12,392,682	12,392,682	125,204,924	370,390,104	33.80
1996	93,650,870	267,573,914	31,703,229	126,812,916	10,814,790	12,289,534	12,289,534	12,289,534	136,168,889	406,676,364	33.48
1997	106,287,760	303,679,314	33,579,779	134,319,116	10,563,810	12,004,330	12,004,330	12,004,330	150,431,349	450,002,760	33.43
1998	114,152,770	326,150,771	36,161,985	144,647,940	11,022,020	12,525,023	12,525,023	12,525,023	161,336,775	483,323,734	33.38
1999	120,126,750	343,219,286	39,952,347	159,809,388	10,772,760	12,241,773	12,241,773	12,241,773	170,851,857	515,270,447	33.16
2000	144,059,380	413,883,943	58,622,764	234,491,056	10,401,300	11,819,659	11,819,659	11,819,659	213,083,444	660,194,658	32.28

SOURCE: Warren County Auditor's Office

TABLE 5

**CITY OF FRANKLIN, OHIO
PROPERTY TAX RATES-DIRECT AND OVERLAPPING GOVERNMENTS
PER \$1,000 OF ASSESSED VALUATION
LAST TEN YEARS**

YEAR	CITY OF FRANKLIN		WARREN COUNTY (1)		FRANKLIN CITY SCHOOL DISTRICT			OTHER (2)	
	OPERATING		OPERATING		OPERATING	DEBT SERVICE	TOTAL	OPERATING	TOTAL
1991	\$2.85		\$8.10		\$42.65	\$1.90	\$44.55	\$7.00	\$62.50
1992	2.85		8.10		42.65	1.90	44.55	7.00	62.50
1993	2.85		8.10		42.65	1.90	44.55	7.00	62.50
1994	2.82		8.07		42.68	1.60	44.28	7.00	62.17
1995	2.82		6.57		48.58	1.50	50.08	8.50	67.97
1996	2.82		5.00		48.58	1.50	50.08	8.50	66.40
1997	2.82		5.00		48.58	1.25	49.83	8.50	66.15
1998	2.81		4.75		47.50	1.25	48.75	8.50	64.81
1999	2.83		4.00		48.58	1.25	49.83	8.50	65.16
2000	2.83		4.00		48.58	1.67	50.25	8.50	65.58

SOURCE: City of Franklin's Operating Budget

SOURCE: Warren County Auditor's Office

(1) Includes Warren County Health Care District

(2) Other includes Franklin Township, Warren County Joint Vocational School and Joint Emergency Medical Service

**CITY OF FRANKLIN, OHIO
 PRINCIPAL TAXPAYERS
 DECEMBER 31, 2000**

TABLE 6

	TAXPAYER	2000 REAL PROPERTY ASSESSED VALUATION	PERCENTAGE OF TOTAL ASSESSED VALUATION REAL PROPERTY
1.	Dayton Newspapers	\$13,509,130	9.38%
2.	Cincinnati Gas & Electric	7,444,540	5.17
3.	Pharmacia Hepar Incorporated	6,964,180	4.83
4.	Wheelabrator EOS of Ohio	3,307,500	2.30
5.	Burrows Paper Corporation	2,828,650	1.96
6.	Newark Group Industries Incorporated	2,681,580	1.86
7.	Sonoco Flexible Packaging Corporation	2,656,520	1.84
8.	Emerald Edge/Warren LP	1,961,540	1.36
9.	AP Parts Manufacturing Company	1,912,370	1.33
10.	Meridian Roofing Corporation	1,899,120	1.32

SOURCE: Warren County Auditor's Office

CITY OF FRANKLIN, OHIO
SPECIAL ASSESSMENT COLLECTIONS
LAST TEN YEARS

TABLE 7

<u>COLLECTION YEAR</u>	<u>BILLED</u>	<u>AMOUNT COLLECTED</u>	<u>PERCENT COLLECTED</u>
1991	\$128,121	\$130,345	101.74%
1992	281,588	220,946	78.46
1993	274,591	306,715	111.70
1994	294,032	313,036	106.46
1995	291,435	312,684	107.29
1996	320,039	371,344	116.03
1997	309,343	153,642	49.67
1998	490,824	482,390	98.28
1999	510,877	434,661	85.08
2000	530,639	476,745	89.84

SOURCE: Billed column was obtained from the Warren County Auditor's Office.

**CITY OF FRANKLIN, OHIO
 COMPUTATION OF OVERALL LEGAL DEBT MARGIN
 DECEMBER 31, 2000**

TABLE 8

ASSESSED VALUE		<u>\$213,083,444</u>
TOTAL DEBT LIMIT-10 1/2% OF ASSESSED VALUATION		\$22,373,762
TOTAL DEBT OUTSTANDING AT DECEMBER 31, 2000	13,952,389	
LESS: EXEMPT DEBT GENERAL OBLIGATION BONDS ISSUED IN ANTICIPATION OF THE COLLECTION OF SPECIAL ASSESSMENTS	(4,149,000)	
OWDA LOANS TO BE PAID BY ENTERPRISE FUND REVENUE	(2,643,911)	
MORTGAGE REVENUE BONDS TO BE PAID BY ENTERPRISE FUND REVENUE	(3,900,000)	
GENERAL OBLIGATION NOTES TO BE PAID BY ENTERPRISE FUND REVENUES	<u>(100,000)</u>	
TOTAL	3,159,478	
(1) LESS: BOND RETIREMENT FUND BALANCE	<u>(51,150)</u>	
NET SUBJECT TO 10 1/2% LIMITATION		<u>3,108,328</u>
LEGAL DEBT MARGIN WITHIN 10 1/2% LIMITATION		<u>\$19,265,434</u>

(1) BOND RETIREMENT FUND BALANCE DOES NOT INCLUDE AMOUNT AVAILABLE FOR SPECIAL ASSESSMENTS

CITY OF FRANKLIN, OHIO
COMPUTATION OF UNVOTED LEGAL DEBT MARGIN
DECEMBER 31, 2000

TABLE 8a

ASSESSED VALUE		<u>\$213,083,444</u>
TOTAL DEBT LIMIT- 5 1/2% OF ASSESSED VALUATION		\$11,719,589
TOTAL DEBT OUTSTANDING AT DECEMBER 31, 2000	13,952,389	
LESS: EXEMPT DEBT GENERAL OBLIGATION BONDS ISSUED IN ANTICIPATION OF THE COLLECTION OF SPECIAL ASSESSMENTS	(4,149,000)	
OWDA LOANS TO BE PAID BY ENTERPRISE FUND REVENUE	(2,643,911)	
MORTGAGE REVENUE BONDS TO BE PAID BY ENTERPRISE FUND REVENUE	(3,900,000)	
GENERAL OBLIGATION NOTES TO BE PAID ENTERPRISE FUND REVENUES	<u>(100,000)</u>	
TOTAL	<u>3,159,478</u>	
(1) LESS: BOND RETIREMENT FUND BALANCE	<u>(51,150)</u>	
NET SUBJECT TO 5 1/2% LIMITATION		<u>3,108,328</u>
		<u>\$8,611,261</u>

(1) BOND RETIREMENT FUND BALANCE DOES NOT INCLUDE AMOUNT AVAILABLE FOR SPECIAL ASSESSMENTS

TABLE 9

**CITY OF FRANKLIN, OHIO
 RATIO OF NET GENERAL BONDED DEBT
 TO ASSESSED VALUE AND NET BONDED DEBT PER CAPITA
 LAST TEN YEARS**

YEAR	POPULATION	ASSESSED VALUE	GROSS BONDED DEBT	DEBT SERVICE BALANCE	NET BONDED DEBT (1)	RATIO OF NET BONDED DEBT TO ASSESSED VALUATION	NET BONDED DEBT PER CAPITA
1991	11,034	\$98,165,321	\$1,715,998	\$18,011	\$1,697,987	1.73	\$153.89
1992	11,034	102,754,575	1,680,664	0	1,680,664	1.64	152.32
1993	11,034	107,934,532	1,643,998	11,634	1,632,364	1.51	147.94
1994	11,034	121,290,193	1,767,332	46,609	1,720,723	1.42	155.95
1995	11,034	125,204,924	1,695,665	19,229	1,676,436	1.34	151.93
1996	11,034	136,168,889	1,603,998	0	1,603,998	1.18	145.37
1997	11,034	150,431,349	1,505,998	37,138	1,468,860	0.97	133.12
1998	11,034	161,336,775	1,392,998	38,123	1,354,875	0.84	122.79
1999	11,034	170,851,857	1,395,000	0	1,395,000	0.82	126.43
2000	11,334	213,083,444	1,160,000	51,150	1,108,850	0.52	97.83

SOURCE: Population figures are taken from the 1990 Census.

(1) Includes only General Obligation Bonds payable from Property Taxes

**RATIO OF ANNUAL DEBT PRINCIPAL AND INTEREST EXPENDITURES
FOR GENERAL OBLIGATION BONDED DEBT TO TOTAL GENERAL FUND EXPENDITURES
LAST TEN YEARS**

YEAR	DEBT PRINCIPAL (1)	DEBT INTEREST	TOTAL DEBT SERVICE	GENERAL FUND EXPENDITURES	RATIO OF DEBT PRINCIPAL AND INTEREST TO GENERAL FUND EXPENDITURES
1991	\$40,334	\$64,827	\$105,161	\$2,558,211	4.1 %
1992	35,334	63,554	98,888	2,374,804	4.2
1993	36,666	62,167	98,833	2,447,110	4.0
1994	41,666	61,072	102,738	2,730,595	3.8
1995	71,667	81,955	153,622	3,203,932	4.8
1996	91,667	102,945	194,612	3,401,942	5.7
1997	98,000	90,713	188,713	3,596,809	5.2
1998	113,000	85,988	198,988	4,837,172	4.1
1999	118,000	79,965	197,965	4,147,016	4.8
2000	115,000	74,190	189,190	4,817,516	3.9

SOURCE: City of Franklin's Finance Office

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

CITY OF FRANKLIN, OHIO
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
DECEMBER 31, 2000

TABLE 11

JURISDICTION	NET DEBT OUTSTANDING (1)	PERCENTAGE APPLICABLE TO CITY OF FRANKLIN	AMOUNT APPLICABLE TO CITY OF FRANKLIN
CITY OF FRANKLIN	\$1,135,009	100.00%	\$1,135,009
WARREN COUNTY	13,037,369	6.09	<u>793,976</u>
TOTAL			<u><u>\$1,928,985</u></u>

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

(1) Includes only general obligation bonded debt payable from property taxes less Debt Service balance.

SOURCE: Warren County Auditor's Office

**CITY OF FRANKLIN, OHIO
REVENUE BOND COVERAGE
WATER FUND
LAST TEN YEARS (1)**

TABLE 12

YEAR	OPERATING REVENUES	OPERATING EXPENSES (2)	NET REVENUE AVAILABLE FOR DEBT SERVICE	DEBT SERVICE REQUIREMENTS			COVERAGE
				PRINCIPAL	INTEREST	TOTAL	
1991	\$738,199	\$510,673	\$227,526	\$20,000	\$5,850	\$25,850	8.80
1992	874,143	508,587	365,556	20,000	4,550	24,550	14.89
1993	664,380	540,207	124,173	25,000	3,250	28,250	4.40
1994	0	0	0	0	0	0	0.00
1995	0	0	0	0	0	0	0.00
1996	0	0	0	0	0	0	0.00
1997	1,443,971	797,484	646,487	45,000	200,370	245,370	2.63
1998	2,473,634	1,496,659	976,975	85,000	219,267	304,267	3.21
1999	2,129,119	1,374,631	754,488	90,000	209,795	299,795	2.52
2000	1,932,016	1,546,655	385,361	95,000	224,404	319,404	1.21

SOURCE: City of Franklin's Finance Office

- (1) Water Revenue Debt was retired in 1993 and no Water Revenue Debt was issued until 1996. 1996 information is not shown, even though there were operating revenues and expenses, because there were no payments made.
- (2) Operating Expenses less Depreciation Expense

**CITY OF FRANKLIN, OHIO
 DEMOGRAPHIC STATISTICS
 LAST TEN YEARS**

TABLE 13

YEAR	POPULATION (1)	SCHOOL ENROLLMENT (2)	UNEMPLOYMENT RATE WARREN COUNTY (3)
1991	11,034	3,231	5.3%
1992	11,034	3,185	6.0
1993	11,034	3,120	5.7
1994	11,034	3,300	3.6
1995	11,034	3,089	3.9
1996	11,034	3,067	3.8
1997	11,034	3,129	3.2
1998	11,034	3,129	3.3
1999	11,034	3,106	3.3
2000	11,334	3,129	3.0

(1) SOURCE: U.S. Census, Census of population - 1990 Federal Census

(2) SOURCE: Franklin Board of Education

(3) SOURCE: Ohio Bureau Employment Services - research and statistics

TABLE 14

**CITY OF FRANKLIN, OHIO
CONSTRUCTION, BANK DEPOSITS AND PROPERTY VALUE
LAST TEN YEARS**

YEAR	RESIDENTIAL CONSTRUCTION (1)		COMMERCIAL CONSTRUCTION (1)		CITY BANK DEPOSITS (2)	COUNTY BANK DEPOSITS (2)	REAL PROPERTY VALUE		
	NUMBER OF PERMITS	VALUE	NUMBER OF PERMITS	VALUE			RESIDENTIAL/ AGRICULTURAL	INDUSTRIAL/ COMMERCIAL	EXEMPT
1991	65	\$5,862,081	29	\$7,907,589	\$41,226	\$342,162	\$46,405,900	\$23,586,520	\$10,821,250
1992	45	1,272,798	48	11,659,540	46,891	367,097	47,182,660	24,780,020	10,555,120
1993	69	1,697,536	37	967,294	50,395	411,164	47,632,080	26,596,790	12,032,000
1994	71	932,580	64	13,041,131	50,081	422,581	57,900,280	27,046,960	13,821,600
1995	110	2,066,176	49	13,937,554	56,783	460,950	59,180,290	27,619,740	14,356,760
1996	107	3,191,104	139	8,887,058	66,190	465,584	59,994,860	33,656,010	10,814,790
1997	270	17,810,740	52	13,870,554	74,162	523,595	70,149,920	36,137,840	10,563,810
1998	245	9,160,298	91	20,227,681	83,877	521,795	75,340,826	38,811,944	11,022,020
1999	306	9,907,829	81	9,587,352	88,503	533,873	79,283,653	40,843,097	10,772,760
2000	135	9,740,536	28	9,876,112	95,496	569,566	97,605,930	47,253,450	13,337,240

(1) SOURCE: City of Franklin Building Department

(2) SOURCE: Federal Reserve Bank of Cleveland (note: dollar amounts are in thousands)

**CITY OF FRANKLIN, OHIO
 MISCELLANEOUS STATISTICS
 DECEMBER 31, 2000**

TABLE 15

DATE OF INCORPORATION	1814
CITY STATUS	1951
	CHARTER - COUNCIL/MANAGER
AREA	8.4 Miles
MILES OF STREETS	62.84
NUMBER OF STREET LIGHTS	867
POLICE PROTECTION	
NUMBER OF STATIONS	1
NUMBER OF POLICEMEN AND OFFICERS	28
EDUCATION (K-12) (PUBLIC ONLY)	8
ADMINISTRATION BUILDINGS	1
BUS GARAGE	1
ATTENDANCE CENTERS	8
NUMBER OF CLASSROOMS	201
NUMBER OF TEACHERS	203
NUMBER OF STUDENTS	3,129
MUNICIPAL WATER DEPARTMENT	
MILES OF WATER MAINS	51 Miles
SEWERS	
MILES OF SANITARY SEWERS	49.26 Miles
BUILDING PERMITS ISSUED IN 2000	163
RECREATION AND CULTURE	
NUMBER OF PARKS	6
NUMBER OF LIBRARIES	1
EMPLOYEES	
FULL-TIME	74
PART-TIME	
YEAR ROUND	6
SEASONAL	2

SOURCE: Various departments within the City of Franklin

CITY OF FRANKLIN

SUPPLEMENTAL REPORTS

DECEMBER 31, 2000

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CITY OF FRANKLIN

TABLE OF CONTENTS

Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed In Accordance With <i>Government Auditing Standards</i>	1 - 2
Schedule of Findings	3 - 5

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TRIMBLE, JULIAN & GRUBE, INC.

"SERVING OHIO LOCAL GOVERNMENTS"

1445 Worthington Woods Boulevard
Suite B
Worthington, Ohio 43085

Telephone 614.846.1899
Facsimile 614.846.2799

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

Mayor and Members of Council
City of Franklin
35 East Fourth Street
Franklin, Ohio 45005

We have audited the general purpose financial statements of the City of Franklin as of and for the year ended December 31, 2000, and have issued our report thereon dated June 1, 2001. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the City of Franklin general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that is required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2000-COF-001, 2000-COF-002, and 2000-COF-003. We also noted certain immaterial instances of noncompliance that we have reported to the management of the City of Franklin in a separate letter dated June 1, 2001.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Franklin's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted certain matters involving the internal control over financial reporting, that do not require inclusion in this report, that we have reported to the management of the City of Franklin in a separate letter dated June 1, 2001.

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

Trimble, Julian & Grube, Inc.

Trimble, Julian & Grube, Inc.
June 1, 2001

**CITY OF FRANKLIN
WARREN COUNTY, OHIO
DECEMBER 31, 2000**

SCHEDULE OF FINDINGS

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

Finding Number	2000-COF-001
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Ohio Revised Code Section 5705.41 (B) requires that no subdivision is to expend money unless it has been appropriated.

It was noted during the audit that for the year ended December 31, 2000 the City had expenditures exceeding appropriations in the following funds:

<u>Fund Type/Fund</u>	<u>Appropriations</u>	<u>Expenditures</u>	<u>Excess</u>
General Fund:			
General Government			
Clerk and Council			
Personal Services	\$66,442	\$67,024	(\$582)
Planning Commission			
Personal Services	0	735	(735)
Special Appropriations			
Personal Services	0	33	(33)

With expenditures exceeding appropriations, the City is unlawfully expending monies that have not been appropriated.

We recommend that the City comply with the Ohio Revised Code and the Auditor of State Bulletin 97-010 by monitoring expenditures so they do not exceed lawful appropriations and amending the budget prior to year end. This may be achieved by monitoring the budget more closely on a continual basis.

**CITY OF FRANKLIN
WARREN COUNTY, OHIO
DECEMBER 31, 2000**

SCHEDULE OF FINDINGS

**1. FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS - (Continued)**

Finding Number	2000-COF-002
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Ohio Revised Code Section 5705.39 requires that no subdivisions appropriations are to exceed estimated resources by fund.

It was noted during the audit that the City had appropriations exceeding estimated resources in the following funds:

<u>Fund Type/Fund</u>	<u>Estimated Resources</u>	<u>Appropriations</u>	<u>Excess</u>
Special Revenue:			
Miami Conservancy District	\$24,788	\$25,000	(\$212)
Indigent Driver's Alcohol Treatment	48,900	50,000	(1,100)
Fireman's Indemnity	14,961	15,000	39

With appropriations exceeding estimated resources, the City is spending monies that are not lawfully appropriated for those purposes and thus could result in a fund deficit.

We recommend that the City comply with the Ohio Revised Code and Auditor of State Bulletin 97-010 by keeping more accurate appropriations versus estimated resources records and amending the budget prior to year end. If it is determined that estimated revenues will be greater than initially anticipated, the City should amend its official estimate in order to provide for any additional appropriations; however, appropriations should not exceed estimated resources.

**CITY OF FRANKLIN
WARREN COUNTY, OHIO
DECEMBER 31, 2000**

SCHEDULE OF FINDINGS

1. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS - (Continued)

Finding Number	2000-COF-003
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Ohio Revised Code Section 5705.10 in part requires that money paid into any fund shall be expended only after such fund receives monies to cover expenditures.

It was noted during the audit, that the City maintained a negative cash fund balance at December 31, 2000, in the Special Revenue fund: County Vehicle Tax in the amount of \$60,000.

The City has spent monies not available to that fund and thus causing noncompliance. No fund should have a negative cash fund balance throughout the year or at year end.

We recommend that the City properly expend monies only after funds have been received and subsequent to proper appropriation. If funds are anticipated, but not yet received and expenditures are necessary, the City should advance or transfer funds from the General Fund with proper Council approval.



STATE OF OHIO
OFFICE OF THE AUDITOR

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CITY OF FRANKLIN

WARREN COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JULY 24, 2001**