



**CITY OF PICKERINGTON  
FAIRFIELD COUNTY**

**REGULAR AUDIT**

**FOR THE YEAR ENDED DECEMBER 31, 2000**



**JIM PETRO**  
**AUDITOR OF STATE**  

---

**STATE OF OHIO**



**CITY OF PICKERINGTON  
FAIRFIELD COUNTY**

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Report of Independent Accountants .....	1
<b>FINANCIAL SECTION</b>	
<b>General Purpose Financial Statements:</b>	
Combined Balance Sheet - All Fund Types and Account Groups .....	3
Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types .....	5
Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Budget Basis) - All Governmental Fund Types .....	6
Combined Statement of Revenues, Expenses and Changes in Retained Earnings - All Proprietary Fund Types .....	8
Combined Statement of Revenues, Expenses and Changes in Fund Equity - Budget and Actual (Budget Basis) - All Proprietary Fund Types .....	10
Combined Statement of Cash Flows - All Proprietary Fund Types .....	12
Notes to the General Purpose Financial Statements .....	15
Statistical Tables .....	45
Report on Compliance and on Internal Control Required By <i>Government Auditing Standards</i> .....	53

**THIS PAGE INTENTIONALLY LEFT BLANK**



STATE OF OHIO  
OFFICE OF THE AUDITOR  
JIM PETRO, AUDITOR OF STATE

35 North Fourth Street  
Columbus, Ohio 43215  
Telephone 614-466-3402  
800-443-9275  
Facsimile 614-728-7199  
www.auditor.state.oh.us

## REPORT OF INDEPENDENT ACCOUNTANTS

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated July 27, 2001 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and 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.

We did not audit the data included in the statistical section of this report and therefore express no opinion thereon.

**JIM PETRO**  
Auditor of State

July 27, 2001

**THIS PAGE INTENTIONALLY LEFT BLANK**

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

	GOVERNMENTAL FUND TYPES				PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPE	ACCOUNT GROUPS		TOTAL (MEMORANDUM ONLY)
	GENERAL	SPECIAL REVENUE	CAPITAL PROJECTS	DEBT SERVICE	ENTERPRISE	INTERNAL SERVICE	AGENCY	GENERAL FIXED ASSETS	GENERAL LONG-TERM OBLIGATIONS	
<u>Assets and Other Debits:</u>										
<u>Assets:</u>										
Equity in Pooled Cash and Cash Equivalents	\$967,237	\$450,037	\$2,030,923	\$469	\$2,507,401	\$69,269	\$0	\$0	\$0	\$6,025,336
Cash and Cash Equivalents in Segregated Accounts	0	0	0	0	0	4,679	421	0	0	5,100
<u>Receivables:</u>										
Property and Other Local Taxes	575,688	394,508	0	0	0	0	0	0	0	970,196
Payment in Lieu of Taxes	0	0	55,181	0	0	0	0	0	0	55,181
Accounts	6,999	1,103	821	0	730,162	0	0	0	0	739,085
Accrued Interest	16,421	13,062	0	0	0	0	0	0	0	29,483
Loans	0	31,815	0	0	0	0	0	0	0	31,815
Due from Other Governments	34,747	30,942	30,718	0	0	0	0	0	0	96,407
Prepaid Items	7,229	10,653	0	0	21,751	1,041	0	0	0	40,674
Inventory of Supplies	15,757	38,156	0	0	72,385	0	0	0	0	126,298
<u>Restricted Assets:</u>										
Cash and Cash Equivalents	0	0	0	0	3,050	0	0	0	0	3,050
Fixed Assets (Net, where applicable, of Accumulated Depreciation)	0	0	0	0	24,188,802	0	0	5,484,239	0	29,673,041
<u>Other Debits:</u>										
Amount Available in General Obligation Bond Retirement Fund	0	0	0	0	0	0	0	0	469	469
Amount to be Provided for Retirement of General Long-Term Obligations	0	0	0	0	0	0	0	0	263,829	263,829
<b>Total Assets and Other Debits</b>	<b>\$1,624,078</b>	<b>\$970,276</b>	<b>\$2,117,643</b>	<b>\$469</b>	<b>\$27,523,551</b>	<b>\$74,989</b>	<b>\$421</b>	<b>\$5,484,239</b>	<b>\$264,298</b>	<b>\$38,059,964</b>

See the accompanying notes to the general purpose financial statements

(Continued)

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

	GOVERNMENTAL FUND TYPES				PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPE	ACCOUNT GROUPS		TOTAL (MEMORANDUM ONLY)
	GENERAL	SPECIAL REVENUE	CAPITAL PROJECTS	DEBT SERVICE	ENTERPRISE	INTERNAL SERVICE	AGENCY	GENERAL FIXED ASSETS	GENERAL LONG-TERM OBLIGATIONS	
<u>Liabilities, Fund Equity and Other Credits:</u>										
<u>Liabilities:</u>										
Accounts Payable	\$129,374	\$27,910	\$29,568	\$0	\$115,123	\$0	\$0	\$0	\$0	\$301,975
Claims Payable	0	0	0	0	0	109,412	0	0	0	109,412
Contracts Payable	0	0	6,500	0	8,633	0	0	0	0	15,133
Retainage Payable	2,142	0	0	0	7,359	0	0	0	0	9,501
Accrued Salaries Payable	18,140	29,507	0	0	9,233	0	0	0	0	56,880
Accrued Interest Payable	0	0	6,408	0	103,320	0	0	0	0	109,728
Due to Other Governments	74,364	65,976	18,094	0	23,979	0	0	0	0	182,413
Liabilities Payable from Restricted Assets:										
Refundable Deposits	0	0	0	0	3,050	0	0	0	0	3,050
Deferred Revenue	364,789	394,508	55,181	0	0	0	0	0	0	814,478
Notes Payable	0	0	2,100,000	0	2,382,131	0	0	0	0	4,482,131
Compensated Absences Payable	4,515	4,185	0	0	48,599	0	0	0	223,305	280,604
General Obligation Revenue Bonds Payable	0	0	0	0	6,045,000	0	0	0	0	6,045,000
Capital Lease Obligations Payable	0	0	0	0	40,728	0	0	0	40,993	81,721
OWDA Loans Payable	0	0	0	0	250,205	0	0	0	0	250,205
Undistributed Monies	0	0	0	0	0	0	421	0	0	421
Total Liabilities	<u>593,324</u>	<u>522,086</u>	<u>2,215,751</u>	<u>0</u>	<u>9,037,360</u>	<u>109,412</u>	<u>421</u>	<u>0</u>	<u>264,298</u>	<u>12,742,652</u>
<u>Fund Equity and Other Credits:</u>										
Investment in General Fixed Assets	0	0	0	0	0	0	0	5,484,239	0	5,484,239
Contributed Capital	0	0	0	0	14,703,590	0	0	0	0	14,703,590
Retained Earnings:										
Unreserved	0	0	0	0	3,782,601	(34,423)	0	0	0	3,748,178
Fund Balances:										
Reserved for Encumbrances	162,292	155,149	245,431	0	0	0	0	0	0	562,872
Reserved for Inventory	15,757	38,156	0	0	0	0	0	0	0	53,913
Reserved for Unclaimed Monies	249	0	0	0	0	0	0	0	0	249
Reserved for Loans Receivable	0	31,815	0	0	0	0	0	0	0	31,815
Unreserved (Deficit)	852,456	223,070	(343,539)	469	0	0	0	0	0	732,456
Total Fund Equity and Other Credits	<u>1,030,754</u>	<u>448,190</u>	<u>(98,108)</u>	<u>469</u>	<u>18,486,191</u>	<u>(34,423)</u>	<u>0</u>	<u>5,484,239</u>	<u>0</u>	<u>25,317,312</u>
Total Liabilities, Fund Equity and Other Credits	<u>\$1,624,078</u>	<u>\$970,276</u>	<u>\$2,117,643</u>	<u>\$469</u>	<u>\$27,523,551</u>	<u>\$74,989</u>	<u>\$421</u>	<u>\$5,484,239</u>	<u>\$264,298</u>	<u>\$38,059,964</u>

See the accompanying notes to the general purpose financial statements



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

	GENERAL	SPECIAL REVENUE	CAPITAL PROJECTS	DEBT SERVICE	TOTAL (MEMORANDUM ONLY)
<u>Revenues:</u>					
Property Taxes	\$401,706	\$396,343	\$0	\$0	\$798,049
Municipal Income Taxes	2,445,555	0	0	0	2,445,555
Intergovernmental	530,988	318,234	572,442	0	1,421,664
Charges for Services	308,461	220,623	0	0	529,084
Fees, Permits and Fines	498,346	47,707	44,828	0	590,881
Payment in Lieu of Taxes	0	0	90,578	0	90,578
Interest	218,623	5,012	28,652	0	252,287
Other	17,006	6,458	16,162	0	39,626
Total Revenues	<u>4,420,685</u>	<u>994,377</u>	<u>752,662</u>	<u>0</u>	<u>6,167,724</u>
<u>Expenditures:</u>					
Current:					
Security of Persons and Property	35,061	1,825,907	0	0	1,860,968
Public Health Services	54,469	0	0	0	54,469
Leisure Time Activities	13,715	431,081	0	0	444,796
Community Environment	609,935	0	0	0	609,935
Transportation	114,345	468,256	0	0	582,601
General Government	1,723,156	2,659	0	0	1,725,815
Capital Outlay	0	126,431	1,493,761	0	1,620,192
Debt Service:					
Principal Retirement	0	12,110	0	0	12,110
Interest and Fiscal Charges	0	3,042	36,831	0	39,873
Total Expenditures	<u>2,550,681</u>	<u>2,869,486</u>	<u>1,530,592</u>	<u>0</u>	<u>6,950,759</u>
Excess of Revenues Over (Under) Expenditures	<u>1,870,004</u>	<u>(1,875,109)</u>	<u>(777,930)</u>	<u>0</u>	<u>(783,035)</u>
<u>Other Financing Sources (Uses):</u>					
Operating Transfers - In	0	1,591,999	528,744	0	2,120,743
Operating Transfers - Out	(2,120,743)	0	0	0	(2,120,743)
Total Other Financing Sources (Uses)	<u>(2,120,743)</u>	<u>1,591,999</u>	<u>528,744</u>	<u>0</u>	<u>0</u>
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(250,739)	(283,110)	(249,186)	0	(783,035)
Fund Balances at Beginning of Year	1,273,597	729,082	151,078	469	2,154,226
Increase in Reserve for Inventory	7,896	2,218	0	0	10,114
Fund Balances at End of Year	<u>\$1,030,754</u>	<u>\$448,190</u>	<u>(\$98,108)</u>	<u>\$469</u>	<u>\$1,381,305</u>

See accompanying notes to the general purpose financial statements

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

	GENERAL FUND			SPECIAL REVENUE FUNDS		
	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE
<b>Revenues:</b>						
Property Taxes	\$362,000	\$401,538	\$39,538	\$385,000	\$396,343	\$11,343
Municipal Income Taxes	2,250,000	2,480,503	230,503	0	0	0
Intergovernmental	701,417	592,598	(108,819)	402,558	380,300	(22,258)
Charges for Services	225,125	323,061	97,936	191,720	216,642	24,922
Fees, Permits and Fines	314,975	506,570	191,595	28,480	28,522	42
Payment in Lieu of Taxes	0	0	0	0	0	0
Interest	250,280	204,319	(45,961)	8,940	8,615	(325)
Other	4,225	13,556	9,331	14,928	8,239	(6,689)
<b>Total Revenues</b>	<b>4,108,022</b>	<b>4,522,145</b>	<b>414,123</b>	<b>1,031,626</b>	<b>1,038,661</b>	<b>7,035</b>
<b>Expenditures:</b>						
<b>Current:</b>						
Security of Persons and Property	33,375	33,573	(198)	1,911,642	1,896,368	15,274
Public Health Services	54,565	54,559	6	0	0	0
Leisure Time Activities	13,716	13,715	1	475,702	436,519	39,183
Community Environment	647,524	631,445	16,079	22,609	4,000	18,609
Transportation	0	0	0	563,750	646,507	(82,757)
General Government	1,781,768	1,776,860	4,908	8,000	2,659	5,341
Other	141,310	111,715	29,595	0	0	0
Capital Outlay	0	0	0	0	0	0
<b>Debt Service:</b>						
Principal Retirement	0	0	0	0	0	0
Interest and Fiscal Charges	0	0	0	0	0	0
<b>Total Expenditures</b>	<b>2,672,258</b>	<b>2,621,867</b>	<b>50,391</b>	<b>2,981,703</b>	<b>2,986,053</b>	<b>(4,350)</b>
Excess of Revenues Over (Under) Expenditures	1,435,764	1,900,278	464,514	(1,950,077)	(1,947,392)	2,685
<b>Other Financing Sources (Uses):</b>						
Sale of Fixed Assets	1,000	0	(1,000)	1,000	0	(1,000)
Advances-In	84,453	84,453	0	0	0	0
Advances-Out	0	0	0	0	0	0
Operating Transfers - In	0	(1)	(1)	1,567,000	1,591,999	24,999
Operating Transfers - Out	(2,136,813)	(2,126,449)	10,364	(930)	0	930
Proceeds of Bonds	0	0	0	0	0	0
Proceeds from Sale of Notes	0	0	0	0	0	0
Other Financing Sources	0	0	0	0	0	0
Other Financing Uses	0	0	0	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>(2,051,360)</b>	<b>(2,041,997)</b>	<b>9,363</b>	<b>1,567,070</b>	<b>1,591,999</b>	<b>24,929</b>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(615,596)	(141,719)	473,877	(383,007)	(355,393)	27,614
Fund Balances at Beginning of Year	622,114	622,114	0	432,543	432,543	0
Prior Year Encumbrances Appropriated	227,797	227,797	0	195,098	195,100	2
<b>Fund Balances at End of Year</b>	<b>\$234,315</b>	<b>\$708,192</b>	<b>\$473,877</b>	<b>\$244,634</b>	<b>\$272,250</b>	<b>\$27,616</b>

See the accompanying notes to the general purpose financial statements

(Continued)

CAPITAL PROJECTS FUNDS			DEBT SERVICE FUND			TOTAL (MEMORANDUM ONLY)		
REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE
\$0	\$0	\$0	\$0	\$0	\$0	\$747,000	\$797,881	\$50,881
0	0	0	0	0	0	2,250,000	2,480,503	230,503
541,735	545,061	3,326	0	0	0	1,645,710	1,517,959	(127,751)
0	0	0	0	0	0	416,845	539,703	122,858
39,960	44,269	4,309	0	0	0	383,415	579,361	195,946
85,750	90,578	4,828	0	0	0	85,750	90,578	4,828
540	27,318	26,778	1,316	9,635	8,319	261,076	249,887	(11,189)
21,350	20,900	(450)	0	0	0	40,503	42,695	2,192
<u>689,335</u>	<u>728,126</u>	<u>38,791</u>	<u>1,316</u>	<u>9,635</u>	<u>8,319</u>	<u>5,830,299</u>	<u>6,298,567</u>	<u>468,268</u>
0	0	0	0	0	0	\$1,945,017	\$1,929,941	15,076
0	0	0	0	0	0	54,565	54,559	6
0	0	0	0	0	0	489,418	450,234	39,184
0	0	0	0	0	0	670,133	635,445	34,688
0	0	0	0	0	0	563,750	646,507	(82,757)
0	0	0	0	0	0	1,789,768	1,779,519	10,249
0	0	0	0	0	0	141,310	111,715	29,595
2,800,384	1,739,399	1,060,985	0	0	0	2,800,384	1,739,399	1,060,985
0	0	0	3,230,000	3,230,000	0	3,230,000	3,230,000	0
0	0	0	443,170	443,170	0	443,170	443,170	0
<u>2,800,384</u>	<u>1,739,399</u>	<u>1,060,985</u>	<u>3,673,170</u>	<u>3,673,170</u>	<u>0</u>	<u>12,127,515</u>	<u>11,020,489</u>	<u>1,107,026</u>
<u>(2,111,049)</u>	<u>(1,011,273)</u>	<u>1,099,776</u>	<u>(3,671,854)</u>	<u>(3,663,535)</u>	<u>8,319</u>	<u>(6,297,216)</u>	<u>(4,721,922)</u>	<u>1,575,294</u>
0	0	0	0	0	0	2,000	0	(2,000)
0	0	0	0	0	0	84,453	84,453	0
(84,453)	(84,453)	0	0	0	0	(84,453)	(84,453)	0
385,975	385,975	0	1,073,160	1,072,639	(521)	3,026,135	3,050,612	24,477
0	0	0	0	0	0	(2,137,743)	(2,126,449)	(11,294)
0	0	0	0	0	0	0	0	0
1,595,000	1,775,000	180,000	2,600,000	2,600,000	0	4,195,000	4,375,000	180,000
0	0	0	9	0	(9)	9	0	(9)
0	0	0	0	0	0	0	0	0
<u>1,896,522</u>	<u>2,076,522</u>	<u>180,000</u>	<u>3,673,169</u>	<u>3,672,639</u>	<u>(530)</u>	<u>5,085,401</u>	<u>5,299,163</u>	<u>191,174</u>
(214,527)	1,065,249	1,279,776	1,315	9,104	7,789	(1,211,815)	577,241	1,789,056
376,491	376,491	0	469	469	0	1,431,617	1,431,617	0
326,352	326,352	0	0	0	0	749,247	749,249	2
<u>\$488,316</u>	<u>\$1,768,092</u>	<u>\$1,279,776</u>	<u>\$1,784</u>	<u>\$9,573</u>	<u>\$7,789</u>	<u>\$969,049</u>	<u>\$2,758,107</u>	<u>\$1,789,058</u>

CITY OF PICKERINGTON, OHIO  
 COMBINED STATEMENT OF REVENUES, EXPENSES AND  
 CHANGES IN RETAINED EARNINGS  
 ALL PROPRIETARY FUND TYPES  
 FOR THE YEAR ENDED DECEMBER 31, 2000

	<u>ENTERPRISE</u>	<u>INTERNAL SERVICE</u>	<u>TOTAL (MEMORANDUM ONLY)</u>
<u>Operating Revenues:</u>			
Charges for Services	\$1,964,566	\$403,540	\$2,368,106
Tap-In Fees	99,454	0	99,454
Other Operating	30,995	0	30,995
Total Operating Revenues	<u>2,095,015</u>	<u>403,540</u>	<u>2,498,555</u>
<u>Operating Expenses:</u>			
Personal Services	643,268	0	643,268
Contractual Services	676,867	172,801	849,668
Supplies and Materials	300,044	0	300,044
Depreciation	625,447	0	625,447
Claims	0	263,040	263,040
Total Operating Expenses	<u>2,245,626</u>	<u>435,841</u>	<u>2,681,467</u>
Operating Loss	<u>(150,611)</u>	<u>(32,301)</u>	<u>(182,912)</u>
<u>Non-Operating Revenues (Expenses):</u>			
Interest	64,256	199	64,455
Interest and Fiscal Charges	(454,054)	0	(454,054)
Loss on Disposal of Fixed Assets	(20,641)	0	(20,641)
Total Non-Operating Revenues (Expenses)	<u>(410,439)</u>	<u>199</u>	<u>(410,240)</u>
Net Loss	<u>(561,050)</u>	<u>(32,102)</u>	<u>(593,152)</u>
Retained Earnings (Deficit) at Beginning of Year	<u>4,343,651</u>	<u>(2,321)</u>	<u>4,341,330</u>
Retained Earnings (Deficit ) at End of Year	<u>\$3,782,601</u>	<u>(\$34,423)</u>	<u>\$3,748,178</u>

See the accompanying notes to the general purpose financial statements

**THIS PAGE INTENTIONALLY LEFT BLANK**

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

	ENTERPRISE FUNDS		
	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<u>Revenues:</u>			
Charges for Services	\$1,882,606	\$1,950,018	\$67,412
Tap-In Fees	829,156	1,078,695	249,539
Other	650	7,999	7,349
Interest	37,000	82,829	45,829
Utility Deposits Received	700	950	250
Sale of Fixed Assets	20,100	20,000	(100)
 Total Revenues	 2,770,212	 3,140,491	 370,279
<u>Expenses:</u>			
Current:			
Personal Services	684,344	634,135	50,209
Contractual Services	851,918	887,225	(35,307)
Supplies and Materials	285,850	291,178	(5,328)
Claims	0	0	0
Utility Deposits Returned	1,000	500	500
Capital Outlay	1,095,856	1,735,342	(639,486)
Debt Service:			
Principal Retirement	26,334	26,334	0
Interest and Fiscal Charges	16,496	16,496	0
 Total Expenses	 2,961,798	 3,591,210	 (629,412)
 Excess of Revenues Under Expenses Before Transfers	 (191,586)	 (450,719)	 (259,133)
 Operating Transfers - Out	 (947,827)	 (929,870)	 17,957
 Excess of Revenues Under Expenses and Operating Transfers	 (1,139,413)	 (1,380,589)	 (241,176)
 Fund Equity at Beginning of Year	 1,924,588	 1,924,588	 0
Prior Year Encumbrances Appropriated	1,084,512	1,084,513	0
 Fund Equity at End of Year	 \$1,869,687	 \$1,628,512	 (\$241,175)

See the accompanying notes to the general purpose financial statements

INTERNAL SERVICE FUND			TOTAL (MEMORANDUM ONLY)		
REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
\$404,000	\$403,540	(\$460)	\$2,286,606	\$2,353,558	\$66,952
0	0	0	829,156	1,078,695	249,539
0	0	0	650	7,999	7,349
0	0	0	37,000	82,829	45,829
0	0	0	700	950	250
0	0	0	20,100	20,000	(100)
<u>404,000</u>	<u>403,540</u>	<u>(460)</u>	<u>3,174,212</u>	<u>3,544,031</u>	<u>369,819</u>
0	0	0	684,344	634,135	50,209
2,245	2,244	1	854,163	889,469	(35,306)
	0	0	285,850	291,178	(5,328)
469,455	404,248	65,207	469,455	404,248	65,207
0	0	0	1,000	500	500
0	0	0	1,095,856	1,735,342	(639,486)
0	0	0	26,334	26,334	0
0	0	0	16,496	16,496	0
<u>471,700</u>	<u>406,492</u>	<u>65,208</u>	<u>3,433,498</u>	<u>3,997,702</u>	<u>(564,204)</u>
(67,700)	(2,952)	64,748	(259,286)	(453,671)	(194,385)
<u>0</u>	<u>0</u>	<u>0</u>	<u>(947,827)</u>	<u>(929,870)</u>	<u>17,957</u>
(67,700)	(2,952)	64,748	(1,207,113)	(1,383,541)	(176,428)
72,022	72,022	0	1,996,610	1,996,610	0
0	0	0	1,084,512	1,084,513	1
<u>\$4,322</u>	<u>\$69,070</u>	<u>\$64,748</u>	<u>\$1,874,009</u>	<u>\$1,697,582</u>	<u>(\$176,427)</u>

See the accompanying notes to the general purpose financial statements

CITY OF PICKERINGTON, OHIO  
 COMBINED STATEMENT OF CASH FLOWS  
 ALL PROPRIETARY FUND TYPES  
 FOR THE YEAR ENDED DECEMBER 31, 2000

	<u>ENTERPRISE</u>	<u>INTERNAL SERVICE</u>	<u>TOTAL (MEMORANDUM ONLY)</u>
Increase (Decrease) in <u>Cash and Cash Equivalents:</u>			
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$2,049,471	\$0	\$2,049,471
Cash Received from Quasi-External Transactions from Other Funds	0	403,540	403,540
Cash Payments to Employees for Services and Benefits	(616,815)	0	(616,815)
Cash Payments to Suppliers for Goods and Services	(945,184)	(172,801)	(1,117,985)
Cash Payments for Claims	0	(229,012)	(229,012)
Utility Deposits Received	950	0	950
Utility Deposits Returned	(500)	0	(500)
Other Non-Operating Revenue	30,995	0	30,995
Net Cash Provided by Operating Activities	<u>518,917</u>	<u>1,727</u>	<u>520,644</u>
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Acquisition of Capital Assets	(1,100,313)	0	(1,100,313)
Proceeds from Sale of Assets	20,000	0	20,000
Proceeds from Issuing Notes	2,275,000	0	2,275,000
Proceeds from Sale of Bonds	0	0	0
Principal Paid on Notes Payable	(2,575,000)	0	(2,575,000)
Principal Paid on General Obligation Revenue Bonds Payable	(205,000)	0	(205,000)
Principal Paid on OWDA Loans Payable	(13,730)	0	(13,730)
Interest Paid on Notes Payable	(91,532)	0	(91,532)
Interest Paid on General Obligation Revenue Bonds Payable	(333,400)	0	(333,400)
Interest Paid on OWDA Loans Payable	(16,496)	0	(16,496)
Principal Paid on Issue 2 Notes Payable	(12,604)	0	(12,604)
Principal Paid on Capital Leases	(11,929)	0	(11,929)
Contributed Capital by Customers	979,241	0	979,241
Net Cash Used for Capital and Related Financing Activities	<u>(1,085,763)</u>	<u>0</u>	<u>(1,085,763)</u>
<u>Cash Flows from Investing Activities:</u>			
Interest	64,256	199	64,455
Net Increase (Decrease) in Cash and Cash Equivalents	(502,590)	1,926	(500,664)
Cash and Cash Equivalents Beginning of Year	<u>3,013,041</u>	<u>72,022</u>	<u>3,085,063</u>
Cash and Cash Equivalents End of Year	<u>\$2,510,451</u>	<u>\$73,948</u>	<u>\$2,584,399</u>

(Continued)



CITY OF PICKERINGTON, OHIO  
 COMBINED STATEMENT OF CASH FLOWS  
 ALL PROPRIETARY FUND TYPES  
 FOR THE YEAR ENDED DECEMBER 31, 2000

	ENTERPRISE	INTERNAL SERVICE	TOTAL (MEMORANDUM ONLY)
<u>Reconciliation of Operating Loss</u> <u>to Net Cash Provided by Operating Activities:</u>			
Operating Loss	(\$150,611)	(\$32,301)	(\$182,912)
<u>Adjustments to Reconcile Operating Income</u> <u>to Net Cash Provided by Operating Activities:</u>			
Depreciation	625,447	0	625,447
Changes in Assets and Liabilities:			
Increase in Accounts Receivable	(14,549)	0	(14,549)
Decrease in Inventory Supplies	15,753	0	15,753
Increase in Prepaid Items	(8,584)	(1,041)	(9,625)
Increase in Accounts Payable	90,921	0	90,921
Increase in Claims Payable	0	35,069	35,069
Decrease in Contracts Payable	(52,500)	0	(52,500)
Decrease in Retainage Payable	(14,691)	0	(14,691)
Increase in Accrued Salaries Payable	5,788	0	5,788
Increase in Due to Other Governments	23,490	0	23,490
Decrease in Liabilities Payable from Restricted Assets	450	0	450
Decrease in Compensated Absences Payable	(1,997)	0	(1,997)
Net Cash Provided by Operating Activities	<u>\$518,917</u>	<u>\$1,727</u>	<u>\$520,644</u>

Non-Cash Capital Financing Activities:

Developers contributed \$218,040 and \$357,525 in sewer and water lines respectively during fiscal year 2000.

See the accompanying notes to the general purpose financial statements

**THIS PAGE INTENTIONALLY LEFT BLANK**

CITY OF PICKERINGTON, OHIO  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Pickerington (the "City") is a charter municipal corporation operating under the laws of the State of Ohio. In 1881 Pickerington was incorporated as a village. Pickerington was recognized as a village by the State of Ohio in 1930. The Village of Pickerington adopted a charter on November 4, 1980. On April 29, 1991 Pickerington was declared a City.

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

The financial statements of the City of Pickerington conform to generally accepted accounting principles for local government units as prescribed in the statements issued by Governmental Accounting Standards Board and other recognized authoritative sources. The City also applies Financial Accounting Standards Board Statements and Interpretations issued before November 30, 1989, to its proprietary activities, provided that they do not conflict with or contradict GASB pronouncements. The more significant of the City's accounting policies are described below.

A. Reporting Entity

The City utilizes the Standards of Governmental Accounting Standards Board Statement 14 for determining the reporting entity.

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

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

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

CITY OF PICKERINGTON, OHIO  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2000

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

Pickerington Local School District

Pickerington Public Library

Pickerington Senior Citizens Center, Inc.

The City is associated with certain organizations which are defined as Pools. These organizations are presented in Note 19. The organizations are the Central Ohio Risk Management Association (CORMA) and The Ohio Municipal League Workers' Compensation Group Rating Program.

**B. 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 fund types**

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

**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 major capital projects) that are legally restricted to expenditure for specific purposes.

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

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

CITY OF PICKERINGTON, OHIO  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2000

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 are the City's proprietary fund types:

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.

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

Fiduciary funds

Fiduciary funds are used to account for assets the City holds in a trustee capacity or as an agent for individuals, private organizations, other governments and other funds. The City's only fiduciary funds are Agency Funds which 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 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 - to account for all general fixed assets of the City other than those accounted for in proprietary funds.

General Long-Term Obligations Account Group - to account for all unmatured general long-term indebtedness of the City that is not a specific liability of the proprietary funds.

C. Basis of Accounting

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

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.

CITY OF PICKERINGTON, OHIO  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2000

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

All governmental fund types and agency funds are accounted for using the modified accrual basis of accounting. Under this basis, revenues are recognized in the accounting period when they become both measurable and available. Measurable means the amount of the transaction can be determined and available means collectible within the current year or soon enough thereafter to be used to pay liabilities of the current year. The available period for the City is sixty 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: interest, state-levied locally shared taxes (including gasoline tax), fines and forfeitures and employer-withheld income tax.

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

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, if measurable. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year, and 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 employees earn them.

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

#### D. Budgets and Budgetary Accounting

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

CITY OF PICKERINGTON, OHIO  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2000

Tax Budget

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

Estimated Resources

The County Budget Commission determines if the budget substantiates a need to levy all or part of previously authorized taxes and reviews estimated revenue. The 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 revenues of each fund. Prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations 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 revenues are estimated to be greater or less than amounts previously certified. 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 appropriations 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 appropriations ordinance must be passed by April 1 of each year for the period January 1 to December 31. The appropriations ordinance fixes spending authority at the fund, department and object level. The appropriations 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.

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 plus encumbrances from exceeding appropriations. On the GAAP basis, encumbrances outstanding at year end are reported as reservations of fund balances for subsequent-year expenditures for governmental funds and reported in the notes to 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.

CITY OF PICKERINGTON, OHIO  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2000

E. Cash and Cash Equivalents

To improve cash management, cash received by the City is pooled. Monies for all funds, including proprietary funds, are maintained in this pool. Individual fund integrity is maintained through the City's records. Each fund's interest in the pool is presented as "equity in pooled cash and cash equivalents" on the combined balance sheet.

During 2000, investments were limited to treasury bills, certificates of deposit, STAR Ohio, and repurchase agreements.

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

The City has invested funds in the State Treasury Asset Reserve of Ohio (STAR Ohio) during 2000. 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.

Investment procedures are restricted by the provisions of the Ohio Revised Code. During 2000, interest was distributed to the general fund, certain special revenue funds, and capital projects funds. Interest revenue credited to the general fund during 2000 amounted to \$218,623, which includes \$67,857 assigned from other City funds.

The City has segregated bank accounts for monies held separate from the City's central bank account. These interest bearing depository accounts are presented in the combined balance sheet as "cash and cash equivalents in segregated accounts" since they are not required to be deposited into the City treasury.

For purposes of the combined statement of cash flows and for the presentation on the combined balance sheet, investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the City are considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

F. Inventory of Supplies

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

G. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2000, are recorded as prepaid items using the consumption method recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.



CITY OF PICKERINGTON, OHIO  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2000

H. Restricted Assets

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

I. Fixed Assets and Depreciation

General fixed assets 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 (assets used to provide services accounted for in proprietary funds) are capitalized in the fund that uses them.

All purchased fixed assets are valued at cost when historical records are available and at estimated historical cost when 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 and depreciated over the remaining useful lives of the related fixed assets, as applicable.

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.

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

Buildings	40 years
Improvements to Land Other than Buildings	25 years
Equipment	10-15 years
Vehicles	6 years
Sewer Lines	25 years
Water Lines	25 years

J. Compensated Absences

The City has implemented 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.

CITY OF PICKERINGTON, OHIO  
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2000

For governmental funds, the City records a liability for accumulated unused vacation time when earned for all employees with more than one year of service. The City records a liability for accumulated unused sick leave for employees after five years of service. The current portion of unpaid compensated absences is the amount to be paid using available expendable resources and is reported as an accrued liability in the fund from which the individuals who have accumulated the unpaid compensated absences are paid. The balance of the liability is reported in the General Long-Term Obligations Account Group. In proprietary funds, the entire amount of unpaid compensated absences is reported as a fund liability.

K. 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, contractually required pension contributions and special termination benefits are reported as a liability in the General Long-Term Obligation Account Group to the extent that they will not be paid with current expendable available financial resources. Payments made more than thirty one days after fiscal year end are considered not to have used current available financial resources. Bonds, capital leases 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 proprietary funds.

Under Ohio Law, a debt retirement fund must be created and used for the payment of debt principal and interest. Generally accepted accounting principles require the allocation of the debt liability among the capital projects and the enterprise funds, and the general long-term obligations account group, with principal and interest payments on matured general obligation long-term debt being reported in the debt service fund. To comply with GAAP reporting requirements, the City's debt retirement fund has been split among the appropriate funds and account group. Debt service fund resources used to pay both principal and interest have also been allocated accordingly.

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

Obligation	Fund
Compensated Absences	The fund from which the employee's salary is paid.
Capital Leases	Street Fund and Water Fund
Revenue Bonds	Water Fund and Sewer Fund
OWDA Loans	Sewer Fund
Issue Two Notes	Water Fund

L. 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 investments 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.

CITY OF PICKERINGTON, OHIO  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2000

M. Contributed Capital

Contributed capital represents resources from capacity fees, federal and state grants, and private sources and water and sewer lines donated by developers provided to the City's proprietary funds which are not subject to repayment. Because prior to 1990, the City had not prepared its financial statements in accordance with generally accepted accounting principles, the exact amount of contributed capital pertaining to years prior to 1990 cannot be determined. Only those amounts that could be specifically identified have been classified as contributed capital in the accompanying general purpose financial statements.

N. 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, loans, unclaimed monies and inventories of supplies and materials. Reservation for unclaimed monies is established because by law, unclaimed monies are not available for appropriation until five years have passed.

O. Intergovernmental Revenues

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

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

P. Interfund Transactions

Quasi-external transactions are accounted for as revenues and expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transactions are reported as transfers.

Q. Self-Insurance Fund

The City created a self-insurance internal service fund for the purpose of providing employee health and life insurance benefits. Each fund pays for health care costs through payments to this fund in lieu of insurance premium payments.

R. Total Columns on General Purpose Financial Statements

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

CITY OF PICKERINGTON, OHIO  
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2000

S. Estimates

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

NOTE 2 - ACCOUNTABILITY AND COMPLIANCE

A. Fund Deficits

The following funds had deficit fund balances as of December 31, 2000:

Capital Projects Funds	Deficit Fund Balances
Street Construction Fund	\$418,287
Municipal Building Fund	203,425

The deficits in the capital projects funds were the result of the recognition of payables in accordance with Generally Accepted Accounting Principles. In addition, the Internal Service medical insurance fund had a deficit retained earnings balance of \$34,423 as a result of "GAAP" accounting accruals. The general fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

B. Legal Compliance

The following accounts had expenditures plus encumbrances in excess of appropriations contrary to section 5705.41, Revised Code, however, they did not result in a negative fund balance:

Capital Projects Funds

Police Facilities Fund	
Capital Outlay	
Contractual Services	18,500

Enterprise Funds

Water Fund	
Materials and Supplies	8,441

CITY OF PICKERINGTON, OHIO  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 3 - BUDGETARY BASIS OF ACCOUNTING

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

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

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).
3. Outstanding year-end encumbrances are treated as expenditures/expenses (budget basis) rather than as a reservation of fund balance for governmental fund types or note disclosure for proprietary fund types (GAAP basis).
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 the proprietary funds, the acquisition and construction of capital assets are reported on the operating statement (budget) rather than as balance sheet transactions (GAAP).

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

CITY OF PICKERINGTON, OHIO  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2000

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

	General	Special Revenue	Capital Projects	Debt Service
GAAP Basis	(\$250,739)	(\$283,110)	(\$249,186)	\$0
Adjustments:				
Revenue Accruals	114,303	44,784	(24,536)	0
Unrecorded Cash	(6,581)	(500)	0	0
Change in Fair Value	(6,262)	0	0	0
Expenditure Accruals	175,015	60,720	52,690	0
Encumbrances	(246,202)	(177,287)	(261,497)	0
Debt Principal Payments	0	0	0	(3,230,000)
Interest	0	0	0	(443,170)
Advances-In	84,453	0	0	0
Advances-Out	0	0	(84,453)	0
Operating Transfers-In	0	0	(142,769)	1,072,639
Operating Transfers-Out	(5,706)	0	0	0
Revenue Allocated to Enterprise Funds for Debt Service	0	0	0	8,301
Revenue Allocated to Capital Projects Funds for Debt Service	0	0	0	1,334
Note Proceeds	0	0	1,775,000	2,600,000
Budget Basis	<u>(\$141,719)</u>	<u>(\$355,393)</u>	<u>\$1,065,249</u>	<u>\$9,104</u>

CITY OF PICKERINGTON, OHIO  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2000

Net Income(Loss)/Excess of Revenues Under  
Expenses and Operating Transfers  
Proprietary Fund Types

	Enterprise	Internal Service
GAAP Basis	(561,050)	(\$32,102)
Adjustments:		
Revenue Accruals	(18,971)	0
Unrecorded Cash	0	199
Utility Deposits	450	0
Sale of Fixed Assets	20,000	0
Expense Accruals	483,416	26,349
Loss on Sale of Fixed Assets	20,641	0
Capital Outlay	(1,099,921)	0
Encumbrances	(873,638)	0
Depreciation	625,447	0
Debt Principal Payments	(26,334)	0
Operating Transfers-Out	(929,870)	0
Contributed Capital by Customers	979,241	0
Budget Basis	(\$1,380,589)	(\$2,952)

NOTE 4 - DEPOSITS AND INVESTMENTS

A. 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 the 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.

CITY OF PICKERINGTON, OHIO  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2000

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 pass book 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.

Interim monies Policies and Procedures may be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury or any obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality; including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement exceeds 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 division 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.
3. Obligations of the City.



CITY OF PICKERINGTON, OHIO  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2000

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 specific 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 to transfer from the custodian.

The following information classifies deposits and investments by categories of risk as defined in GASB Statement No. 3, "Deposits with Financial Institutions, Investments (including repurchase agreements), and reverse repurchase agreements."

B. Cash on Hand

At year end, the City had \$7,280 in undeposited cash on hand which is included on the balance sheet of the County as part of "equity in pooled cash and cash equivalents".

C. Deposits

At year end, the carrying amount of the City's deposits was \$817,921 and the bank balance was \$1,573,321. Of the bank balance, \$204,679 was covered by federal deposit insurance and \$1,368,642 was considered uninsured and uncollateralized. Although collateral was held by the pledging financial institution's trust department or agent in the City's name and all State statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the City to a successful claim by the FDIC.

D. Investments

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

CITY OF PICKERINGTON, OHIO  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2000

	Category 2	Category 3	Unclassified	Carrying and Fair Value
STAR Ohio	\$0	\$0	\$1,971,645	\$1,971,645
U.S. Treasury Notes	2,215,763	0	0	2,215,763
Repurchase Agreement	0	1,020,877	0	1,020,877
<b>Total</b>	<b>\$2,215,763</b>	<b>\$1,020,877</b>	<b>\$1,971,645</b>	<b>\$5,208,285</b>

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. Cash equivalents are defined to include investments with original maturities of three months or less, and the City's cash management pool.

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

	Cash and Cash Equivalents	Investments
GASB Statement 9	\$6,033,486	\$0
Unrecorded Cash	(7,280)	0
Investments:		
U.S. Treasury Notes	(2,215,763)	2,215,763
STAR Ohio	(1,971,645)	1,971,645
Repurchase Agreement	(1,020,877)	1,020,877
<b>GASB Statement 3</b>	<b>\$817,921</b>	<b>\$5,208,285</b>

NOTE 5 - 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 assessed value as of January 1, 2000, the lien date. Assessed values are established by State law 35 percent of the 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.

CITY OF PICKERINGTON, OHIO  
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2000

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.

The full tax rate for all City operations for the year ended December 31, 2000, was \$7.40 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:

Real Property	\$160,131,600
Public Utility Real Property	3,559
Public Utility Tangible Personal Property	3,474,040
Tangible Personal Property	5,551,267
Total Assessed Value	\$169,160,466

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

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

The County Treasurer collects property taxes on behalf of Fairfield County, including the City of Pickerington. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable 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.

NOTE 6 - INCOME TAX

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

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

Income tax proceeds are to be used for the purposes of general municipal operations, maintenance, new equipment, extension and enlargement of municipal services and facilities and capital improvements of the City of Pickerington. In 2000, the proceeds were receipted into the General Fund and later allocated to the Street Fund and the Park Capital Improvement Fund. Income tax revenue for 2000 was \$2,445,555.

CITY OF PICKERINGTON, OHIO  
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 7 - RECEIVABLES

Receivables at December 31, 2000, consisted primarily of taxes, intergovernmental receivables arising from grants, loans, entitlements and shared revenues, interest on investments, and utility accounts. All receivables are considered fully collectible.

A summary of intergovernmental receivables follows:

<u>General fund</u>	
Local Government	\$25,710
Tree Removal Reimbursement from Fairfield County	3,450
Estate Tax	<u>5,587</u>
Total General Fund	<u>34,747</u>
 <u>Special revenue funds</u>	
<u>Parks and Recreation Fund</u>	
Park Vandalism Restitution from Common Pleas	442
 <u>Police Fund</u>	
Last Quarter 2000 Fire Runs	3,995
 <u>State Highway Fund</u>	
Gas Tax	1,243
Local Government	427
 <u>Street Fund</u>	
Gas Tax	15,325
Local Government	5,263
Permissive Motor Vehicle License Tax	<u>4,247</u>
Total Special Revenue Funds	<u>30,942</u>
 <u>Capital projects funds</u>	
<u>Park Capital Improvement</u>	
Natureworks Grant Reimbursement	24,375
 <u>State Route 256</u>	
Permissive Motor Vehicle License Tax	<u>6,343</u>
Total Capital Projects Fund	<u>30,718</u>
 Total All Funds	 <u>\$96,407</u>

CITY OF PICKERINGTON, OHIO  
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2000

Payment in Lieu of Taxes

The City entered into Tax Increment Financing Agreements in fiscal year 1997 between the City and Bob Evans Farms, Inc., Pickerington Plaza Limited Partnership, and Steak n Shake, Inc., for the purpose of constructing a movie theater, two restaurants and a retail center. To encourage this improvement, the companies were granted an exemption from paying any property taxes on the new construction; however, payment in lieu of taxes are made to the City in an amount equal to the real property taxes that otherwise would have been due. These payments are being used to finance public improvements and will continue over ten years. A receivable for the amount that will be received by the City in fiscal year 2001 has been recorded in the Tax Increment Financing Capital Projects Fund with a corresponding credit to deferred revenue. The City is not able to record a receivable for the entire amount of all payments because the payments are based upon projected collections. A receivable has been recorded in the amount of \$55,181 which represents amounts measurable at December 31, 2000.

NOTE 8 - FIXED ASSETS

A summary of the enterprise funds' fixed assets at December 31, 2000 follows:

Land	\$685,628
Improvements to Land	
Other than Buildings	467,331
Buildings	12,769,360
Equipment	763,600
Vehicles	189,307
Infrastructure	12,992,306
Construction in Progress	1,987,210
Total	29,854,742
Less: Accumulated Depreciation	(5,665,940)
Net Fixed Assets	\$24,188,802

CITY OF PICKERINGTON, OHIO  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2000

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

Class	Balance January 1, 2000	Additions	Deletions	Balance December 31, 2000
Land	\$509,030	\$20,000	\$0	\$529,030
Improvements to Land Other than Buildings	244,687	39,859	0	284,546
Buildings	1,160,036	0	0	1,160,036
Equipment	2,408,364	250,073	(23,578)	2,634,859
Vehicles	571,855	138,336	(27,360)	682,831
Construction in Progress	22,000	275,263	(104,326)	192,937
Totals	<u>\$4,915,972</u>	<u>\$723,531</u>	<u>\$24,345</u>	<u>\$5,484,239</u>

NOTE 9 - DEFINED BENEFIT PENSION PLANS

A. Public Employees Retirement System

All City full-time employees participate in the Public Employees Retirement System of Ohio (PERS), a cost-sharing multiple employer 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.

The Retirement Board instituted a temporary employer contribution rate rollback for calendar year 2000. The rate rollback was 20% for state and local government divisions and 6% for law enforcement divisions. The 2000 employer contribution rate for state employers was 10.65% of covered payroll. For local government employer units, the rate was 10.84% of covered payroll.

Plan members are required to contribute 8.5 percent of their annual covered salary to fund pension obligations and the City is required to contribute 6.54 percent. Contributions are authorized by State statute. The contribution rates are determined actuarially. The City's contributions to PERS for the years ended December 31, 2000, 1999, and 1998 were \$114,488, \$157,486, and \$143,093 respectively, equal to the required contributions for each year. The full amount has been contributed for 1999 and 1998. 68% has been contributed for 2000 with the remainder being reported as a fund liability.

CITY OF PICKERINGTON, OHIO  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2000

B. Police and Firemen's Disability and Pension Fund

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

The City has no firefighters. Plan members are required to contribute 10 percent of their annual covered salary, while employers are required to contribute 12.25% for police officers. The City's contributions to OP&F for the years ended December 31, 2000, 1999, and 1998 were \$113,734, \$105,641 and \$97,000, respectively, equal to the required contributions for each year. The full amount has been contributed for 1999 and 1998. 72% has been contributed for 2000 with the remainder being reported as a fund liability.

NOTE 10 - POSTEMPLOYMENT BENEFITS

A. Public Employees Retirement System (PERS)

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 Post employment Benefit (OPEB) 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 Ohio Revised Code provides statutory authority for employer contributions.

The employer contribution rate was rolled back for the year 2000. For state employers the rate was 10.65% of covered payroll; 4.30% was the portion that was used to fund health care for the year. For local government employer units the rate was 10.84% of covered payroll; 4.30% was the portion that was used to fund health care for the year. The 2000 employer contribution rate was 8.13 percent of covered payroll for employees not engaged in law enforcement; 4.3 percent was the portion that was used to fund health care for the year 2000.

Benefits were funded on a pay-as-you-go basis. OPEB are financed through employer contributions and investment earnings. The contributions allocated to retiree health care, along with investment income on allocated assets and periodic adjustments in health care provisions, are expected to be sufficient to sustain the program indefinitely. As of December 31, 2000, the unaudited estimated net assets available for future OPEB payments were \$10,805,500. At December 31, 2000, the total number of active contributing participants was 401,339. The City's actual contributions for 2000 which were used to fund OPEB were \$75,275.

CITY OF PICKERINGTON, OHIO  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2000

B. Police and Firemen's Disability and Pension Fund

The Police and Firemen's Disability and Pension Fund (the "Fund") 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 eighteen whether or not he is attending school or under twenty-two if attending school full-time or on a two-thirds basis.

The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in GASB Statement No. 12. The Ohio Revised Code provides the authority allowing the Police and Firemen's Disability and Pension Fund's Board of Trustees to provide health care coverage and states that health care cost paid from the Police and Firemen's Disability and 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 of which 7.25 percent of covered payroll is applied to the postemployment health care program. 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 number of participants eligible to receive health care benefits as of December 31, 1999, (the latest information available) was 12,467 for police and 9,807 for firefighters. The City's actual contributions for 2000 that were used to fund postemployment benefits were \$67,312 for police. The Fund'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.

NOTE 11 - EMPLOYEE BENEFITS

A. Compensated Absences

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

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

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

Unpaid compensated absences of \$8,700 at December 31, 2000, were reported as an accrued liability in the governmental fund types. The liability for compensated absences in the proprietary funds at December 31, 2000, was \$48,599. The balance of the liability is reported in the General Long-Term Obligations Account Group in the amount of \$223,305.



CITY OF PICKERINGTON, OHIO  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 12 - 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 CORMA Insurance Company for property and general liability, automobile liability, boiler and machinery liability, law enforcement liability, and public officials liability.

Under the CORMA program for general liability, law enforcement liability, and public officials liability, the City has \$2,000,000 of total liability coverage for each occurrence. There is no deductible for general liability insurance. The City carries a \$5,000 deductible for both law enforcement and public officials liability insurance. Property insurance is covered to a limit of \$5,000,000 with a \$25,000 deductible. Under automobile liability the City has \$1,000,000 of total liability coverage for each occurrence. Automobile insurance carries a \$500 per vehicle deductible for comprehensive coverage and a \$1,000 per vehicle collision coverage. Boiler and machinery insurance is covered to a limit of \$50,000,000 with various sublimits. The City carries a \$1,000 deductible for boiler and machinery liability. Settlements have not exceeded coverage in any of the last three years. There has not been a significant reduction in coverage from the prior year.

The City participates in the Ohio Municipal League workers' compensation group rating plan (the Plan), an insurance purchasing pool (see Note 19). The Plan is intended to achieve lower workers' compensation rates while establishing safer working conditions and environments for the participants. The workers' compensation experience of the participating municipalities is calculated as one experience in order to create a lower workers' compensation premium rate. Each municipality pays its workers' compensation premium to the State based on the rate for the Plan rather than the municipality's individual rate. In order to allocate the savings derived by the formation of the Plan, and to maximize the number of participants in the Plan, annual calculations are made of the total savings accrued to the Plan through its formation. This savings is then compared to the overall savings percentage of the Plan. Collections of rate contributions from or payments of rate equalization rebates to the various participants are then made. Participation in the Plan is limited to municipalities that can meet the Plan's selection criteria. The firm of Gates McDonald & Company performs claims administration, actuarial cost control, and consulting services for participants. Each year the City pays an enrollment fee to the Plan to cover the costs of administering the program.

The City has elected to provide employee medical, dental, vision and life insurance benefits through a self-insured program. The City maintains a self-insurance internal service fund to account for and finance its uninsured risks of loss in this program. This plan provides a medical plan with a \$100 single and a \$200 family deductible. The City pays 90 percent of medical claims for those employees that use a physician on the City's provider list, and 80 percent for those employees that do not. In addition, the City maintains a dental plan with a \$50 deductible on selected benefits, a vision plan with a \$10-15 deductible and the equivalent of one year's salary for accidental life insurance, with the exception that life insurance for police officers is equal to the amount of their annual wages. The City purchases total stop-loss coverage of \$15,000 per individual, including aggregate stop-loss of \$261,960.

The City pays into the self-insurance internal service fund \$64.81 for single, \$122.44 for a single employee and their children, \$126.91 for a two person family, and \$204.98 for a family which represents the entire premium required. The fund that pays the salary for the employee pays this premium which is based on historical cost information plus \$31.00 per employee for administrative cost.

CITY OF PICKERINGTON, OHIO  
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2000

The liability for unpaid claim costs of \$109,412 reported in the fund at December 31, 2000 is based on the requirements of Governmental Accounting Standards Board Statement No. 10 which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Estimates were calculated by using actual claims reports for several months following the balance sheet date. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses.

Changes in the fund's claims liability in 1999 and 2000 were:

	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
1999	\$14,037	\$287,920	\$227,614	\$74,343
2000	74,343	264,081	229,012	109,412

NOTE 13 - CAPITAL LEASES - LESSEE DISCLOSURE

The City has entered into capital leases for three dump trucks, two copiers, a bulldozer, and its computer equipment. The agreements stipulate that ownership is transferred to the City by the end of the lease terms. The leases meet 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 general purpose financial statements for the governmental funds. Equipment acquired by lease has been capitalized in the general fixed assets account group and a proprietary fund in the amounts of \$438,210 and \$52,657 which are equal to 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 and the Water Enterprise Fund. The Water Enterprise Fund net value of \$50,902 represents the present value in the amount of \$52,657 and the associated accumulated depreciation in the amount of \$1,755. Principal payments towards all capital leases during 2000 totaled \$12,110 for governmental funds and \$11,929 for proprietary funds.

The following is a schedule of the future minimum lease payments at December 31, 2000:

Year	General Long-Term Obligations	Enterprise Fund
2001	\$15,152	\$11,929
2002	15,152	11,929
2003	15,152	11,929
2004	11,930	11,930
Total	45,456	47,717
Less: Amount Representing Interest	(4,463)	(6,989)
Present Value of Net Minimum Lease	\$40,993	\$40,728

CITY OF PICKERINGTON, OHIO  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 14 - LONG-TERM OBLIGATIONS

Changes in the City's long-term obligations during 2000 consist of the following:

	Balance January 1, 2000	Increase	Decrease	Balance December 31, 2000
<u>General Long-Term Obligations</u>				
Compensated Absences	\$229,145	\$201,633	\$207,473	\$223,305
Capital Leases Payable	53,103	0	12,110	40,993
Total General Long-Term Obligations	<u>282,248</u>	<u>201,633</u>	<u>219,583</u>	<u>264,298</u>
<u>Enterprise Funds</u>				
Capital Leases Payable	0	52,657	11,929	40,728
6.25% - 1973 OWDA Loans	263,935	0	13,730	250,205
0.00% - 1993 Issue Two Notes	119,735	0	12,604	107,131
5.85% - 1994 Water System Improvement General Obligation Revenue Bonds	1,270,000	0	55,000	1,215,000
5.50% - 1995 Sanitary Sewer Improvement General Obligation Revenue Bonds	2,190,000	0	90,000	2,100,000
4.85% - 1999 Sanitary Sewer Improvement General Obligation Revenue Bonds	2,790,000	0	60,000	2,730,000
Total Enterprise Funds	<u>6,633,670</u>	<u>52,657</u>	<u>243,263</u>	<u>6,443,064</u>
Total All Types	<u>\$6,915,918</u>	<u>\$254,290</u>	<u>\$462,846</u>	<u>\$6,707,362</u>

CITY OF PICKERINGTON, OHIO  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2000

The sanitary sewer improvement bonds and the water system improvement bonds will be paid from revenues derived by the City from the operation of the sewer and water systems and are backed by the full faith and credit of the City.

The OWDA loans represent amounts borrowed from the Ohio Water Development Authority for the construction of sewer system improvements. The loans will be paid from Sewer Enterprise Fund revenue.

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

As of December 31, 2000, the City's overall legal debt margin (the ability to issue additional amounts of general obligation bonded debt) was \$15,661,849.

Principal and interest requirements to retire the City's long-term obligations outstanding at December 31, 2000, were:

Year	Sewer General	Water General	OWDA	Issue	Total
	Obligation	Obligation			
	Revenue	Revenue			
	Bonds	Bonds		Two	
2001	\$401,245	\$126,078	\$30,226	\$12,604	\$570,153
2002-06	2,049,255	650,690	151,128	63,019	2,914,092
2007-11	2,058,678	646,615	151,128	37,811	2,894,232
2012-16	1,853,445	391,828	30,226	0	2,275,499
2017-23	1,227,800	0	0	0	1,227,800
Total	\$7,590,423	\$1,815,211	\$362,708	\$113,434	\$9,881,776

CITY OF PICKERINGTON, OHIO  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 15 - SHORT-TERM OBLIGATIONS

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

	Balance January 1, 2000	Increase	Decrease	Balance December 31, 2000
<u>Capital Projects Funds</u>				
Municipal Building - 4.07%	\$300,000	\$200,000	\$300,000	\$200,000
E. Street Realignment - 6.0%	150,000	125,000	150,000	125,000
Street Improvement - 4.90%	0	995,000	0	995,000
TIF State Route 256/204 - 4.59%	0	780,000	0	780,000
<b>Total - Capital Projects Funds</b>	<b>450,000</b>	<b>2,100,000</b>	<b>450,000</b>	<b>2,100,000</b>
<u>Enterprise Funds</u>				
Water - 5.33%	1,875,000	1,675,000	1,875,000	1,675,000
Sewer - 4.41%	700,000	600,000	700,000	600,000
<b>Total Enterprise Funds</b>	<b>2,575,000</b>	<b>2,275,000</b>	<b>2,575,000</b>	<b>2,275,000</b>
<b>Total All Types</b>	<b>\$3,025,000</b>	<b>\$4,375,000</b>	<b>\$3,025,000</b>	<b>\$4,375,000</b>

The notes outstanding at December 31, 2000, were 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.

CITY OF PICKERINGTON, OHIO  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 16 - SEGMENT INFORMATION

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

	Sewer Fund	Water Fund	Total
Operating Revenues	\$1,225,586	\$869,429	\$2,095,015
Depreciation Expense	251,502	373,945	625,447
Operating Income	96,101	(246,712)	(150,611)
Net Non-Operating Revenues/(Expenses)	(297,970)	(112,469)	(410,439)
Net Income (Loss)	(201,869)	(359,181)	(561,050)
Current Capital Contributions	623,706	931,100	1,554,806
Property, Plant and Equipment:			
Additions	875,392	224,921	1,100,313
Deletions	44,212	39,644	83,856
Net Working Capital	877,310	(90,092)	787,218
Total Assets	16,310,673	11,212,878	27,523,551
Bonds and Other Long Term Liabilities Payable from Revenue	5,098,647	1,391,182	6,489,829
Total Equity	10,466,993	8,019,198	18,486,191
Encumbrances at 12/31/00	382,932	490,706	873,638

CITY OF PICKERINGTON, OHIO  
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 17 - CONTRIBUTED CAPITAL

During the year, contributed capital increased by the following amounts:

Source	Sewer Fund	Water Fund	Total
Contributed Capital - January 1, 2000	\$6,178,799	\$6,969,985	\$13,148,784
Customer Capacity Fees	405,666	573,575	979,241
Contributed by Developers	218,040	357,525	575,565
Contributed Capital - December 31, 2000	<u>\$6,802,505</u>	<u>\$7,901,085</u>	<u>\$14,703,590</u>

NOTE 18 - SIGNIFICANT CONTRACTUAL OBLIGATIONS

As of December 31, 2000, the City had the following material contractual purchase commitments. The amount for each project is as follows:

Project	Purchase Commitments	Amount Paid as of 12/31/00	Remaining on Contracts
D-Line Phase 1-B Sewer Line	\$586,905	\$530,290	\$56,615
State Route 256 Interceptor Phase I	252,050	197,871	54,179
Refugee Road Phase III	134,250	96,919	37,331
Water Plant Expansion	356,980	0	356,980
Longview Water Tower Painting	77,348	74,465	2,883
Diley Road	55,000	46,750	8,250
Police Facility	33,500	16,425	17,075
Salt Barn	10,000	5,000	5,000
TIF Road Improvement	60,657	0	60,657
Traffic Light - Stonecreek	17,500	11,238	6,262

CITY OF PICKERINGTON, OHIO  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 19 - POOLS

A. Central Ohio Risk Management Association (CORMA)

The Central Ohio Risk Management Association Inc. (CORMA) is a shared risk pool which administers a group of ten cities in Northeast Ohio. CORMA was formed as an Ohio non-profit corporation for the purpose of establishing the CORMA Insurance/Self-Insurance Program, a group primary and excess insurance/self-insurance and risk management program. Member cities agree to jointly participate in coverage of losses and pay all contributions necessary for the specified insurance coverages provided by CORMA. These coverages include comprehensive general liability, property insurance, crime insurance, employee benefits liability, law enforcement liability, public officials liability, automotive liability, and healthcare professional liability.

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

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

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

NOTE 20 - CONTINGENT LIABILITIES

A. Litigation

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

B. Federal and State Grants

For the period January 1, 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.



## **STATISTICAL SECTION**



CITY OF PICKERINGTON, OHIO  
 REAL PROPERTY TAX LEVIES AND COLLECTIONS  
 LAST TEN YEARS

Collection Year	Total Tax Levy (1)	Current Tax Collections	Delinquent Tax Collections (2)	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	\$388,298	\$356,710	\$14,611	\$371,277	95.63%	\$23,265	5.99%
1992	437,468	406,920	15,234	422,154	96.50	15,371	3.51
1993	473,798	448,112	13,627	461,739	97.45	14,492	3.06
1994	489,637	486,909	10,873	497,782	101.66	13,782	2.81
1995	520,407	514,957	9,835	524,792	100.84	12,492	2.40
1996	604,674	598,816	8,488	604,304	100.43	12,635	2.09
1997	594,544	555,953	6,838	562,791	94.66	17,404	2.93
1998	621,924	608,817	8,242	617,059	99.22	20,765	3.34
1999	673,947	654,598	13,053	667,651	97.13	29,110	4.32
2000	742,888	700,256	20,768	721,024	97.10	24,708	3.30

See accountant's compilation report.

Source: County Auditor; Fairfield County, Ohio

(1) These figures do not include homestead, 10% rollback and 2.5% rollback.

(2) Delinquent collections include penalties and interest.  
 Differences are due to adders, remitters, and refunds.

CITY OF PICKERINGTON, OHIO  
PERSONAL PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN YEARS

Collection Year	Total Tax Levy	Current Tax Collections	Delinquent Tax Collections (1)	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	\$18,823	\$18,882	\$758	\$19,640	104.34%	\$813	4.32%
1992	23,848	22,178	727	22,905	96.05	1,037	4.35
1993	21,899	19,592	536	20,128	91.91	1,591	7.27
1994	24,635	21,853	1,600	23,453	95.20	1,272	5.16
1995	23,854	19,223	859	20,083	84.19	1,835	7.69
1996	25,258	20,535	73	20,608	81.59	1,593	6.31
1997	29,327	27,810	473	28,283	96.44	2,873	9.79
1998	28,863	27,382	957	28,339	98.18	1,481	5.13
1999	37,031	32,873	123	32,996	89.10	3,191	8.61
2000	40,493	38,899	7,782	46,681	115.28	1,478	3.65

See accountant's compilation report.

Source: County Auditor; Fairfield County, Ohio

(1) Delinquent collections include penalties and interest.  
Differences are due to adders, remitters, and refunds.

CITY OF PICKERINGTON, OHIO  
 ASSESSED VALUE OF TAXABLE PROPERTY  
 LAST TEN YEARS

Collection Year	Assessed Real	Assessed Public Utility Real	Assessed Tangible Personal (1)	Total
1991	\$64,546,910	\$2,890	\$5,057,742	\$69,607,542
1992	73,766,550	3,510	5,621,342	79,391,402
1993	83,030,270	4,040	6,768,129	89,802,439
1994	91,983,040	4,530	5,911,110	97,898,680
1995	95,153,130	5,070	6,588,160	101,746,360
1996	120,289,340	5,490	6,283,365	126,578,195
1997	124,554,130	5,640	7,276,745	131,836,515
1998	130,296,600	7,210	8,479,540	138,783,350
1999	148,856,150	7,160	8,966,527	157,829,837
2000	160,131,600	3,559	9,025,307	169,160,466

See accountant's compilation report.

Source: County Auditors; Fairfield County, Ohio and Franklin County, Ohio.

(1) Includes Public Utility Tangible Personal.

CITY OF PICKERINGTON, OHIO  
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS  
(PER \$1,000 OF ASSESSED VALUE)  
LAST TEN YEARS

Collection Year	City General Fund	City Police Fund	Total City (1)	Pickerington Local Schools (2)	Fairfield County (2)	Violet Township (2)	Eastland Joint Vocational School (2)
1991	\$2.30	\$5.50	\$7.80	\$60.04	\$8.55	\$6.35	\$2.64
1992	2.30	5.50	7.80	67.45	8.55	6.35	1.24
1993	2.30	5.50	7.80	66.21	8.55	6.35	1.24
1994	2.30	5.50	7.80	67.66	8.55	5.70	1.23
1995	2.30	5.50	7.80	67.76	7.05	5.70	1.20
1996	2.30	5.50	7.80	65.00	7.05	9.80	1.20
1997	2.30	5.50	7.80	68.96	7.05	8.55	1.20
1998	2.30	5.50	7.80	66.36	7.05	8.55	1.20
1999	2.30	5.50	7.80	66.36	7.05	8.55	2.00
2000	2.30	5.50	7.80	66.36	7.05	9.80	2.00

See accountant's compilation report.

Source: (1) City of Pickerington

(2) County Auditor; Fairfield County, Ohio

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

Assessed Value		<u>\$169,160,466</u>
Overall Debt Margin (10 ½% of the Assessed Value)		\$17,761,849
Total Voted and Unvoted Debt Outstanding at December 31, 2000	<u>\$10,777,336</u>	
Revenue Bonds Payable	6,045,000	
OWDA Loans Payable	250,205	
Issue 2 Notes Payable	107,131	
Notes Payable from Enterprise Fund Revenues	<u>2,275,000</u>	
Total	<u>8,677,336</u>	
Net Subject to 10 ½ percent limitation		<u>2,100,000</u>
Legal Debt Margin within 10 ½ percent limitation		<u>\$15,661,849</u>

See accountant's compilation report.

CITY OF PICKERINGTON, OHIO  
 COMPUTATION OF DIRECT AND OVERLAPPING  
 GENERAL OBLIGATION BONDED DEBT  
 DECEMBER 31, 2000

<u>Jurisdiction</u>	<u>Net Debt Outstanding (1)</u>	<u>Percentage Applicable to City of Pickerington</u>	<u>Amount Applicable to City of Pickerington</u>
City of Pickerington	\$0	100%	\$0
Pickerington Local School District	47,964,627	28.00	13,430,096
Fairfield County	2,420,000	9.57	231,594
Violet Township	280,000	33.63	94,164
Total			<u>\$13,755,854</u>

See accountant's compilation report.

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

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



CITY OF PICKERINGTON, OHIO  
 PRINCIPAL TAXPAYERS  
 DECEMBER 31, 2000

Taxpayer	Type	2000 Assessed Value	Percentage of Total Assessed Value
Associated Estates Realty	Real Estate Management	\$4,313,370	2.55%
Lakes Edge Partnership	Real Estate Management	3,840,690	2.27
Regency Centers LP	Shopping Center	3,529,290	2.09
DDR Continental LP	Shopping Center	2,677,180	1.58
Hill Road Plaza Inc.	Shopping Center	1,751,070	1.04
Donley Inc.	Real Estate Developer	1,493,820	.88
Samuel M. Baker	Townhouses	1,349,750	.80
Richard Solove	Shopping Center	1,320,750	.78
Columbia Gas of Ohio	Public Utility	1,231,710	.73
Ohio Bell Telephone	Public Utility	5,355,510	3.17

See accountant's compilation report.

Source: County Auditor; Fairfield County, Ohio

**THIS PAGE INTENTIONALLY LEFT BLANK**



STATE OF OHIO  
OFFICE OF THE AUDITOR  
JIM PETRO, AUDITOR OF STATE

35 North Fourth Street  
Columbus, Ohio 43215  
Telephone 614-466-3402  
800-443-9275  
Facsimile 614-728-7199  
www.auditor.state.oh.us

## REPORT ON COMPLIANCE AND ON INTERNAL CONTROL REQUIRED BY GOVERNMENT AUDITING STANDARDS

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

We have audited the accompanying financial statements of City of Pickerington, Fairfield County, Ohio (the City) as of and for the year ended December 31, 2000, and have issued our report thereon dated July 27, 2001. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Compliance

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

### Internal Control Over Financial Reporting

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

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

**JIM PETRO**  
Auditor of State

July 27, 2001





STATE OF OHIO  
OFFICE OF THE AUDITOR  

---

JIM PETRO, AUDITOR OF STATE

88 East Broad Street  
P.O. Box 1140  
Columbus, Ohio 43216-1140  
Telephone 614-466-4514  
800-282-0370  
Facsimile 614-466-4490

**CITY OF PICKERINGTON**

**FAIRFIELD 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  
AUGUST 21, 2001**