



**Auditor of State  
Betty Montgomery**



CITY OF WESTERVILLE  
FRANKLIN COUNTY

TABLE OF CONTENTS

TITLE	PAGE
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required By <i>Government Auditing Standards</i> .....	1

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**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

City of Westerville  
Franklin County  
21 South State Street  
Westerville, Ohio 43081-2119

To the City Council:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Westerville, Franklin County, Ohio (the City), as of and for the year ended December 31, 2005, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 19, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the City's internal control over financial reporting to determine our auditing procedures in order to express our opinions on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses. In a separate letter to the City's management dated June 19, 2006, we reported an other matter involving internal control over financial reporting we did not deem a reportable condition.

**Compliance and Other Matters**

As part of reasonably assuring whether the City's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect 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 an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

35 N. Fourth St. / Second Floor / Columbus, OH 43215  
Telephone: (614) 466-3402      (800) 443-9275      Fax: (614) 728-7199  
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We intend this report solely for the information and use of the audit committee, management, and the City Council. It is not intended for anyone other than these specified parties.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

**Betty Montgomery**  
Auditor of State

June 19, 2006

# City of Westerville, Ohio

## Comprehensive Annual Financial Report

For the Year Ended December 31, 2005

Issued by the Department of Finance

John P. Winkel  
Finance Director

Margaret M. Doone, CPA  
Assistant Finance Director





*City of Westerville, Ohio*  
Comprehensive Annual Financial Report  
For the Year Ended December 31, 2005

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Table of Contents

INTRODUCTORY SECTION

Title Page .....	i
Table of Contents .....	ii
Letter of Transmittal .....	vi
GFOA Certificate of Achievement .....	xii
List of Principal Officials.....	xiii
Organization Chart.....	xiv

FINANCIAL SECTION

Independent Accountants' Report .....	1
Management's Discussion and Analysis.....	3
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets .....	13
Statement of Activities.....	14
Fund Financial Statements:	
Balance Sheet – Governmental Funds .....	16
Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities.....	17
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds .....	18
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	19
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual – General Fund.....	20
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual – Fire Operating Special Revenue Fund .....	21
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual – Parks and Recreation Operating Special Revenue Fund.....	22

*City of Westerville, Ohio*

Table of Contents

(Continued)

---

Statement of Fund Net Assets – Proprietary Funds .....	24
Statement of Revenues, Expenses and Changes in Fund Net Assets – Proprietary Funds .....	26
Statement of Cash Flows – Proprietary Funds .....	28
Statement of Fiduciary Assets and Liabilities – Agency Funds .....	32
Notes to the Basic Financial Statements .....	33
Combining Statements and Individual Fund Schedules:	
Combining Statements – Nonmajor Governmental Funds:	
Nonmajor Governmental Fund Descriptions .....	70
Combining Balance Sheet – Nonmajor Governmental Funds .....	73
Combining Balance Sheet – Nonmajor Special Revenue Funds .....	74
Combining Balance Sheet – Nonmajor Capital Projects Funds.....	78
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds .....	83
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds .....	84
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Capital Projects Funds.....	88
Combining Statements – Nonmajor Enterprise Funds:	
Nonmajor Enterprise Fund Descriptions.....	92
Combining Statement of Fund Net Assets – Nonmajor Enterprise Funds.....	93
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets – Nonmajor Enterprise Funds .....	94
Combining Statement of Cash Flows – Nonmajor Enterprise Funds .....	95
Combining Statements – Internal Service Funds:	
Internal Service Fund Descriptions.....	96
Combining Statement of Fund Net Assets – Internal Service Funds.....	97

*City of Westerville, Ohio*

Table of Contents

(Continued)

---

Combining Statement of Revenues, Expenses and Changes in Fund Net Assets – Internal Service Funds .....	98
Combining Statement of Cash Flows – Internal Service Funds.....	99
Combining Statements – Agency Funds:	
Agency Fund Descriptions.....	101
Combining Statement of Assets and Liabilities – Agency Funds.....	102
Combining Statement of Changes in Assets and Liabilities – Agency Funds .....	104
General Governmental Capital Assets:	
General Governmental Capital Assets Description.....	107
Schedule of Governmental Activities Capital Assets – By Program and Department .....	108
Schedule of Changes in Governmental Activities Capital Assets – By Program and Department.....	110
Individual Fund Schedules of Revenues, Expenditures/Expenses and Changes in Fund Balance/Fund Equity – Budget (Non-GAAP Budgetary Basis) and Actual:	
Major Funds:	
General Fund.....	111
Fire Operating Special Revenue Fund .....	114
Parks and Recreation Operating Special Revenue Fund.....	115
Water Enterprise Fund .....	116
Water System Capital Improvement Enterprise Fund .....	117
Sewer Enterprise Fund.....	118
Electric Enterprise Fund.....	119
Nonmajor Funds:	
Street Maintenance Special Revenue Fund.....	120
State Highway Special Revenue Fund .....	121
DARE Special Revenue Fund.....	122
Permissive Motor Vehicle License Special Revenue Fund .....	123
Mayor’s Operating Special Revenue Fund .....	124
Hotel Tax Special Revenue Fund.....	125
OMVI Education Special Revenue Fund.....	126
Tax Incentive / Redistribution Special Revenue Fund.....	127
Mayor’s Court Computer Special Revenue Fund .....	128
Cable TV Franchise Fee Special Revenue Fund.....	129
Parks and Recreation Income Tax Allocation Special Revenue Fund.....	130
FEMA Grants Special Revenue Fund.....	131
Drug Enforcement Special Revenue Fund.....	132
Criminal Activity Forfeiture Special Revenue Fund .....	133
McVay Endowment Special Revenue Fund .....	134

*City of Westerville, Ohio*

Table of Contents

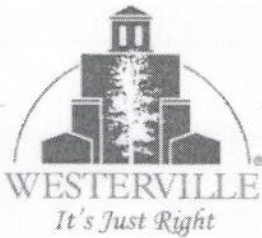
(Continued)

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General Bond Retirement Debt Service Fund.....	135
General Capital Improvement Capital Projects Fund .....	136
Recreation Improvement Capital Projects Fund .....	137
County Line Road Improvement Capital Projects Fund.....	138
Dempsey Road Improvement Capital Projects Fund .....	139
Spring Road Improvement Capital Projects Fund .....	140
Maxtown Road Improvement Capital Projects Fund.....	141
Parks and Recreation Capital Improvement Capital Projects Fund .....	142
North State Street Improvement Capital Projects Fund.....	143
Cleveland Avenue Extension Improvement Capital Projects Fund.....	144
Parks and Recreation Replacement and Reserve Capital Projects Fund.....	145
Street Replacement and Reserve Capital Projects Fund .....	146
Tree Replacement Capital Projects Fund.....	147
City Buildings Improvement Capital Projects Fund .....	148
Safety Building Capital Improvement Capital Projects Fund .....	149
Westar / Olentangy TIF Capital Projects Fund.....	150
Northridge Crossing TIF Capital Projects Fund .....	151
Perimeter Road Improvement Capital Projects Fund.....	152
Recreation Capital Improvement Capital Projects Fund.....	153
Refuse Enterprise Fund.....	154
Swimming Pool Enterprise Fund .....	155
Garage Internal Service Fund .....	156
Self-Insurance Internal Service Fund.....	157

STATISTICAL SECTION

Statistical Section Description .....	159
General Government Expenditures by Function – Last Ten Years .....	160
General Government Revenues by Source – Last Ten Years .....	162
Government-wide Expenses by Program – Governmental Activities – Last Three Years .....	164
Government-wide Revenues by Source – Governmental Activities – Last Three Years .....	166
Property Tax Levies and Collections – Last Ten Years.....	168
Property Tax Rates - Direct and Overlapping Governments – Last Ten Years.....	170
Assessed and Estimated Actual Value of Taxable Property – Last Ten Years.....	172
Special Assessment Billings and Collections – Last Ten Years .....	173
Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita – Last Ten Years.....	174
Legal Debt Margin.....	176
Computation of Direct and Overlapping Debt.....	177
Ratio of Annual Debt Service Expenditures for General Bonded Debt to Total General Government Expenditures – Last Ten Years .....	178
Demographic Statistics – Last Ten Years .....	179
Construction Data and Financial Institution Deposits – Last Ten Years .....	180
Principal Property Taxpayers.....	182
Miscellaneous Statistics .....	183



June 19, 2006

To Members of Westerville City Council and Citizens of the City of Westerville, Ohio:

The Comprehensive Annual Financial Report (CAFR) of the City of Westerville, Ohio (the City), for the year ended December 31, 2005 is hereby submitted.

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

1. The Introductory Section, including a title page, a table of contents, this letter of transmittal which is designed to provide an easily accessible overview and summary of the City's finances, economic prospects and achievements, the City's organization chart, a list of principal officials, and the Certificate of Achievement awarded to the City for its 2004 CAFR.
2. The Financial Section, including the Independent Accountants' Report, Management's Discussion and Analysis, Basic Financial Statements, including notes, and various other combining and individual fund financial statements and schedules included as other supplementary information.
3. The Statistical Section, including tables of unaudited data depicting financial and demographic history of the City for the last ten years.

The City's Department of Finance is responsible for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to fairly present the financial position and results of operations of the City. To provide a reasonable basis for making these representations, management of the City of Westerville has implemented a comprehensive internal control structure, which meets the objectives of management.

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

The Auditor of the State of Ohio (independent auditor) has audited the financial statements of the City. The objective of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended December 31, 2005, are free from material misstatement. The independent audit involved examining, on a test basis, evidence supporting amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by

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management, and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City's financial statements for the year ended December 31, 2005, are fairly presented in conformity with GAAP. The independent accountants' report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the independent accountants' report.

### **PROFILE OF THE CITY**

The City operates under and is governed by its Charter, adopted by the voters in 1964, which has been and may be amended by the voters from time to time. The Charter provides for a Council Manager form of government. The City is also subject to some general laws applicable to all cities. Under the Ohio Constitution, the City may exercise all powers of local self-government, and police powers to the extent that they are not in conflict with applicable general laws.

Legislative authority is vested in a seven-member Council, all of whom are elected at-large for staggered four-year terms. Council fixes compensation of City officials and employees, and enacts ordinances and resolutions relating to City services, tax levies, appropriating and borrowing money, regulating businesses and trades, and other municipal purposes. The presiding officer of Council is the chairman elected by Council for a two-year term. The Charter establishes certain administrative departments. Council may establish divisions of those departments and additional departments.

The City's chief executive and administrative officer is the City Manager, who is appointed by the Council to serve at its pleasure. The City Manager may be removed at will by a vote of two-thirds vote of members of the Council. The Mayor, elected by Council, is the City's ceremonial and official chief executive.

Council appoints the Director of Law and Clerk of Council, and the City Manager appoints, subject to confirmation by Council, the directors of the other City departments. The principal officials appointed by, and who serve at the pleasure of, the City Manager are the Assistant City Manager, and the Directors of Finance, Public Safety, Public Service, Public Utilities and Recreation. The City Manager also appoints and removes, in accordance with civil service requirements, all other officers and employees.

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

The primary government consists of all funds and departments that provide various services including public safety, public service, street maintenance, parks and recreation, a senior center, engineering, and general administrative services. The City of Westerville is responsible for the construction, maintenance and repairs associated with all public infrastructures that include the electric, water, sewer and storm sewer lines. The City of Columbus and Delaware County provide sewer treatment services pursuant to long-term contracts. Council and the City Manager have direct responsibility for the activities mentioned above.

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; is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to the organization; or is obligated for the debt of the organization. Component units may also include organizations for which the City approves the budgets, the issuance of debt or the levying of taxes.

Certain organizations, although sharing some degree of name similarity with the City, are separate and distinct entities, not only from the City but also from each other. The City is not financially accountable for these entities. Because of their independent nature, none of these organizations' financial statements are included in this report. Based on these criteria, the Westerville City School District and the Westerville Public Library have been excluded because the City is not financially accountable for them nor are the entities fiscally dependent on the City.

### **LOCAL ECONOMY**

The City of Westerville, despite the current state and national economic conditions, continues to strive toward bringing new jobs to the community, both into the new Westar Center of Business and into mature developments such as Eastwind, Brooksedge, and the Uptown District.

The *Westar Center of Business* is one of the most attractive new employment centers in the Midwest as companies look for state-of-the-art office buildings to grow their businesses. By the end of 2005, at least 31 office buildings had been constructed or initiated in Westar ranging in size from 15,000 square foot single-story structures to campuses of five-story, 146,000 square foot offices. In 2005, the American division of ABB opened their Westerville office. ABB is an international science company, with the American division supporting paper making industries. Also opening in 2005 was the United States headquarters of Mac Tools, which is a division of Stanley Works. These two new corporate citizens join an impressive list of other companies that moved to Westar in 2004, including American Family Insurance, Century Surety Co., National Auto, the County Line Medical Office building, and the DASCO Home Medical Equipment Co.

In early 2006, Nationwide Mutual Insurance moved into its new building in Westar. The Daimler Group has completed construction of the first of two twin 146,000 square foot office buildings on the northeast corner of Polaris Parkway and Cleveland Avenue. These speculative buildings are part of a larger approved development that will see restaurants, retail space and upscale condominiums. Just south in *Altair*, an office/retail development initiated by the Jerome Solove Development Co., Opus is nearing completion of a 96,000 square foot speculative office building. Additionally, ground was recently broken in the area of County Line Road West and Cleveland Avenue for three new projects: the Children's Sports Medicine and Orthopedics Center being constructed by Children's Hospital; an office furniture company headquarters and showroom for Thomas W. Ruff; and a new medical office and surgical facility for the Center for Surgical Dermatology.

The North Westerville Office Park on the east side of North State Street just south of Hoff Road is a collection of smaller offices, typically housing insurance, doctors and dentists, computer companies, and other small service firms. The success of this development has generated the construction of two smaller office parks nearby with a third in the planning stages. Some of our newest corporate citizens,

including Colony Mortgage, HER/Real Living, AMT Systems Engineering, Sharp & Associates, and Pharmacy Management Group have located in the Brooksedge and Eastwind business office areas in southern Westerville.

Westerville, like many other communities across the country, is working hard to attract and retain jobs because income taxes are the largest revenue source to support City services. The use of tax abatements and other incentives are necessary to accomplish the City's economic development goals. The City will continue to be judicious in its use of tax abatements and other incentives to attract new business. Any incentive must make economic sense for the City, residents, and the school district. Economic incentives are tied to a guaranteed number of jobs or level of payroll and businesses are closely monitored to ensure that the outlined goals are being met. Westerville City and school district officials have a formal agreement stipulating that the school district receives similar revenues to what would have been collected by the schools if no incentives were in place. The Westerville City School District still receives significant revenue from every company that has an abatement agreement with the City of Westerville.

### **LONG-TERM FINANCIAL PLANNING**

Fiscal policies have been established for the General Fund, Water Fund, Sewer Fund, Refuse Fund and Electric Fund. These are utilized each month to review the sufficiency of fund balance in the Monthly Interim Financial Reports that are reviewed with the Audit/Finance Review Committee and provided to Council members. The Fiscal policies are also integral to the five year financial plan presented each year to Council while presenting the annual budget request for the following year. Council can then make better decisions regarding the use of resources and the sufficiency of the funds to handle expected operating expenditures and projected capital projects. Currently being studied is the sufficiency of the one percent income tax with regards to continuing the high level of services the community receives and the future capital needs of maintaining an aging infrastructure.

### **RELEVANT FINANCIAL POLICES**

Currently there is an additional .25% income tax approved by the voters to fund Parks and Recreation improvements. This revenue source is segregated and distributed to provide for debt service on the bonds issued to finance major facilities, for reserves for future replacement and repairs of those facilities, and to supplement existing funds for the operations of the Parks and Recreation Department. This is in keeping with the proposals presented to the voters.

### **MAJOR INITIATIVES**

#### **FOR THE YEAR**

More than 1,100 households took part in the 2005 Resident Survey, answering questions ranging from their perceptions of City services and customer service levels to providing feedback about a number of current events. One of the most important findings of the survey was uncovered when residents were asked to rate the quality of life of Westerville. A strong majority, 95 percent, rated Westerville's quality of life as "better than" or "about the same" as other central Ohio suburbs. Residents feel Westerville offers people the opportunity to live in a friendly, safe community at affordable levels, yet is close to area shopping, restaurants and employment opportunities.



Our Fire Division once again earned the *Life Safety Achievement Award* signifying no loss of life during the past year as a result of a fire, and our Police Division has been implementing proactive “community policing”. Our police, fire, and communications dispatch professionals now team up to offer free child car seat checks. More than 970 people took advantage of this free service in 2005. These efforts are just a few examples of why “safe” was the most used word to describe Westerville in the resident survey.

Roads remain high on the Westerville priority list. A multi-jurisdictional project between Westerville, Delaware County, and Genoa Township for major road expansion at Spring Road and Maxtown Road included the addition of left-turn lanes, the installation of traffic signals, and the widening of Spring Road to three lanes. Other improvements included a new storm drainage system, including curbs and gutters, a new water line, streetlights and a bikeway along Spring Road and Maxtown Road (west of Spring Road). The City of Westerville also widened Maxtown Road to three lanes between McCorkle Boulevard and the Delaware County intersection project. This work included a storm drainage system including curbs and gutters, streetlights and a bikeway along the south side of the roadway.

With donations from residents, the Parks and Recreation Department opened a new Bark Park located in Brooksedge Park in 2005. Westerville and Columbus officials completed sections of the Alum Creek Leisure Path that now connects the two communities. It will serve as part of the 453-mile *Ohio to Erie Trail* that will eventually connect people statewide from Cincinnati to Cleveland. Another project of note is the Sunbury Road Leisure Path, which Westerville and Columbus officials recently worked together to complete. Although this path is actually in Columbus, it serves as a connection between Hoover Reservoir and Spring Grove North Park.

The Westerville Electric Division has made numerous efforts to promote the use of alternative energy sources. Solar panels have been installed for primary and back-up power sources for various traffic signals throughout Westerville. Additionally, the Westerville Electric Division continues to sponsor energy education initiatives provided by the Ohio Energy Project in Westerville City Schools.

### **FOR THE FUTURE**

Environmental Resources Management (ERM) recently gave a \$5,000 grant to the Otterbein Lake Project, and Architectural Group International (AGI) has agreed to provide the design for the structure of a shelter house at Otterbein Lake. A citizen committee is working with the Westerville Parks Department, the Westerville Parks Foundation and Westerville City Council to make the lake site a more valuable community resource. Towers Park will be reconfigured and provided with upgrades during this year. This project has received funding through a NatureWorks grant and donations from various civic associations, sports associations, and philanthropic organizations. A Mid-Ohio Regional Planning Commission (MORPC) grant was awarded to assist in the building of an additional leg of the *Ohio to Erie Bikeway Trail*, which will connect existing bikeways from Cherrington Road to Schrock Road.

Electric cable, like other infrastructure such as roads, sewers and storm drains, has a finite life cycle. Electric cable’s life-span generally falls somewhere between 25 and 30 years before it needs to be replaced. Since many of Westerville’s subdivisions were built in this same general timeframe, the Westerville Electric Division has begun to rehabilitate overhead trunk-lines and replace various underground facilities in those areas to improve service.

An engineering study will be conducted in 2006 to support applications for Ohio Public Works Commission State Issue 2 Funds for widening Dempsey Road from I-270 to Sunbury Road. This would

be a joint project with Franklin County. An additional joint project with the City of Columbus to improve Worthington Galena Road from Lazelle Road to County Line Road West is currently being planned. Work on Africa Road improvements will commence in 2006.

As the State of Ohio realizes budget constraints and the State legislature enacts budgets that could potentially reduce local government funding, the City will monitor projected revenue differences from these sources of funds and react with budget proposals reflective of any changes.

### **AWARDS AND ACKNOWLEDGEMENTS**

#### **CERTIFICATE OF ACHIEVEMENT**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Westerville, Ohio, for its comprehensive annual financial report for the fiscal year ended December 31, 2004. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. The report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

#### **ACKNOWLEDGMENTS**

Sincere gratitude goes to City Council for granting the funds for this project. The Finance Department prepared this Comprehensive Annual Financial Report with the efficient and dedicated services of its entire staff and the City Manager's Office staff. We wish to express our appreciation to everyone who contributed to its preparation.

Copies of this Comprehensive Annual Financial Report are on file in the Westerville Public Library for use by the general public. It is also available on the City's website at [www.westerville.org](http://www.westerville.org).

Respectfully submitted,

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John P. Winkel  
Director of Finance

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Margaret M. Doone  
Assistant Finance Director

GFOA Certificate of Achievement

*City of Westerville, Ohio*

Elected and Appointed Officials  
As of December 31, 2005

**Elected Officials**

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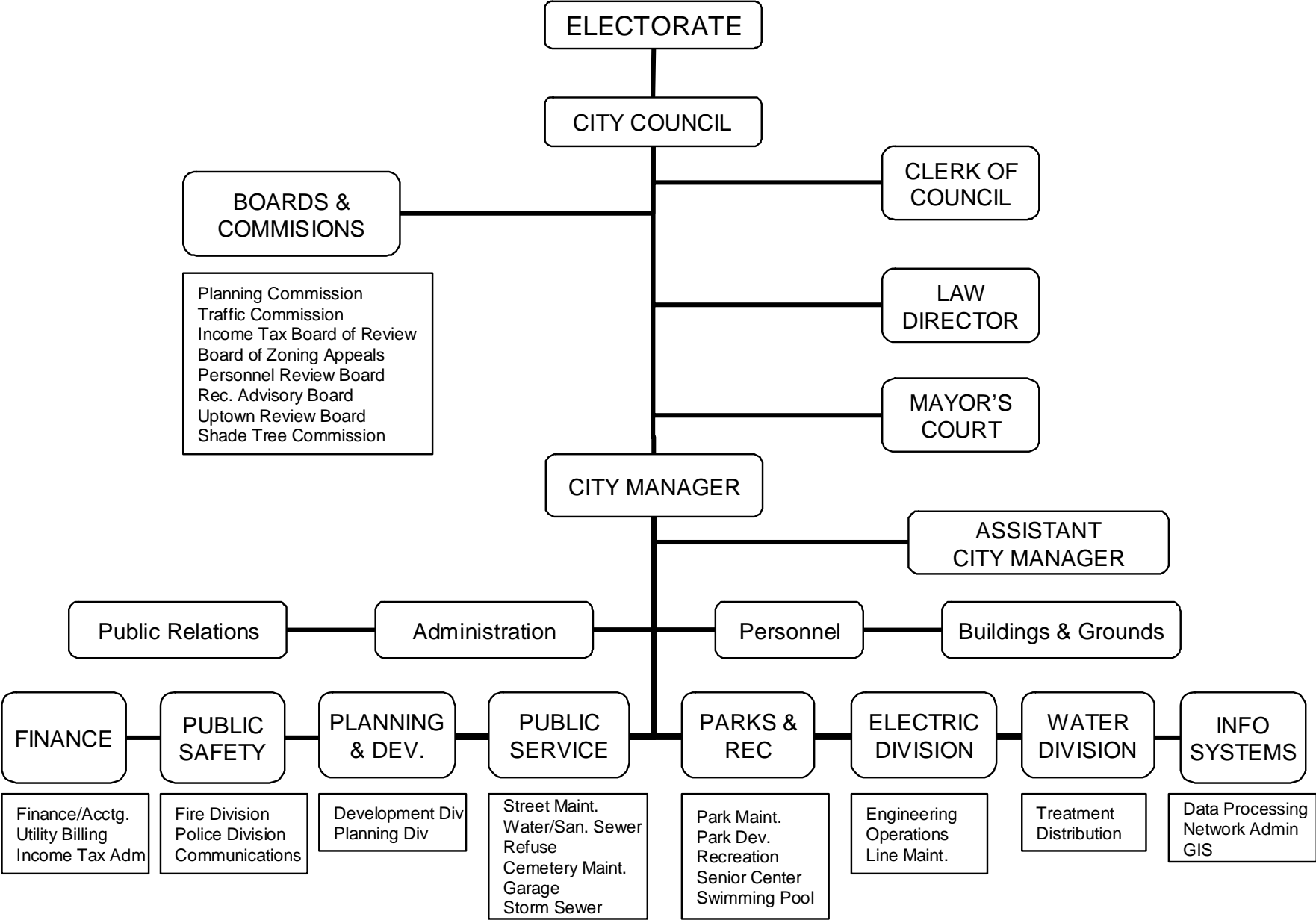
Damon E. Wetteraur, Jr.	Chair of Council
Michael Heyeck	Council Member, Vice Chair
Diane C. Fosselman	Council Member, Mayor
Anne H. Gonzales	Council Member, Vice Mayor
Kathleen Cocuzzi	Council Member
William E. Highfield	Council Member
Craig P. Treneff	Council Member

**Appointed Officials**

---

G. David Lindimore	City Manager
Michael J. Wasyluk	Assistant City Manager
Bruce E. Bailey	Director of Law
John P. Winkel	Director of Finance
Frank A. Wiseman	Director of Public Service
Jody L. Stowers	Director of Parks and Recreation
Karl P. Craven	Director of Planning and Development
Mary J. Johnston	Clerk of Council
Joseph A. Morbitzer	Police Chief
Bernard E. Ingles	Fire Chief
Andrew M. Boatright	Electric Utility Manager
Richard C. Lorenz	Water Plant Superintendent

**CITY OF WESTERVILLE – ORGANIZATION CHART**



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# Auditor of State Betty Montgomery

## INDEPENDENT ACCOUNTANTS' REPORT

City of Westerville  
Franklin County  
21 South State Street  
Westerville, Ohio 43081-2119

To the City Council:

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

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Westerville, Franklin County, Ohio, as of December 31, 2005, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparisons for the General, Fire Operating, and Parks and Recreation Operating funds 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 June 19, 2006, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

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

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

**Betty Montgomery**  
Auditor of State

June 19, 2006



**City of Westerville, Ohio  
Management's Discussion and Analysis  
For The Year Ended December 31, 2005  
(Unaudited)**

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**MANAGEMENT'S DISCUSSION AND ANALYSIS**

The City of Westerville's discussion and analysis of the annual financial report provides a review of the financial performance for the year ended December 31, 2005.

**FINANCIAL HIGHLIGHTS**

- The City's total net assets increased \$5,561,344 during 2005. Revenues of governmental activities exceeded expenses by \$5,559,836. The City's unrestricted net assets of \$25,208,439 may be used to meet the City's ongoing governmental activities' obligations. Net assets of business-type activities increased by \$1,508. The City's business-type activities had unrestricted net assets of \$29,876,304, which may be used to meet the business-type activities' obligations to citizens and creditors.
- General revenues of governmental activities accounted for \$38,923,254 or 75 percent of all revenues. Program specific revenues in the form of charges for services and sales, grants, contributions and interest accounted for \$12,769,216 or 25 percent of total revenues of \$51,692,470.
- Enterprise funds reflected total operating losses of (\$2,602,925). The Water Fund reflected operating income of \$8, while the Sewer, Electric, Refuse and Swimming Pool funds reflected operating losses of (\$178,610), (\$2,294,265), (\$70,725) and (\$59,333), respectively. The operating losses of the Sewer, Electric, Refuse and Swimming Pool Funds were a result of: 1) Increasing depreciation costs for all three utility-related funds and less revenue partially due to weather related conditions for the Swimming Pool Fund; 2) The reclassification of sewer capacity fees and electric underground lines as non-operating revenues; and 3) The operating losses being offset by available fund balances which were in excess of the established minimum budgetary fund balances in place to mitigate current and future risks (e.g., revenue shortfalls and unanticipated expenditures) and to ensure stable charges for service rates. The utility funds maintain a prudent level of financial resources to protect against reducing service levels or raising fees because of temporary revenue shortfalls or unpredicted one-time expenses.
- The City had \$46,116,756 in expenses related to governmental activities; \$12,769,216 of these expenses were offset by program specific charges for services and sales, grants, contributions and interest. General revenues (primarily income and property taxes) of \$38,923,254 were more than adequate to provide for these programs. The City had \$41,724,625 in expenses related to business-type activities. These expenses were offset by program specific charges for services and sales, grants, contributions and interest of \$41,562,845 which, along with \$147,410 in general revenues and a transfer from governmental activities of \$15,878, were adequate to cover all expenses.

## **USING THIS ANNUAL FINANCIAL REPORT**

This annual report consists of a series of financial statements. These statements are presented so that the reader can understand the City of Westerville's financial situation as a whole and also give a detailed view of the City's fiscal condition.

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

## **REPORTING THE CITY AS A WHOLE**

### *Statement of Net Assets and the Statement of Activities*

The analysis of the City as a whole begins with the *Statement of Net Assets* and the *Statement of Activities*. These statements provide information that will help the reader to determine if the City of Westerville is financially better off or worse off as a result of the year's activities. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by private sector companies. All current year revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City's net assets and changes to those net assets. This change informs the reader whether the City's financial position, as a whole, has improved or diminished. In evaluating the overall financial health, the reader of these financial statements needs to take into account non-financial factors that also impact the City's financial well-being. Some of these factors include the City's tax base, and the condition of capital assets.

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

**Governmental Activities** – Most of the City's services are reported here including police, fire, leisure time activities, community development, transportation, and general government.

**Business-Type Activities** – These services include water, sewer, electric, refuse and a swimming pool. Service fees for these operations are charged based upon the amount of usage, or, in the case of the swimming pool, admission charges. The intent is that the fees charged recoup operational costs.

## **REPORTING THE CITY'S MOST SIGNIFICANT FUNDS**

### *Fund Financial Statements*

The analysis of the City's major funds begins on page 9. Fund financial statements provide detailed information about the City's major funds – not the City as a whole. Some funds are required by State law and bond covenants. Other funds may be established by the Finance Director, with the approval of Council, to help control, manage and report money received for a particular purpose or to show that the City is meeting legal responsibilities for use of grants. The City of Westerville's major funds are the General, Fire Operating, Parks and Recreation Operating, Water, Sewer and Electric funds.

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

***Enterprise Funds*** – When the City charges citizens for the services it provides, with the intent of recapturing operating costs, these services are generally reported in proprietary funds. Proprietary funds use the same basis of accounting as business-type activities; therefore, these statements will essentially match.

## **THE CITY AS A WHOLE**

As stated previously, the Statement of Net Assets looks at the City as a whole. Table 1 provides a summary of the City's net assets for 2005 compared to 2004.

Table 1  
Net Assets

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total</i>	
	<i>Restated 2004</i>	<i>2005</i>	<i>Restated 2004</i>	<i>2005</i>	<i>Restated 2004</i>	<i>2005</i>
<b><u>Assets:</u></b>						
Current and Other						
Assets	\$63,443,631	\$62,598,758	\$38,939,799	\$35,357,157	\$102,383,430	\$97,955,915
Nondepreciable Capital						
Assets	11,176,258	7,250,075	2,766,129	2,715,627	13,942,387	9,965,702
Depreciable Capital						
Assets, Net	70,772,454	80,045,970	71,995,712	76,395,313	142,768,166	156,441,283
<b>Total Assets</b>	<b>145,392,343</b>	<b>149,894,803</b>	<b>113,701,640</b>	<b>114,468,097</b>	<b>259,093,983</b>	<b>264,362,900</b>
<b><u>Liabilities:</u></b>						
Current and Other						
Liabilities	15,082,457	15,515,458	4,413,694	5,755,267	19,496,151	21,270,725
Long-Term Liabilities:						
Due Within One Year	3,561,394	3,449,415	906,973	1,015,147	4,468,367	4,464,562
Due in More Than						
One Year	30,121,436	28,743,038	8,514,762	7,829,964	38,636,198	36,573,002
<b>Total Liabilities</b>	<b>48,765,287</b>	<b>47,707,911</b>	<b>13,835,429</b>	<b>14,600,378</b>	<b>62,600,716</b>	<b>62,308,289</b>
<b><u>Net Assets:</u></b>						
Invested in Capital						
Assets, Net Of						
Related Debt	52,095,305	59,265,385	66,844,881	69,991,415	118,940,186	129,256,800
Restricted for:						
Debt Service	17,901	33,203	0	0	17,901	33,203
Capital Outlay	6,882,520	2,788,639	0	0	6,882,520	2,788,639
Unclaimed Monies	39,174	55,525	0	0	39,174	55,525
Fire Protection	4,743,706	4,848,112	0	0	4,743,706	4,848,112
Streets and Transportation	3,758,133	2,304,289	0	0	3,758,133	2,304,289
Parks and Recreation	5,805,822	5,258,349	0	0	5,805,822	5,258,349
Other Purposes	767,294	2,424,951	0	0	767,294	2,424,951
Unrestricted	22,517,201	25,208,439	33,021,330	29,876,304	55,538,531	55,084,743
<b>Total Net Assets</b>	<b>\$96,627,056</b>	<b>\$102,186,892</b>	<b>\$99,866,211</b>	<b>\$99,867,719</b>	<b>\$196,493,267</b>	<b>\$202,054,611</b>

Total net assets increased \$5,561,344. Net assets of the City's governmental activities increased by \$5,559,836 with unrestricted net assets increasing \$2,691,238. The increase in governmental activities net assets can be attributed to current year capital acquisitions and capital contributions.

The net assets of the City's business-type activities increased by \$1,508. The City strives to control operation expenses for business-type activities in order to maintain stability in charges for services and closely monitors the trends of our growing community in order to adjust for budgetary issues and changes in City code where necessary.

Table 2 shows the changes in net assets for the years ended December 31, 2004 and 2005.

Table 2  
Changes In Net Assets

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total</i>	
	<i>Restated 2004</i>	<i>2005</i>	<i>Restated 2004</i>	<i>2005</i>	<i>Restated 2004</i>	<i>2005</i>
<b><i>Revenues</i></b>						
<b><i>Program Revenues:</i></b>						
Charges for Services and Sales	\$4,775,210	\$5,018,933	\$33,889,644	\$39,920,308	\$38,664,854	\$44,939,241
Operating Grants, Contributions and Interest	4,594,674	4,827,917	897,426	0	5,492,100	4,827,917
Capital Grants, Contributions and Interest	3,580,626	2,922,366	2,796,036	1,642,537	6,376,662	4,564,903
<i>Total Program Revenues</i>	<u>12,950,510</u>	<u>12,769,216</u>	<u>37,583,106</u>	<u>41,562,845</u>	<u>50,533,616</u>	<u>54,332,061</u>
<b><i>General Revenues:</i></b>						
Property and Other Taxes	11,122,848	10,775,973	0	0	11,122,848	10,775,973
Income Taxes	18,357,352	20,062,773	0	0	18,357,352	20,062,773
Grants and Entitlements	4,787,086	5,778,664	0	0	4,787,086	5,778,664
Investment Earnings	1,339,752	1,725,206	47,236	16,338	1,386,988	1,741,544
Payment in Lieu of Taxes	294,277	505,051	0	0	294,277	505,051
Other	50,642	75,587	127,143	131,072	177,785	206,659
<i>Total General Revenues</i>	<u>35,951,957</u>	<u>38,923,254</u>	<u>174,379</u>	<u>147,410</u>	<u>36,126,336</u>	<u>39,070,664</u>
<i>Total Revenues</i>	<u>48,902,467</u>	<u>51,692,470</u>	<u>37,757,485</u>	<u>41,710,255</u>	<u>86,659,952</u>	<u>93,402,725</u>
<b><i>Program Expenses:</i></b>						
Security of Persons and Property	18,294,807	21,059,425	0	0	18,294,807	21,059,425
Public Health	64,095	57,364	0	0	64,095	57,364
Leisure Time Activities	8,241,110	8,268,953	0	0	8,241,110	8,268,953
Community Development	2,311,744	2,381,720	0	0	2,311,744	2,381,720
Basic Utility Services	280,901	395,574	0	0	280,901	395,574
Transportation	3,193,662	3,097,704	0	0	3,193,662	3,097,704
General Government	8,482,028	9,484,791	0	0	8,482,028	9,484,791
Interest and Fiscal Charges	1,446,681	1,371,225	0	0	1,446,681	1,371,225
Water	0	0	4,060,430	3,171,504	4,060,430	3,171,504
Sewer	0	0	4,789,093	5,041,390	4,789,093	5,041,390
Electric	0	0	29,445,916	31,124,552	29,445,916	31,124,552
Refuse	0	0	1,711,896	1,921,206	1,711,896	1,921,206
Swimming Pool	0	0	438,847	465,973	438,847	465,973
<i>Total Expenses</i>	<u>42,315,028</u>	<u>46,116,756</u>	<u>40,446,182</u>	<u>41,724,625</u>	<u>82,761,210</u>	<u>87,841,381</u>
Increase in Net Assets before Transfers	6,587,439	5,575,714	(2,688,697)	(14,370)	3,898,742	5,561,344
Transfers	0	(15,878)	0	15,878	0	0
Increase in Net Assets	6,587,439	5,559,836	(2,688,697)	1,508	3,898,742	5,561,344
Net Assets January 1	90,039,617	96,627,056	102,554,908	99,866,211	192,594,525	196,493,267
<i>Net Assets December 31</i>	<u>\$96,627,056</u>	<u>\$102,186,892</u>	<u>\$99,866,211</u>	<u>\$99,867,719</u>	<u>\$196,493,267</u>	<u>\$202,054,611</u>

### ***Governmental Activities***

The most significant variances noted between 2004 and 2005 were the increase in income tax revenues and expenses related to security of persons and property and general government. Income taxes increased by over \$1.7 million due to continued growth of the City's tax base. Security of persons and property expenses increased by nearly \$2.8 million due to an increase in fire department personnel and the purchase of non-capitalized items. General government expenses increased by nearly \$1.2 million due to increased maintenance costs and the purchase of non-capitalized items.

The 1.25% income tax is the largest source of revenue for the City of Westerville. Employee withholding contributed 72.6% of the revenue received in 2005, with business earnings contributing 8.8% and individuals contributing 18.6%. Residents are permitted, as a credit against their City income tax liability, up to a maximum of 0.95% of the 1.25% income tax of the amount paid as municipal income tax on the same income in another municipal corporation.

Governmental program expenses for 2005 were as follows:

Security of Person And Property	45.67%
Public Health	0.12%
Leisure Time Activity	17.93%
Community Development	5.16%
Basic Utility Services	0.86%
Transportation	6.72%
General Government	20.57%
Interest And Fiscal Charges	2.97%
	<u>100.00%</u>

Citizen safety and well-being is emphasized in our family-oriented community, as indicated above.

When looking at the sources of income to support governmental activities, it should be noted that charges for services and sales are only 9.71% of revenue. Revenues provided by sources other than City residents in the form of operating and capital grants comprise another 14.99%. The remaining revenues are primarily generated locally through property and income taxes. City Council relies on these taxes to furnish the quality of life to businesses and citizens to which they and previous Councils have always been committed.

***Business-Type Activities***

The City’s business-type activities include Water, Sewer, Electric, Refuse and Swimming Pool.

The most significant variances noted between 2004 and 2005 were the increases in charges for services and sales revenues and electric expenses. Charges for services and sales increased by over \$6 million due mainly to increases in electric, refuse, and sewer rates. Electric expenses increased by nearly \$1.7 million due to the increased cost of wholesale electric power.

Water treatment and facility repair services are provided by the City of Westerville and are paid for through user fees billed to Westerville residents and businesses. This revenue is used to pay for the necessary level of staffing required to complement the services, debt service on water system improvements and to fund system improvements and depreciation. The City of Westerville also collects a tap fee each time a new tap to the system is made which funds a portion of system repair and replacement. Westerville owns the infrastructure necessary to furnish services to their citizens and is responsible for major reconstruction and extension of new service within the community.

Sewer treatment is contracted with the City of Columbus and Delaware County and is paid for through user fees billed by the City to Westerville residents and businesses. This revenue is used to pay for the necessary level of staffing required to complement the contracted services and to fund system improvements and depreciation. The City of Westerville also collects a tap fee each time a new tap to the system is made which funds a portion of system repair and replacement. Westerville owns and maintains the infrastructure necessary to furnish services to their citizens and is responsible for major reconstruction and extension of new service within the community.

The City of Westerville purchases wholesale electric power from independent sources and is paid for through user fees billed by the City to Westerville residents and businesses. This revenue is used to pay for the necessary level of staffing required to complement the contracted services, debt service on the electric distribution system improvements and to fund system improvements and depreciation. Westerville owns and maintains the infrastructure necessary to furnish services to their citizens and is responsible for major reconstruction and extension of new service within the community.

The City contracts for refuse and solid waste collection and disposal with an independent provider which is paid by user fees billed by the City. This revenue is used to pay for the necessary level of staffing required to complement the contracted services and other related expenses.

The City owns and operates the Highlands Park Swimming Pool Complex, with its operations financed by user fees.

## **THE CITY'S FUNDS**

Information about the City's major governmental funds begins on page 16. These funds are reported using the modified accrual basis of accounting. All Governmental funds had total revenues of \$50,629,757 and expenditures of \$52,270,329. The General Fund balance increased by \$2,393,989, due to the net increase in income tax receipts, estate tax receipts, and Delaware County's contribution towards the completion of Spring and Maxtown Road Improvements.

The Fire Operating Fund balance increased \$688,862, due primarily to increased tax collections of the 3.4 mill operating levy approved by the voters in 2002, intended to fund operations for the subsequent six-year period.

The Parks and Recreation Operating Fund balance increased \$295,300, due mainly to the transfer of monies from the Parks and Recreation Income Tax Allocation Fund and the General Fund to support their operations.

## ***General Fund Budgeting Highlights***

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of receipts, disbursements and encumbrances. The City's budget is adopted by function within each fund. Before the budget is adopted, Council reviews detailed budget worksheets of each function and object within the General Fund and then adopts the budget. During 2005 there were six revisions to the General Fund budget. The net effect of the revisions was an increase in appropriations of \$2,891,907.

The Finance Director has the authority to make line item adjustments within each function as long as the total does not exceed the original budget appropriations.

Original General Fund budgeted revenues were \$27,600,577. The final budgeted amount was \$28,966,833. This increase of \$1,366,256 was due primarily to the net increase in income tax receipts, estate tax receipts and planning and development fees.

## **CAPITAL ASSETS AND DEBT ADMINISTRATION**

### ***Capital Assets***

Table 3  
Capital Assets  
(Net Of Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	Restated 2004	2005	Restated 2004	2005	Restated 2004	2005
Land	\$6,723,093	\$6,594,343	\$1,091,107	\$1,091,107	7,814,200	7,685,450
Construction in Progress	4,453,165	655,732	1,675,022	1,624,520	6,128,187	2,280,252
Land Improvements	10,996,056	10,791,418	2,033,718	1,805,716	13,029,774	12,597,134
Buildings	26,523,472	27,202,497	3,494,614	3,338,964	30,018,086	30,541,461
Furniture and Equipment	2,469,765	2,421,878	5,176,500	5,179,082	7,646,265	7,600,960
Vehicles	1,041,463	1,220,097	1,005,582	997,706	2,047,045	2,217,803
Infrastructure	29,741,698	38,410,080	0	0	29,741,698	38,410,080
Water Lines	0	0	19,443,949	20,869,670	19,443,949	20,869,670
Sewer Lines	0	0	12,231,047	12,409,204	12,231,047	12,409,204
Electric System	0	0	28,610,302	31,794,971	28,610,302	31,794,971
Totals	<u>\$81,948,712</u>	<u>\$87,296,045</u>	<u>\$74,761,841</u>	<u>\$79,110,940</u>	<u>\$156,710,553</u>	<u>\$166,406,985</u>

The increase in infrastructure of governmental activities was the result of \$8,668,382 of infrastructure additions which included various street rehabilitations, curb and sidewalk replacements and intersection improvements.

See Note 10 of the notes to the basic financial statements for more detailed information.



## ***Debt***

At December 31, 2005, the City of Westerville had \$36,576,195 in debt outstanding.

Table 4  
Outstanding Debt at Year-end

	Governmental Activities		Business-Type Activities		Total	
	2004	2005	2004	2005	2004	2005
General Obligation Bonds	\$30,152,752	\$28,429,696	\$6,790,925	\$6,284,181	\$36,943,677	\$34,713,877
ODNR Debt	0	0	1,875,889	1,839,754	1,875,889	1,839,754
Right-of-Way Note	197,343	0	0	0	197,343	0
Police Pension Liability	23,081	22,564	0	0	23,081	22,564
Total	<u>\$30,373,176</u>	<u>\$28,452,260</u>	<u>\$8,666,814</u>	<u>\$8,123,935</u>	<u>\$39,039,990</u>	<u>\$36,576,195</u>

All general obligation bond issues will be paid through the Debt Service Fund with property tax revenues, or paid by operating revenues of the Water and Electric Funds. The ODNR debt will be paid from Water Enterprise Fund revenues.

The City's overall 10.5 percent legal debt margin was \$72,879,532 as of December 31, 2005. The more restrictive unvoted legal debt margin within 5.5 percent was \$24,667,863 as of the same date. See Note 14 of the notes to the basic financial statements for more detailed information.

## **CONTACTING THE CITY'S FINANCE DEPARTMENT**

This financial report is designed to provide our citizens, taxpayers, creditors and investors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact John P. Winkel, Finance Director, City of Westerville, 21 S. State Street, Westerville, Ohio 43081-2119.

## Basic Financial Statements

**City of Westerville, Ohio**  
Statement of Net Assets  
December 31, 2005

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Totals</b>
<b><u>Assets:</u></b>			
Equity in Pooled Cash and Cash Equivalents	\$41,100,789	\$26,643,162	\$67,743,951
Cash and Cash Equivalents with Fiscal Agents	33,935	641	34,576
Accrued Interest Receivable	390,764	118,559	509,323
Accounts Receivable, Net	146,065	6,392,372	6,538,437
Municipal Income Taxes Receivable	3,356,910	0	3,356,910
Intergovernmental Receivable	3,124,695	10,769	3,135,464
Property and Other Local Taxes Receivable	12,073,788	0	12,073,788
Payments in Lieu of Taxes Receivable	85,103	0	85,103
Prepaid Items	288,966	0	288,966
Materials and Supplies Inventory	548,205	1,013,724	1,561,929
Internal Balances	587,006	(587,006)	0
Deferred Charges	106,274	57,672	163,946
Special Assessments Receivable	0	287,404	287,404
Land Held for Resale	756,258	0	756,258
Water Rights, Net	0	1,419,860	1,419,860
Nondepreciable Capital Assets	7,250,075	2,715,627	9,965,702
Depreciable Capital Assets, Net	80,045,970	76,395,313	156,441,283
<b>Total Assets</b>	<b>149,894,803</b>	<b>114,468,097</b>	<b>264,362,900</b>
<b><u>Liabilities:</u></b>			
Accounts Payable	670,131	2,759,672	3,429,803
Contracts Payable	1,240,377	238,801	1,479,178
Accrued Wages	817,898	173,670	991,568
Retainage Payable	279,242	96,516	375,758
Intergovernmental Payable	690,740	963,843	1,654,583
Accrued Interest Payable	108,303	54,154	162,457
Matured Interest Payable	3,067	641	3,708
Matured Compensated Absences Payable	140,145	0	140,145
Claims Payable	7,091	0	7,091
Deferred Revenue	11,558,464	9,457	11,567,921
Deposits Held and Due to Others	0	108,513	108,513
Notes Payable	0	1,350,000	1,350,000
Long-Term Liabilities:			
Due Within One Year	3,449,415	1,015,147	4,464,562
Due in More Than One Year	28,743,038	7,829,964	36,573,002
<b>Total Liabilities</b>	<b>47,707,911</b>	<b>14,600,378</b>	<b>62,308,289</b>
<b><u>Net Assets:</u></b>			
Invested in Capital Assets, Net of Related Debt	59,265,385	69,991,415	129,256,800
Restricted for:			
Debt Service	33,203	0	33,203
Capital Outlay	2,788,639	0	2,788,639
Unclaimed Monies	55,525	0	55,525
Fire Protection	4,848,112	0	4,848,112
Streets and Transportation	2,304,289	0	2,304,289
Parks and Recreation	5,258,349	0	5,258,349
Other Purposes	2,424,951	0	2,424,951
Unrestricted	25,208,439	29,876,304	55,084,743
<b>Total Net Assets</b>	<b>\$102,186,892</b>	<b>\$99,867,719</b>	<b>\$202,054,611</b>

See accompanying notes to the basic financial statements

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

	<i>Expenses</i>	<i>Program Revenues</i>		
		<i>Charges for Services and Sales</i>	<i>Operating Grants, Contributions and Interest</i>	<i>Capital Grants, Contributions and Interest</i>
<b><u>Governmental Activities:</u></b>				
Security of Persons and Property	\$21,059,425	\$121,914	\$2,844,944	\$0
Public Health	57,364	37,320	0	0
Leisure Time Activities	8,268,953	3,015,018	76,009	30,425
Community Development	2,381,720	839,071	0	0
Basic Utility Services	395,574	0	15,878	875,411
Transportation	3,097,704	84,625	1,878,207	2,016,530
General Government	9,484,791	920,985	12,879	0
Interest and Fiscal Charges	1,371,225	0	0	0
<i>Total Governmental Activities</i>	<u>46,116,756</u>	<u>5,018,933</u>	<u>4,827,917</u>	<u>2,922,366</u>
<b><u>Business-Type Activities:</u></b>				
Water	3,171,504	3,847,391	0	1,053,456
Sewer	5,041,390	5,333,784	0	589,081
Electric	31,124,552	28,482,231	0	0
Refuse	1,921,206	1,850,321	0	0
Swimming Pool	465,973	406,581	0	0
<i>Total Business-Type Activities</i>	<u>41,724,625</u>	<u>39,920,308</u>	<u>0</u>	<u>1,642,537</u>
<i>Total Activites</i>	<u>\$87,841,381</u>	<u>\$44,939,241</u>	<u>\$4,827,917</u>	<u>\$4,564,903</u>

***General Revenues and Transfers:***

Property and Other Taxes Levied for:  
    General Purposes  
    Fire  
    Debt Service  
Municipal Income Taxes Levied for:  
    General Purposes  
    Parks and Recreation  
Grants and Entitlements not Restricted to Specific Programs  
Unrestricted Investment Earnings  
Payments in Lieu of Taxes  
Other  
Transfers

*Total General Revenues and Transfers*

Change in Net Assets

*Net Assets Beginning of Year - Restated (See Note 3)*

*Net Assets End of Year*

See accompanying notes to the basic financial statements

**Net (Expense) Revenue and Changes in Net Assets**

<i>Governmental Activities</i>	<i>Business-Type Activities</i>	<i>Totals</i>
(\$18,092,567)	\$0	(\$18,092,567)
(20,044)	0	(20,044)
(5,147,501)	0	(5,147,501)
(1,542,649)	0	(1,542,649)
495,715	0	495,715
881,658	0	881,658
(8,550,927)	0	(8,550,927)
(1,371,225)	0	(1,371,225)
<u>(33,347,540)</u>	<u>0</u>	<u>(33,347,540)</u>
0	1,729,343	1,729,343
0	881,475	881,475
0	(2,642,321)	(2,642,321)
0	(70,885)	(70,885)
0	(59,392)	(59,392)
<u>0</u>	<u>(161,780)</u>	<u>(161,780)</u>
<u>(33,347,540)</u>	<u>(161,780)</u>	<u>(33,509,320)</u>
3,133,506	0	3,133,506
7,260,582	0	7,260,582
381,885	0	381,885
16,208,734	0	16,208,734
3,854,039	0	3,854,039
5,778,664	0	5,778,664
1,725,206	16,338	1,741,544
505,051	0	505,051
75,587	131,072	206,659
(15,878)	15,878	0
<u>38,907,376</u>	<u>163,288</u>	<u>39,070,664</u>
5,559,836	1,508	5,561,344
<u>96,627,056</u>	<u>99,866,211</u>	<u>196,493,267</u>
<u>\$102,186,892</u>	<u>\$99,867,719</u>	<u>\$202,054,611</u>

*City of Westerville, Ohio*  
 Balance Sheet  
 Governmental Funds  
 December 31, 2005

	<i>General</i>	<i>Fire Operating</i>	<i>Parks and Recreation Operating</i>	<i>Nonmajor Governmental Funds</i>	<i>Total Governmental Funds</i>
<b><u>Assets:</u></b>					
Equity in Pooled Cash and Cash Equivalents	\$12,910,680	\$6,254,294	\$5,725,451	\$15,596,777	\$40,487,202
Cash and Cash Equivalents with Fiscal Agents	0	0	0	33,935	33,935
<b>Receivables:</b>					
Property and Other Taxes	3,424,650	8,063,995	0	585,143	12,073,788
Municipal Income Taxes	2,685,528	0	0	671,382	3,356,910
Accounts	140,926	0	4,531	608	146,065
Payments in Lieu of Taxes	0	0	0	85,103	85,103
Accrued Interest	343,716	41,890	0	1,719	387,325
Intergovernmental Receivable	1,870,209	355,584	150,000	748,902	3,124,695
Prepaid Items	288,966	0	0	0	288,966
Materials and Supplies Inventory	231,609	0	116,717	156,608	504,934
Land Held for Resale	756,258	0	0	0	756,258
Interfund Receivable	8,647,377	0	0	12,937	8,660,314
<b>Total Assets</b>	<b>\$31,299,919</b>	<b>\$14,715,763</b>	<b>\$5,996,699</b>	<b>\$17,893,114</b>	<b>\$69,905,495</b>
<b><u>Liabilities and Fund Balances:</u></b>					
<b><u>Liabilities:</u></b>					
Accounts Payable	\$355,368	\$32,733	\$109,662	\$152,795	\$650,558
Contracts Payable	0	0	20,578	1,219,799	1,240,377
Retainage Payable	0	0	12,475	266,767	279,242
Accrued Wages	433,443	237,193	113,041	26,008	809,685
Intergovernmental Payable	372,266	194,992	96,552	20,700	684,510
Matured Interest Payable	0	0	0	3,067	3,067
Due To Other Funds	7,193	2,521	22,561	75	32,350
Deferred Revenue	6,361,633	8,419,579	152,794	1,533,328	16,467,334
Matured Compensated Absences Payable	90,640	49,505	0	0	140,145
Interfund Payable	0	333,000	0	7,652,314	7,985,314
<b>Total Liabilities</b>	<b>7,620,543</b>	<b>9,269,523</b>	<b>527,663</b>	<b>10,874,853</b>	<b>28,292,582</b>
<b><u>Fund Balances:</u></b>					
Reserved for Encumbrances	206,324	46,598	862,442	2,378,064	3,493,428
Reserved for Interfund Receivable	4,502,000	0	0	12,937	4,514,937
Reserved for Land Held for Resale	756,258	0	0	0	756,258
Reserved for Unclaimed Monies	55,525	0	0	0	55,525
<b>Unreserved:</b>					
<b>Undesignated, Reported in:</b>					
General Fund	18,159,269	0	0	0	18,159,269
Special Revenue Funds	0	5,399,642	4,606,594	3,856,868	13,863,104
Debt Service Funds	0	0	0	99,873	99,873
Capital Projects Funds	0	0	0	670,519	670,519
<b>Total Fund Balances</b>	<b>23,679,376</b>	<b>5,446,240</b>	<b>5,469,036</b>	<b>7,018,261</b>	<b>41,612,913</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$31,299,919</b>	<b>\$14,715,763</b>	<b>\$5,996,699</b>	<b>\$17,893,114</b>	<b>\$69,905,495</b>

See accompanying notes to the basic financial statement:

*City of Westerville, Ohio*  
Reconciliation of Total Governmental Fund Balances to  
Net Assets of Governmental Activities  
December 31, 2005

<b><i>Total Governmental Fund Balances</i></b>	<b>\$41,612,913</b>
 <b>Amounts reported for governmental activities in the Statement of Net Assets are different because:</b>	
Capital Assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:	
Land	\$6,594,343
Construction In Progress	655,732
Infrastructure	40,891,451
Other Capital Assets	59,186,960
Accumulated Depreciation	<u>(20,260,859)</u>
	87,067,627
Internal service funds are used by management to charge the costs of insurance and automotive maintenance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Assets.	
	778,060
An internal balance is recorded in governmental activities to reflect underpayments to the internal service fund by the business-type activities.	
	(55,464)
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:	
Municipal Income Taxes	1,615,725
Property and Other Taxes	439,408
Intergovernmental	2,480,147
Accrued Interest Receivable	254,349
Accounts	<u>119,241</u>
	4,908,870
Bond issuance costs reported as an expenditure in governmental funds are recognized as an asset and allocated as an expense over the life of the debt on the accrual basis of accounting.	
	106,274
Some liabilities, including bonds payable, loans payable and accrued interest payable, are not due and payable in the current period and therefore are not reported in the funds:	
Accrued Interest	(108,303)
General Obligation Bonds	(28,464,845)
Discount on Bonds	35,149
Police Pension	(22,564)
Compensated Absences	<u>(3,670,825)</u>
	<u>(32,231,388)</u>
 <i>Net Assets of Governmental Activities</i>	 <b><u>\$102,186,892</u></b>

See accompanying notes to the basic financial statements

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

	<u>General</u>	<u>Fire Operating</u>	<u>Parks and Recreation Operating</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b><u>Revenues:</u></b>					
Property Taxes	\$2,747,051	\$7,315,981	\$0	\$382,037	\$10,445,069
Municipal Income Taxes	16,150,394	0	0	3,839,454	19,989,848
Other Local Taxes	0	0	0	392,450	392,450
Payments in Lieu of Taxes	0	0	0	419,948	419,948
Intergovernmental	7,361,602	2,480,259	15,425	2,914,377	12,771,663
Charges for Services	477,041	1,688	2,740,769	0	3,219,498
Fees, Licenses and Permits	855,306	50	187,637	161,144	1,204,137
Fines and Forfeitures	391,003	0	0	114,904	505,907
Interest	1,520,289	184,830	0	86,364	1,791,483
Decrease in Fair Value of Investments	(285,655)	(45,842)	0	(1,854)	(333,351)
Other	95,987	7,555	72,699	46,864	223,105
<i>Total Revenues</i>	<u>29,313,018</u>	<u>9,944,521</u>	<u>3,016,530</u>	<u>8,355,688</u>	<u>50,629,757</u>
<b><u>Expenditures:</u></b>					
Current:					
Security of Persons and Property	10,062,407	9,255,659	0	72,393	19,390,459
Public Health	49,572	0	0	0	49,572
Leisure Time Activities	0	0	6,491,507	0	6,491,507
Community Development	2,332,143	0	0	0	2,332,143
Basic Utility Services	323,997	0	0	0	323,997
Transportation	0	0	0	3,325,763	3,325,763
General Government	8,046,762	0	0	948,124	8,994,886
Capital Outlay	0	0	0	8,069,949	8,069,949
Debt Service:					
Principal Retirement	517	0	0	1,922,398	1,922,915
Interest and Fiscal Charges	975	0	0	1,368,163	1,369,138
<i>Total Expenditures</i>	<u>20,816,373</u>	<u>9,255,659</u>	<u>6,491,507</u>	<u>15,706,790</u>	<u>52,270,329</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>8,496,645</u>	<u>688,862</u>	<u>(3,474,977)</u>	<u>(7,351,102)</u>	<u>(1,640,572)</u>
<b><u>Other Financing Sources (Uses):</u></b>					
Proceeds From Sale of Capital Assets	135,330	0	19,700	0	155,030
Transfers - In	2,879	0	3,750,577	6,047,373	9,800,829
Transfers - Out	(6,240,865)	0	0	(3,575,842)	(9,816,707)
<i>Total Other Financing Sources (Uses)</i>	<u>(6,102,656)</u>	<u>0</u>	<u>3,770,277</u>	<u>2,471,531</u>	<u>139,152</u>
Net Change in Fund Balances	2,393,989	688,862	295,300	(4,879,571)	(1,501,420)
Fund Balances Beginning of Year	21,285,387	4,757,378	5,173,736	11,897,832	43,114,333
<i>Fund Balances End of Year</i>	<u>\$23,679,376</u>	<u>\$5,446,240</u>	<u>\$5,469,036</u>	<u>\$7,018,261</u>	<u>\$41,612,913</u>

See accompanying notes to the basic financial statements



*City of Westerville, Ohio*  
 Reconciliation of the Statement of Revenues, Expenditures and Changes  
 in Fund Balances of Governmental Funds to the Statement of Activities  
 For the Year Ended December 31, 2005

<b>Net Change in Fund Balances - Total Governmental Funds</b>	<b>(\$1,501,420)</b>
<b>Amounts reported for governmental activities in the Statement of Activities are different because:</b>	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:	
Capital Outlay	\$8,913,208
Depreciation	(4,201,662)
Excess of Capital Outlay over Depreciation Expense	4,711,546
Governmental funds do not report the revenue from the contribution of capital assets since they do not represent current financial resources. However the revenue is reported in the Statement of Activities.	
	875,411
Governmental funds only report the disposal of fixed assets to the extent proceeds are received from the sale. In the Statement of Activities, a gain or loss is reported for each sale.	
Proceeds from Sale of Fixed Assets	(155,030)
Loss on Disposal of Assets	(76,991)
	(232,021)
The internal service funds used by management to charge the costs of maintaining City vehicles and equipment and the costs of general liability claims, actions, and judgments against the City, its officers and employees are not reported in the entity-wide Statement of Activities. Governmental expenditures and related internal service fund revenues are eliminated. The net revenue (expenses) of the internal service funds is allocated among the governmental activities, net of the change in the internal balance resulting from activity with the enterprise funds.	
	34,576
Repayment of long-term obligations is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. In the current year, these amounts consist of:	
General Obligation Bond Principal Payments	1,725,055
Street and Construction Infrastructure Notes Payments	197,343
Police Pension Principal Payments	517
	1,922,915
Some revenues that will not be collected for several months after the City's year-end are not considered "available" revenues and are deferred in the governmental funds.	
Accrued Interest Receivable	254,349
Municipal Income Taxes	72,925
Property and Other Taxes	23,557
Intergovernmental	(229,306)
Charges for Services	56,343
Fees, Licenses and Permits	(20,889)
Miscellaneous	17,597
	174,576
Governmental funds report discounts and bond issuance costs as other financing uses and as expenditures, respectively, whereas these amounts are deferred and amortized in the Statement of Activities. In the current period, these amounts are:	
Amortization of Bond Discounts	(1,999)
Amotization of Bond Issuance Costs	(6,044)
	(8,043)
Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. The additional amount of interest on the Statement of Activities is the result of the following:	
Decrease in Accrued Interest	5,956
Some items reported as expenses in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. These activities consist of:	
Increase in Compensated Absences	(423,660)
<b>Change in Net Assets of Governmental Activities</b>	<b>\$5,559,836</b>

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

	<i>Budget</i>		<i>Actuals</i>		<i>Variance Positive (Negative)</i>	
	<i>Original</i>	<i>Final</i>	<i>Cash Transactions</i>	<i>Encumbrances Total</i>		
<b><u>Revenues:</u></b>						
Property Taxes	\$2,921,342	\$2,747,050	\$2,747,051		\$2,747,051	\$1
Municipal Income Tax	15,246,739	15,679,839	15,785,293		15,785,293	105,454
Intergovernmental	6,481,813	7,053,676	7,065,679		7,065,679	12,003
Charges for Services	571,983	437,137	437,990		437,990	853
Fees, Licenses and Permits	512,350	823,910	842,512		842,512	18,602
Fines and Forfeitures	445,300	390,240	390,241		390,241	1
Interest	1,369,500	1,754,500	1,811,677		1,811,677	57,177
Miscellaneous	51,550	80,481	97,678		97,678	17,197
<i>Total Revenues</i>	<u>27,600,577</u>	<u>28,966,833</u>	<u>29,178,121</u>		<u>29,178,121</u>	<u>211,288</u>
<b><u>Expenditures:</u></b>						
Current Operations and Maintenance						
Security of Persons and Property	11,433,426	11,396,015	9,971,794	194,303	10,166,097	1,229,918
Public Health	56,900	56,500	43,979	6,935	50,914	5,586
Community Development	2,424,069	2,570,320	2,361,963	51,715	2,413,678	156,642
Basic Utility Services	442,613	430,110	326,724	6,533	333,257	96,853
General Government	9,087,199	9,038,169	7,856,123	336,268	8,192,391	845,778
<i>Total Expenditures</i>	<u>23,444,207</u>	<u>23,491,114</u>	<u>20,560,583</u>	<u>595,754</u>	<u>21,156,337</u>	<u>2,334,777</u>
Excess of Revenues Over Expenditures	<u>4,156,370</u>	<u>5,475,719</u>	<u>8,617,538</u>	<u>(595,754)</u>	<u>8,021,784</u>	<u>2,546,065</u>
<b><u>Other Financing Sources (Uses):</u></b>						
Proceeds from Sale of Capital Assets	0	135,329	135,330		135,330	1
Advances - In	3,252,000	1,027,405	999,412		999,412	(27,993)
Advances - Out	0	(2,555,000)	(2,555,000)	0	(2,555,000)	0
Transfers - In	0	2,879	2,879		2,879	0
Transfers - Out	(5,989,187)	(6,279,187)	(6,240,865)	0	(6,240,865)	38,322
<i>Total Other Financing Sources (Uses)</i>	<u>(2,737,187)</u>	<u>(7,668,574)</u>	<u>(7,658,244)</u>	<u>0</u>	<u>(7,658,244)</u>	<u>10,330</u>
Net Change in Fund Balance	1,419,183	(2,192,855)	959,294	(595,754)	363,540	2,556,395
Fund Balance at Beginning of Year	12,160,159	12,276,252	12,562,154	(285,902)	12,276,252	0
Prior Year Encumbrances Carried Over	401,995	285,902	0	285,902	285,902	0
<i>Fund Balance at End of Year</i>	<u>\$13,981,337</u>	<u>\$10,369,299</u>	<u>\$13,521,448</u>	<u>(\$595,754)</u>	<u>\$12,925,694</u>	<u>\$2,556,395</u>

See accompanying notes to the basic financial statements

*City of Westerville, Ohio*  
Statement of Revenues, Expenditures and Changes in Fund  
Balance - Budget (Non-GAAP Budgetary Basis) and Actual  
**Fire Operating Special Revenue Fund**  
For the Year Ended December 31, 2005

	<i>Budget</i>		<i>Actual</i>			<i>Variance Positive (Negative)</i>
	<i>Original</i>	<i>Final</i>	<i>Cash Transactions</i>	<i>Encumbrances</i>	<i>Total</i>	
<b><u>Revenues:</u></b>						
Property Taxes	\$7,585,453	\$7,315,980	\$7,315,981		\$7,315,981	\$1
Intergovernmental	2,111,644	2,480,257	2,480,259		2,480,259	2
Charges for Services	0	1,688	1,688		1,688	0
Fees, Licenses and Permits	0	50	50		50	0
Interest	95,000	152,800	177,446		177,446	24,646
Miscellaneous	1,500	7,554	7,555		7,555	1
<i>Total Revenues</i>	<u>9,793,597</u>	<u>9,958,329</u>	<u>9,982,979</u>		<u>9,982,979</u>	<u>24,650</u>
<b><u>Expenditures:</u></b>						
Current Operations and Maintenance						
Security of Persons and Property	9,950,872	9,902,187	9,257,804	84,739	9,342,543	559,644
Net Change in Fund Balance	(157,275)	56,142	725,175	(84,739)	640,436	584,294
Fund Balance at Beginning of Year	5,429,397	5,478,082	5,606,943	(128,861)	5,478,082	0
Prior Year Encumbrances Carried Over	177,546	128,861	0	128,861	128,861	0
<i>Fund Balance at End of Year</i>	<u>\$5,449,668</u>	<u>\$5,663,085</u>	<u>\$6,332,118</u>	<u>(\$84,739)</u>	<u>\$6,247,379</u>	<u>\$584,294</u>

See accompanying notes to the basic financial statements:

*City of Westerville, Ohio*  
Statement of Revenues, Expenditures and Changes in Fund  
Balance - Budget (Non-GAAP Budgetary Basis) and Actual  
**Parks and Recreation Operating Special Revenue Fund**  
For the Year Ended December 31, 2005

	<i>Budget</i>		<i>Actual</i>			<i>Variance Positive (Negative)</i>
	<i>Original</i>	<i>Final</i>	<i>Cash Transactions</i>	<i>Encumbrances</i>	<i>Total</i>	
<b><u>Revenues:</u></b>						
Intergovernmental	\$591,192	\$15,425	\$15,425		\$15,425	\$0
Charges for Services	2,634,350	2,639,900	2,742,776		2,742,776	102,876
Fees, Licenses and Permits	30,000	187,637	187,637		187,637	0
Miscellaneous	92,900	67,756	72,372		72,372	4,616
<i>Total Revenues</i>	<u>3,348,442</u>	<u>2,910,718</u>	<u>3,018,210</u>		<u>3,018,210</u>	<u>107,492</u>
<b><u>Expenditures:</u></b>						
Current Operations and Maintenance:						
Leisure Time Activities	7,961,386	7,935,428	6,488,730	1,006,485	7,495,215	440,213
Excess of Revenues						
Under Expenditures	(4,612,944)	(5,024,710)	(3,470,520)	(1,006,485)	(4,477,005)	547,705
<b><u>Other Financing Sources:</u></b>						
Proceeds from Sale of Capital Assets	0	19,700	19,700		19,700	0
Transfers - In	3,747,641	3,750,577	3,750,577		3,750,577	0
<i>Total Other Financing Sources</i>	<u>3,747,641</u>	<u>3,770,277</u>	<u>3,770,277</u>	<u>0</u>	<u>3,770,277</u>	<u>0</u>
Net Change in Fund Balance	(865,303)	(1,254,433)	299,757	(1,006,485)	(706,728)	547,705
Fund Balance at Beginning of Year	5,020,220	5,064,678	5,425,697	(361,019)	5,064,678	0
Prior Year Encumbrances Carried Over	405,477	361,019	0	361,019	361,019	0
<i>Fund Balance at End of Year</i>	<u>\$4,560,394</u>	<u>\$4,171,264</u>	<u>\$5,725,454</u>	<u>(\$1,006,485)</u>	<u>\$4,718,969</u>	<u>\$547,705</u>

See accompanying notes to the basic financial statements

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*City of Westerville, Ohio*  
Statement of Fund Net Assets  
Proprietary Funds  
December 31, 2005

	<i>Business Type Activities --</i>		
	<i>Water</i>	<i>Sewer</i>	<i>Electric</i>
<b><u>Assets:</u></b>			
<b><u>Current Assets:</u></b>			
Equity in Pooled Cash and Cash Equivalents	\$8,045,499	\$3,388,994	\$14,346,656
Cash and Cash Equivalents with Fiscal Agents	641	0	0
Receivables:			
Accounts, Net	544,996	790,945	4,759,277
Intergovernmental	10,769	0	0
Accrued Interest	0	0	0
Due From Other Funds	0	0	44,180
Materials and Supplies Inventory	126,374	10,172	877,178
<b>Total Current Assets</b>	<b>8,728,279</b>	<b>4,190,111</b>	<b>20,027,291</b>
<b><u>Non-current Assets:</u></b>			
Accrued Interest Receivable	66,429	52,130	0
Special Assessments Receivable	161,033	126,371	0
Deferred Charges	0	0	57,672
Water Rights, Net	1,419,860	0	0
Capital Assets:			
Nondepreciable Capital Assets	1,212,638	635,081	753,958
Depreciable Capital Assets, Net	22,512,716	12,794,127	39,538,997
<b>Total Non-current Assets</b>	<b>25,372,676</b>	<b>13,607,709</b>	<b>40,350,627</b>
<b>Total Assets</b>	<b>34,100,955</b>	<b>17,797,820</b>	<b>60,377,918</b>
<b><u>Liabilities:</u></b>			
<b><u>Current Liabilities:</u></b>			
Accounts Payable	37,415	32,364	2,549,828
Contracts Payable	98,980	18,626	121,195
Accrued Wages	58,695	12,542	97,734
Retainage Payable	52,064	2,070	42,382
Matured Interest Payable	641	0	0
Accrued Interest Payable	38,352	0	15,802
Intergovernmental Payable	29,982	852,588	75,517
Due To Other Funds	10,376	442	0
Deferred Revenue	0	0	9,457
Deposits Held and Due to Others	0	0	108,513
Claims Payable	0	0	0
Notes Payable	0	0	1,350,000
Compensated Absences Payable	111,726	26,631	299,065
ODNR Loans Payable	37,299	0	0
General Obligation Bonds Payable	335,000	0	196,610
<b>Total Current Liabilities</b>	<b>810,530</b>	<b>945,263</b>	<b>4,866,103</b>
<b><u>Long-Term Liabilities:</u></b>			
Interfund Payable	0	0	0
Compensated Absences Payable, Net	123,822	33,740	113,506
ODNR Loans Payable, Net	1,802,455	0	0
General Obligation Bonds Payable, Net	1,905,000	0	3,847,571
<b>Total Long-Term Liabilities</b>	<b>3,831,277</b>	<b>33,740</b>	<b>3,961,077</b>
<b>Total Liabilities</b>	<b>4,641,807</b>	<b>979,003</b>	<b>8,827,180</b>
<b><u>Net Assets:</u></b>			
Invested in Capital Assets, Net of Related Debt	19,645,600	13,429,208	35,253,184
Unrestricted	9,813,548	3,389,609	16,297,554
<b>Total Net Assets</b>	<b>\$29,459,148</b>	<b>\$16,818,817</b>	<b>\$51,550,738</b>

Adjustment to reflect the consolidation of the Garage Internal Service Fund's activities related to Enterprise Funds  
Net assets of business-type activities

<i>Enterprise Funds</i>		<i>Governmental Activities</i>
<i>Nonmajor Enterprise Funds</i>	<i>Totals</i>	<i>Internal Service Funds</i>
\$862,013	\$26,643,162	\$613,587
0	641	0
297,154	6,392,372	0
0	10,769	0
0	0	3,439
0	44,180	0
0	1,013,724	43,271
<u>1,159,167</u>	<u>34,104,848</u>	<u>660,297</u>
0	118,559	0
0	287,404	0
0	57,672	0
0	1,419,860	0
113,950	2,715,627	0
<u>1,549,473</u>	<u>76,395,313</u>	<u>228,418</u>
<u>1,663,423</u>	<u>80,994,435</u>	<u>228,418</u>
<u>2,822,590</u>	<u>115,099,283</u>	<u>888,715</u>
140,065	2,759,672	19,573
0	238,801	0
4,699	173,670	8,213
0	96,516	0
0	641	0
0	54,154	0
5,756	963,843	6,230
832	11,650	180
0	9,457	0
0	108,513	0
0	0	7,091
0	1,350,000	0
8,816	446,238	21,123
0	37,299	0
0	531,610	0
<u>160,168</u>	<u>6,782,064</u>	<u>62,410</u>
675,000	675,000	0
3,870	274,938	48,245
0	1,802,455	0
0	5,752,571	0
<u>678,870</u>	<u>8,504,964</u>	<u>48,245</u>
<u>839,038</u>	<u>15,287,028</u>	<u>110,655</u>
1,663,423	69,991,415	228,418
<u>320,129</u>	<u>29,820,840</u>	<u>549,642</u>
<u>\$1,983,552</u>	<u>99,812,255</u>	<u>\$778,060</u>
	55,464	
	<u>\$99,867,719</u>	

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

	<i>Business Type Activities -</i>		
	<i>Water</i>	<i>Sewer</i>	<i>Electric</i>
<b><u>Operating Revenues:</u></b>			
Charges for Services	\$2,897,616	\$4,840,209	\$28,422,931
Tap-In Fees	0	18,675	0
Other Operating Revenues	47,799	3,111	80,036
<i>Total Operating Revenues</i>	<u>2,945,415</u>	<u>4,861,995</u>	<u>28,502,967</u>
<b><u>Operating Expenses:</u></b>			
Personal Services	1,218,231	463,141	2,151,178
Contractual Services	499,040	4,114,964	26,141,328
Materials and Supplies	441,083	20,887	704,122
Claims	0	0	0
Other	1,747	4,702	73,314
Depreciation	785,306	436,911	1,727,290
<i>Total Operating Expenses</i>	<u>2,945,407</u>	<u>5,040,605</u>	<u>30,797,232</u>
<i>Operating Income (Loss)</i>	<u>8</u>	<u>(178,610)</u>	<u>(2,294,265)</u>
<b><u>Non-Operating Revenues (Expenses):</u></b>			
Interest	5,189	3,928	2,843
Underground Line and Capacity Charges	949,775	474,900	59,300
Interest and Fiscal Charges	(223,178)	0	(197,427)
Loss on Disposal of Capital Assets	0	0	(127,433)
Increase (Decrease) in Fair Value	4,378	0	0
<i>Total Non-Operating Revenues (Expenses)</i>	<u>736,164</u>	<u>478,828</u>	<u>(262,717)</u>
Income (Loss) Before Capital Contributions and Transfers	736,172	300,218	(2,556,982)
Capital Contributions	1,053,456	589,081	0
Transfers - In	795	3,026	11,463
Change in Net Assets	1,790,423	892,325	(2,545,519)
Net Assets Beginning of Year - Restated (See Note 3)	<u>27,668,725</u>	<u>15,926,492</u>	<u>54,096,257</u>
<i>Net Assets End of Year</i>	<u>\$29,459,148</u>	<u>\$16,818,817</u>	<u>\$51,550,738</u>

Adjustment to reflect the consolidation of the Garage Internal Service Fund's activities related to Enterprise Funds

Change in Net Assets of business-type activities

See accompanying notes to the basic financial statements



<i>Enterprise Funds</i>		<i>Governmental Activities</i>
<i>Nonmajor Enterprise Funds</i>	<i>Totals</i>	<i>Internal Service Funds</i>
\$2,256,902	\$38,417,658	\$955,342
0	18,675	0
126	131,072	66,586
<u>2,257,028</u>	<u>38,567,405</u>	<u>1,021,928</u>
404,940	4,237,490	308,507
1,703,736	32,459,068	51,210
57,342	1,223,434	363,806
0	0	262,308
5,284	85,047	0
215,784	3,165,291	20,503
<u>2,387,086</u>	<u>41,170,330</u>	<u>1,006,334</u>
(130,058)	(2,602,925)	15,594
0	11,960	15,367
0	1,483,975	0
0	(420,605)	0
0	(127,433)	0
0	4,378	(2,642)
<u>0</u>	<u>952,275</u>	<u>12,725</u>
(130,058)	(1,650,650)	28,319
0	1,642,537	0
594	15,878	0
(129,464)	7,765	28,319
<u>2,113,016</u>		<u>749,741</u>
<u>\$1,983,552</u>		<u>\$778,060</u>
	(6,257)	
	<u>\$1,508</u>	

*City of Westerville, Ohio*  
Statement of Cash Flows  
Proprietary Funds  
For The Year Ended December 31, 2005

	<i>Business-Type Activities --</i>		
	<i>Water</i>	<i>Sewer</i>	<i>Electric</i>
<b><u>Increases (Decreases) in Cash and Cash Equivalents:</u></b>			
<b><u>Cash Flows from Operating Activities:</u></b>			
Cash Received from Customers	\$2,899,736	\$4,761,652	\$27,160,395
Interfund Services Provided	0	0	581,633
Cash Payments for Personal Services	(1,208,509)	(486,079)	(2,122,264)
Cash Payments for Materials and Supplies	(444,376)	(21,344)	(312,197)
Cash Payments for Other Services and Charges	(374,528)	(4,147,343)	(25,740,323)
Interfund Services Used	(123,658)	(2,642)	0
Cash Payments for Claims	0	0	0
Cash Received From Operating Portion of Tap-in Fees	0	18,675	0
Other Operating Revenues	41,042	431	78,677
Underground Lines and Capacity Charges	949,775	474,900	59,300
Deposits Received	0	0	71,348
Deposits Refunded/Applied	0	0	(27,001)
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>1,739,482</u>	<u>598,250</u>	<u>(250,432)</u>
<b><u>Cash Flows from Non-Capital Financing Activities:</u></b>			
Advances to Other Funds	0	0	0
Transfers from Other Funds	795	3,026	11,463
<i>Net Cash Provided by (Used for) Non-Capital Financing Activities</i>	<u>795</u>	<u>3,026</u>	<u>11,463</u>
<b><u>Cash Flows from Capital and Related Financing Activities:</u></b>			
Acquisition and Construction of Capital Assets	(1,192,070)	(477,591)	(4,828,172)
Proceeds from the Sale of Notes	0	0	1,350,000
Principal Paid on General Obligation Bonds	(320,000)	0	(184,945)
Interest Paid on General Obligation Bonds	(117,030)	0	(196,773)
Principal Paid on ODNR Debt	(36,135)	0	0
Interest Paid on ODNR Debt	(60,441)	0	0
<i>Net Cash Used for Capital and Related Financing Activities</i>	<u>(1,725,676)</u>	<u>(477,591)</u>	<u>(3,859,890)</u>
<b><u>Cash Flows From Investing Activities:</u></b>			
Increase (Decrease) in Fair Value of Cash Equivalents	4,378	0	0
Interest	4,907	0	2,843
<i>Net Cash Provided by Investing Activities</i>	<u>9,285</u>	<u>0</u>	<u>2,843</u>
Net Increase (Decrease) in Cash and Cash Equivalents	23,886	123,685	(4,096,016)
Cash and Cash Equivalents at Beginning of Year	8,021,613	3,265,309	18,442,672
<i>Cash and Cash Equivalents at End of Year</i>	<u><u>\$8,045,499</u></u>	<u><u>\$3,388,994</u></u>	<u><u>\$14,346,656</u></u>

<i>Enterprise Funds</i>	<i>Governmental Activities</i>	
<i>Nonmajor Enterprise Funds</i>	<i>Totals</i>	<i>Internal Service Funds</i>
\$2,242,707	\$37,064,490	\$0
0	581,633	963,970
(413,301)	(4,230,153)	(302,436)
(57,427)	(835,344)	(378,669)
(1,671,642)	(31,933,836)	(49,749)
(15,755)	(142,055)	(3,500)
0	0	(300,791)
0	18,675	0
126	120,276	66,586
0	1,483,975	0
0	71,348	0
0	(27,001)	0
84,708	2,172,008	(4,589)
(105,000)	(105,000)	0
594	15,878	0
(104,406)	(89,122)	0
0	(6,497,833)	(12,900)
0	1,350,000	0
0	(504,945)	0
0	(313,803)	0
0	(36,135)	0
0	(60,441)	0
0	(6,063,157)	(12,900)
0	4,378	(2,642)
0	7,750	15,970
0	12,128	13,328
(19,698)	(3,968,143)	(4,161)
881,711	30,611,305	617,748
\$862,013	\$26,643,162	\$613,587

(Continued)

*City of Westerville, Ohio*  
Statement of Cash Flows  
Proprietary Funds  
For The Year Ended December 31, 2005  
(Continued)

	<i>Business-Type Activities --</i>		
	<i>Water</i>	<i>Sewer</i>	<i>Electric</i>
<b><i>Reconciliation of Operating Income (Loss) to</i></b>			
<b><i>Net Cash Provided by (Used for) Operating Activities:</i></b>			
Operating Income (Loss)	\$8	(\$178,610)	(\$2,294,265)
<b><i>Adjustments to Reconcile Operating Income (Loss)</i></b>			
<b><i>to Net Cash Provided by (Used for) Operating Activities:</i></b>			
Depreciation	785,306	436,911	1,727,290
Change in Provision for Uncollectable Accounts Receivable	(172)	1,884	16,725
Adjustment for Underground Lines and Capacity Charges	949,775	474,900	59,300
<b><i>Changes in Assets and Liabilities:</i></b>			
(Increase) Decrease in Accounts Receivable	(2,718)	(78,419)	(663,083)
Decrease in Intergovernmental Receivable	0	0	4,000
Increase in Due from Other Funds	0	0	(8,035)
(Increase) Decrease in Material and Supplies Inventory	814	129	403,436
Increase (Decrease) in Accounts Payable	(4,032)	(10,478)	388,797
Decrease in Claims Payable	0	0	0
Increase (Decrease) in Accrued Wages	25,241	(1,231)	2,496
Increase (Decrease) in Compensated Absences	(22,223)	(21,239)	18,154
Increase in Due to Other Funds	779	375	0
Increase (Decrease) in Intergovernmental Payable	6,704	(25,972)	8,961
Increase in Deferred Revenue	0	0	1,636
Increase in Deposits Held and Due to Others	0	0	84,156
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>\$1,739,482</u>	<u>\$598,250</u>	<u>(\$250,432)</u>
<b><i>Noncash Capital and Related Financing Activities:</i></b>			
Trade-In Allowance of Equipment and Vehicles	\$550	\$0	\$0
Service Lines Donated by Developers and Capitalized at Fair Market Value	1,053,456	589,081	0
<i>Total Noncash Capital and Related Financing Activities</i>	<u>\$1,054,006</u>	<u>\$589,081</u>	<u>\$0</u>

See accompanying notes to the basic financial statements

<u>Enterprise Funds</u>	<u>Governmental Activities</u>	
<u>Nonmajor Enterprise Funds</u>	<u>Totals</u>	<u>Internal Service Funds</u>
(\$130,058)	(\$2,602,925)	\$15,594
215,784	3,165,291	20,503
206	18,643	0
0	1,483,975	0
(9,117)	(753,337)	8,628
0	4,000	0
0	(8,035)	0
0	404,379	(9,787)
15,984	390,271	(7,295)
0	0	(38,483)
(836)	25,670	(1,431)
(8,437)	(33,745)	6,879
270	1,424	180
912	(9,395)	623
0	1,636	0
0	84,156	0
<u>\$84,708</u>	<u>\$2,172,008</u>	<u>(\$4,589)</u>
\$0	\$550	\$0
<u>0</u>	<u>1,642,537</u>	<u>0</u>
<u>\$0</u>	<u>\$1,643,087</u>	<u>\$0</u>

*City of Westerville, Ohio*  
Statement of Fiduciary  
Assets and Liabilities  
Agency Funds  
December 31, 2005

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<b><u>Assets:</u></b>	
Equity in Pooled Cash and Cash Equivalents	\$1,038,659
Cash and Cash Equivalents with Fiscal Agents	6,648
Receivables:	
Property and Other Taxes	<u>1,028</u>
<i>Total Assets</i>	<u><u>\$1,046,335</u></u>
<b><u>Liabilities:</u></b>	
Accounts Payable	\$1,028
Undistributed Monies	740,737
Intergovernmental Payable	153,735
Deposits Held and Due to Others	<u>150,835</u>
<i>Total Liabilities</i>	<u><u>\$1,046,335</u></u>

See accompanying notes to the basic financial statements

## *City of Westerville, Ohio*

Notes to the Basic Financial Statements

For the Year Ended December 31, 2005

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### **NOTE 1 – DESCRIPTION OF THE CITY AND REPORTING ENTITY**

The City of Westerville is a home rule municipal corporation established under the laws of the State of Ohio that operates under its own Charter. The current Charter, which provides for a Council-City Manager form of government, was adopted by the electorate in 1964.

The legislative authority is vested in a seven member council all of whom are elected at-large for staggered four year terms. The presiding officer is the chairman, who is elected by the Council for a two year term. Council enacts ordinances and resolutions relating to tax levies, city services, and licensing, appropriates and borrows money, and accepts bids for materials and services and other municipal purposes. The Council also elects one of its members to serve as Mayor who is the ceremonial head of the City and exercises the judicial powers granted to the mayor of a municipality under State law. The Council also appoints a City Manager.

The City Manager is the chief executive officer of the City. The City Manager supervises the administration of all departments and appoints their directors and all other employees in accordance with civil service requirements.

### **THE REPORTING ENTITY**

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are fairly presented and complete. The primary government of the City consists of all funds, departments, boards and commissions that are not legally separate from the City. The City departments include a public safety department, a public service department, (street maintenance, sanitation services, and storm sewer), a parks and recreation department, a planning and zoning department, utility departments including water, sewer, refuse, and electric, and a staff to provide support (i.e., payroll processing, accounts payable, and revenue collection) to the service providers.

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

The Westerville Mayor's Court, which provides judicial services, is included as an agency fund in the City's financial statements. The Mayor is an elected City Official who has a fiduciary responsibility for the collection and distribution of the court fees and fines.

## *City of Westerville, Ohio*

### Notes to the Basic Financial Statements (Continued)

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#### **NOTE 1 – DESCRIPTION OF THE CITY AND REPORTING ENTITY** *(continued)*

The City is associated with three organizations which are defined as a jointly governed organization, a related organization and a risk sharing pool. These organizations are the Westerville, Minerva Park, and Blendon Township Joint Hospital District, the Westerville Industry and Commerce Corporation (WICC), and the Central Ohio Risk Management Agency (CORMA) Self-Insurance Pool, Inc. These organizations are presented in Notes 19, 20 and 21 to the basic financial statements.

#### **NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

#### **BASIS OF PRESENTATION**

The City's basic financial statements consist of government-wide statements, including a *Statement of Net Assets* and a *Statement of Activities*, and fund financial statements which provide a more detailed level of financial information.

#### **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

The *Statement of Net Assets* and the *Statement of Activities* display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activity of the internal service funds is eliminated to avoid the "doubling up" of revenues and expenses. The statements distinguish between those activities of the City that are governmental in nature and those that are considered business-type activities.

The *Statement of Net Assets* presents the financial condition of the governmental and business-type activities of the City at year-end. The *Statement of Activities* presents a comparison between direct expenses and program revenues for each program or function of the City's governmental activities and for the business-type activities of the City. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of



## *City of Westerville, Ohio*

### Notes to the Basic Financial Statements (Continued)

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#### **NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

the City, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental program or business segment is self-financing or draws from the general revenues of the City.

#### **FUND FINANCIAL STATEMENTS**

During the year, the City segregates transactions related to certain City functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Internal service funds are combined and the totals are presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by type.

#### **FUND ACCOUNTING**

The City uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid 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. There are three categories of funds utilized by the City: governmental, proprietary and fiduciary.

#### **GOVERNMENTAL FUNDS**

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

General Fund – This fund accounts 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.

Fire Operating Fund – This fund accounts for the property tax revenues generated from continuing levies and used to finance the operations of the Fire Department.

Parks and Recreation Operating Fund – This fund accounts for the receipt of monies from the operations of the parks and recreation facilities which are used to fund programs and activities of the Parks and Recreation Department.

# City of Westerville, Ohio

## Notes to the Basic Financial Statements (Continued)

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### **NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

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

#### **PROPRIETARY FUNDS**

Proprietary funds focus on the determination of operating income, changes in net assets, financial position, and cash flows. The City's proprietary funds are enterprise and internal service funds.

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

Water Fund – This fund is used to account for the revenues and expenses of the City-owned water filtration and distribution system.

Sewer Fund – This fund is used to account for the revenues and expenses of the City-owned sanitary sewer collection system.

Electric Fund – This fund is used to account for the revenues and expenses of the City-owned electric transmission and distribution system.

Internal Service Funds – The internal service funds are used to account for the financing of fleet maintenance and self-insurance services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis.

#### **FIDUCIARY FUNDS**

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds. The three types of trust funds should be used to report resources held and administered by the reporting government when it is acting in a fiduciary capacity for individuals, private organizations, or other governments. These funds are distinguished by the existence of a trust agreement that affects the degree of management involvement and the length of time that the resources are held. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The City's only fiduciary funds consist of seven agency funds which are used to account for money held for individuals and organizations. These funds account for money belonging to the convention and visitors' bureau, for payroll withholding liabilities, for sewer capacity fees collected and remitted to the City of Columbus, for building and related permit fees collected and remitted to the State of Ohio, for deposits by contractors, developers or individuals held to insure compliance with City building codes, for distributing court fines and forfeitures and for recreation fees used by other subdivisions in maintaining their park systems.

# City of Westerville, Ohio

## Notes to the Basic Financial Statements (Continued)

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### **NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

#### **MEASUREMENT FOCUS**

##### **Government-Wide Financial Statements**

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and liabilities associated with the operation of the City are included on the *Statement of Net Assets*. The *Statement of Activities* presents increases (e.g., revenues) and decreases (e.g., expenses) in total net assets.

##### **Fund Financial Statements**

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the *Balance Sheet*. The *Statement of Revenues, Expenditures and Changes in Fund Balances* reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. The governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the governmental fund financial statements.

Like the government-wide statements, all proprietary funds are accounted for using a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the *Statement of Fund Net Assets*. The *Statement of Revenues, Expenses and Changes in Fund Net Assets* presents increases (e.g., revenues) and decreases (e.g., expenses) in total net assets. The *Statement of Cash Flows* provides information about how the City finances and meets the cash flow needs of its proprietary activities.

#### **BASIS OF ACCOUNTING**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting; proprietary and agency funds also use the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

#### **REVENUES - EXCHANGE AND NON-EXCHANGE TRANSACTIONS**

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available. “Measurable” means the amount of the transaction can be determined and “available” means the resources will be collected within the current year or are expected to be collected soon enough thereafter

## *City of Westerville, Ohio*

### Notes to the Basic Financial Statements (Continued)

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#### **NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

to be used to pay liabilities of the current year. For the City, available means expected to be received within thirty-one days of year-end.

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income tax is recognized in the year in which the income is earned. Revenue from property taxes is recognized in the year for which the taxes are levied. (See Note 8.) Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: income taxes, interest on investments, intergovernmental revenues (including motor vehicle license tax, gasoline tax, and local government assistance) and grants.

#### **DEFERRED REVENUES**

Deferred revenues arise when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of December 31, 2005, but were levied to finance 2006 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met have also been recorded as deferred revenue.

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

#### **EXPENSES/EXPENDITURES**

On the accrual basis of accounting, expenses are recognized at the time they are incurred.

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

## *City of Westerville, Ohio*

### Notes to the Basic Financial Statements (Continued)

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#### **NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

##### **BUDGETS AND BUDGETARY ACCOUNTING**

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount Council may appropriate. The appropriations resolution is Council's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by Council. The legal level of control has been established by Council at the function level for all funds. The Finance Director has been authorized to allocate appropriations to the object level within each fund.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the Finance Director. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as final budgeted amounts represent estimates from the amended certificate in force at the time final appropriations were passed by Council.

The appropriations resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. Generally, amounts reported as the original budgeted amounts reflect the first appropriations resolution for that fund that covered the entire year, including amounts automatically carried forward from prior years. Generally, amounts reported as the final budgeted amounts represent the final appropriation amounts passed by Council during the year, including all supplemental appropriations. However, for several funds in which Council has deemed the resources appropriated upon receipt, the amounts are reported in the final budgeted amounts only.

##### **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. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the financial statements.

The Westerville Mayor's Court has its own checking account for the collection and distribution of court fines and forfeitures. The City utilizes financial institutions to service bonded debt as principal and interest payments come due. The City also has permissive motor vehicle license money which is held by the Franklin County Engineer as agent and distributed to the City for approved street projects. The balances in these accounts are presented on the balance sheet as "Cash and Cash Equivalents with Fiscal Agents".

During the year, investments were limited to Federal Home Loan Mortgage Corporation Notes, Federal Home Loan Bank Bonds, Federal Farm Credit Bank Bonds, and Federal National Mortgage Association Notes, repurchase agreements and STAROhio. Except for nonparticipating investment contracts, such as repurchase agreements which are reported at cost, investments are reported at fair value which is based on quoted market prices.

## *City of Westerville, Ohio*

### Notes to the Basic Financial Statements (Continued)

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#### **NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

The City has invested funds in the State Treasury Asset Reserve of Ohio (STAROhio) during 2005. STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio 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 STAROhio are valued at STAROhio's share price which is the price the investment could be sold for on December 31, 2005.

Interest allocation is determined by the Ohio Constitution, State statutes, and local ordinances adopted under City Charter. Under these provisions, the City's funds required to receive interest allocations are: 1) those which receive proceeds from the sale of notes and/or bonds; 2) special tax levy funds; 3) the Self-Insurance Internal Service Fund; 4) the Recreation Capital Improvement Capital Projects Fund; 5) the DARE Special Revenue Fund; 6) the Criminal Activity Forfeiture Special Revenue Fund; 7) the Drug Enforcement Special Revenue Fund; and 8) the Water Enterprise Fund. During 2005, the Sewer and Electric Enterprise Funds also earned interest. All remaining interest is credited to the General Fund. Interest revenue credited to the General Fund during 2005 amounted to \$1,520,289, which includes \$1,113,719 assigned from other funds.

Investments with an original maturity of three months or less at the time of purchase and investments of the cash management pool are reported as cash equivalents on the financial statements.

#### **INVENTORY OF SUPPLIES**

Materials and supplies inventories are presented at cost on a first-in, first-out basis and are expended/expensed when used. Materials and supplies inventory consists of expendable supplies held for consumption.

#### **PREPAID ITEMS**

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

#### **INTANGIBLE ASSET - WATER RIGHTS**

In 1985, the City entered into a fifty year agreement with the State of Ohio, Department of Natural Resources (ODNR), whereby the City acquired the right to seven and one-half percent of the storage capacity of the Alum Creek Reservoir. The cost of these rights is amortized, on a straight line basis, over the term of the agreement.

# City of Westerville, Ohio

## Notes to the Basic Financial Statements (Continued)

### **NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

#### **CAPITAL ASSETS**

General capital assets are capital assets that are associated with and generally rise from governmental activities. They generally result from expenditures in governmental funds. These assets are reported in the governmental activities column of the government-wide *Statement of Net Assets* but are not reported in the fund financial statements. Capital assets used by the enterprise funds are reported in both the business-type activities column of the government-wide *Statement of Net Assets* and in the respective funds.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and reductions during the year. For certain assets, estimates were calculated by indexing estimated current costs back to the year of acquisition. Donated capital assets are recorded at their fair market values on the date donated. The City maintains a capitalization threshold of five thousand dollars. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed.

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

	<u>YEARS</u>
Buildings	50
Improvements Other Than Buildings	5-50
Machinery and Equipment	5-20
Furniture and Fixtures	20
Vehicles	3-10
Sewer, Water and Electric Lines	25-55
Infrastructure	20-50

The City's infrastructure consists of streets, curbs and gutters, sidewalks, street lighting, storm sewer, and water, sewer and electric lines. The City only reports the amounts acquired after 2002. The City plans to phase in the prior years' amounts in future years.

#### **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. The City records a liability for all accumulated unused vacation time when earned for all employees with more than one year of service.

## *City of Westerville, Ohio*

### Notes to the Basic Financial Statements (Continued)

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#### **NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

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 that 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. The City records a liability for accumulated unused sick leave for employees and administrators after 10 years of service.

The entire compensated absences liability is reported on the government-wide financial statements. On governmental fund financial statements, compensated absences are reported as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations or retirements. These amounts are recorded in the account "Matured Compensated Absences Payable" in the funds from which the employees are paid. In the proprietary funds, the entire amount of compensated absences is reported as a fund liability.

#### **INTERFUND RECEIVABLES AND PAYABLES**

On fund financial statements, outstanding interfund loans and unpaid amounts for interfund services are reported as "Interfund Receivable" and "Interfund Payable". Interfund balances are eliminated on the governmental-wide *Statement of Net Assets* except for any net residual amounts due between governmental and business-type activities, which are presented as "Internal Balances."

#### **ACCRUED LIABILITIES AND LONG-TERM OBLIGATIONS**

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. All payables, accrued liabilities, and long-term obligations payable from the proprietary funds are reported on the proprietary fund financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, compensated absences that will be paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. Long-term bonds, notes and the police pension liability are recognized as liabilities on the governmental fund financial statements when due.

#### **BOND DISCOUNTS, PREMIUMS/ISSUANCE COSTS**

Bond discounts, premiums and issuance costs for government-wide statements and proprietary fund statements are deferred and amortized over the term of the bonds using the straight-line method since the results are not significantly different from the effective interest method. Bond discounts/premiums are presented as a reduction/increase to the face amount of bonds payable whereas issuance costs are recorded as deferred charges. The accounting gain/loss on refunded bonds (difference between the reacquisition price and the net carrying amount of the old debt) is amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter.



# *City of Westerville, Ohio*

## Notes to the Basic Financial Statements (Continued)

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### **NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

#### **CONTRIBUTIONS OF CAPITAL**

Contributions of capital arise from outside contributions of capital assets, tap-in fees to the extent they exceed the cost of the connection to the system, grants or outside contributions of resources restricted to capital acquisition, and from the construction or transfers of capital assets between governmental and business-type activities.

#### **RESERVES OF FUND BALANCE**

Reserves of fund equity in governmental funds indicate that a portion of fund balance is not available for expenditure or is legally segregated for a specific future use. Land held for resale 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. Fund balances are reserved for encumbrances, land held for resale, unclaimed monies and interfund loans between funds to the extent they will not be repaid in 2006.

#### **INTERFUND TRANSACTIONS**

Transfers between governmental and business-type activities on the government-wide financial statements are reported in the same manner as general revenues.

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

#### **NET ASSETS**

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net assets restricted for other purposes include funds for improving the living environment of the City, the operation of police programs, and various other programs that benefit the City.

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

## *City of Westerville, Ohio*

### Notes to the Basic Financial Statements (Continued)

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#### **NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

The government-wide Statement of Net Assets reports \$17,713,068 of restricted net assets, of which \$7,882,615 are restricted by enabling legislation.

#### **OPERATING REVENUES AND EXPENSES**

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services for water, sewer, refuse and electric utility services, and for use of the City's public swimming pools. Operating expenses are the necessary costs incurred to provide the service that is the primary activity of the fund. Revenues and expenses that do not meet these definitions are reported as non-operating.

#### **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 3 – CHANGES IN ACCOUNTING PRINCIPLES AND RESTATEMENT OF PRIOR YEAR FUND EQUITY**

##### **CHANGES IN ACCOUNTING PRINCIPLES**

For 2005, the City has implemented *GASB Statement No. 40, "Deposit and Investment Risk Disclosures – an amendment of GASB Statement No. 3"*, *GASB Statement No. 42, "Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries"*, and *GASB Statement No. 46, "Net Assets Restricted by Enabling Legislation – an amendment of GASB Statement No. 34"*.

*GASB Statement No. 40* creates new disclosure requirements for deposits and investments related to credit risk, custodial credit risk, concentration of credit risk, interest rate risk and foreign currency risk. The implementation of this statement had no effect on the City's financial statements for fiscal year 2005.

*GASB Statement No. 42* establishes accounting and financial reporting standards for the impairment of capital assets. A capital asset is considered impaired when its service utility has declined significantly and unexpectedly. This statement also clarifies and establishes accounting requirements for insurance recoveries. The implementation of this statement had no effect on the City's financial statements for 2005.

*GASB Statement No. 46* clarifies how legal enforceability should be applied for determining restricted net assets. The implementation of this new statement had no effect on the City's financial statements for 2005.

**City of Westerville, Ohio**

Notes to the Basic Financial Statements  
(Continued)

**NOTE 3 – CHANGES IN ACCOUNTING PRINCIPLES AND RESTATEMENT OF PRIOR YEAR FUND EQUITY** (continued)

**RESTATEMENT OF NET ASSETS**

During 2005, the City contracted with an appraisal firm to account for the Electric Enterprise Fund's capital assets. This reappraisal, along with other accounting changes that were discovered resulted in the following restatement of net assets at December 31, 2004:

	<i>Governmental Activities</i>	<i>Business-Type Activities</i>
Net Assets, December 31, 2004	\$96,461,365	\$105,752,300
Capital Assets, Net	165,691	(5,886,089)
Adjusted Net Assets, December 31, 2004	\$96,627,056	\$99,866,211

	<i>Water</i>	<i>Electric</i>
Net Assets, December 31, 2004	\$27,727,179	\$59,923,892
Capital Assets, Net	(58,454)	(5,827,635)
Adjusted Net Assets December 31, 2004	\$27,668,725	\$54,096,257

**NOTE 4 – ACCOUNTABILITY**

At December 31, 2005, the Hotel Tax Special Revenue Fund, the County Line Road Improvement Capital Projects Fund, the Spring Road Improvement Capital Projects Fund, the Maxtown Road Improvement Capital Projects Fund, and the Cleveland Avenue Extension Improvement Capital Projects Fund had deficit balances of \$9,852, \$78,719, \$1,428,917, \$2,213,260 and \$955,352, respectively. These deficits were the result of advances from other funds being classified as a liability on the balance sheet as opposed to being classified as an other financing source. As the advances are repaid, the deficits will be eliminated.

**NOTE 5 – BUDGETARY BASIS OF ACCOUNTING**

While reporting financial position and results of operations 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 *Statement of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual* is presented for the General Fund, and each major special revenue fund, on the budgetary basis to provide a meaningful comparison of actual results with the budget.

**City of Westerville, Ohio**

Notes to the Basic Financial Statements  
(Continued)

**NOTE 5 – BUDGETARY BASIS OF ACCOUNTING** *(continued)*

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

- (a) Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
- (b) Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
- (c) Outstanding year-end encumbrances are treated as expenditures (budget basis) rather than as a reservation of fund balance (GAAP basis).
- (d) Advances – In and Advances – Out are operating transactions (budget basis) as opposed to balances sheet transactions (GAAP basis).

The adjustments necessary to convert the results of operations for the year on the GAAP basis to the budget basis for the General Fund and the Fire Operating and Parks and Recreation Operating Special Revenue Funds are as follows:

	<i>Net Change In Fund Balance</i>		
	<u>General</u>	<u>Fire Operating</u>	<u>Parks and Recreation Operating</u>
GAAP Basis	\$2,393,989	\$688,862	\$295,300
<b><u>Increases (decreases) Due To:</u></b>			
Revenue Accruals	(134,897)	38,458	1,680
Expenditure Accruals	255,790	(2,145)	2,777
Encumbrances Outstanding			
At Year-end (Budget Basis)	(595,754)	(84,739)	(1,006,485)
Advances	<u>(1,555,588)</u>	<u>0</u>	<u>0</u>
Budget Basis	<u><u>\$363,540</u></u>	<u><u>\$640,436</u></u>	<u><u>(\$706,728)</u></u>

**NOTE 6 – DEPOSITS AND INVESTMENTS**

The investment and deposit of City monies are governed by the Ohio Revised Code. 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

## *City of Westerville, Ohio*

### Notes to the Basic Financial Statements (Continued)

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#### **NOTE 6 – DEPOSITS AND INVESTMENTS** *(continued)*

on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

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

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

Protection of the City's deposits is provided by the Federal Deposit Insurance Corporation (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 may be deposited or invested in the following securities:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to payment of 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 must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions; and
6. The State Treasurer's investment pool (STAROhio).

**City of Westerville, Ohio**

Notes to the Basic Financial Statements  
(Continued)

**NOTE 6 – DEPOSITS AND INVESTMENTS** (continued)

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

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

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the City, and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Finance Director or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

**INVESTMENTS:** As of December 31, 2005, the City had the following investments. All investments are in an internal investment pool.

	<i>Fair Value</i>	<i>Investment Maturities (In Years)</i>		
		<i>Less Than 1</i>	<i>1 - 2</i>	<i>2 - 4</i>
Repurchase Agreement	\$2,872,825	\$2,872,825	\$0	\$0
STAROhio	9,071,853	9,071,853	0	0
Federal Home Loan				
Mortgage Corporation Notes	19,180,170	9,394,470	4,870,550	4,915,150
Federal Home Loan Bank Bonds	26,665,010	15,868,140	2,925,000	7,871,870
Federal Farm Credit Bank Bonds	3,974,380	3,974,380	0	0
Federal National Mortgage				
Association Notes	9,862,830	3,008,430	0	6,854,400
	<u>\$71,627,068</u>	<u>\$44,190,098</u>	<u>\$7,795,550</u>	<u>\$19,641,420</u>

## *City of Westerville, Ohio*

### Notes to the Basic Financial Statements (Continued)

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#### **NOTE 6 – DEPOSITS AND INVESTMENTS** *(continued)*

**INTEREST RATE RISK:** As a means of limiting its exposure to fair value losses caused by rising interest rates, the Director of Finance will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow requirement, the Director of Finance will directly invest in securities as follows; not more than 20 percent of the value (computed at the time the investment is made) of investments to mature or be redeemable within ten years from the date of purchase and the balance of all investments to mature or be redeemable within five years from the date of purchase.

**CREDIT RISK:** The Repurchase Agreement (Federal Home Loan Mortgage Corporation Note), Federal Home Loan Mortgage Corporation Notes, Federal Home Loan Bank Bonds, Federal Farm Credit Bank Bonds, and Federal National Mortgage Association Notes carry a rating of Aaa by Moody's and AAA by Standard and Poor's and Fitch. STAROhio carries a rating of AAAm by Standard and Poor's. Ohio law requires that STAROhio maintain the highest rating provided by at least one nationally recognized standard rating service. The City's investment policy limits investments to those authorized by State statute.

**CONCENTRATION OF CREDIT RISK:** The City places no limit on the amount it may invest in any one issuer. The City's investment in the Repurchase Agreement, STAROhio, Federal Home Loan Mortgage Corporation Notes, Federal Home Loan Bank Bonds, Federal Farm Credit Bank Bonds, and Federal National Mortgage Association Notes represents four percent, thirteen percent, twenty-seven percent, thirty-seven percent, five percent, and fourteen percent of the City's total investments, respectively.

#### **NOTE 7 – MUNICIPAL INCOME TAX**

The City levies a 1.0 percent income tax whose proceeds are placed into the General Fund. During 1999, the City started collecting an additional .25 percent income tax that is placed into the Parks and Recreation Income Tax Allocation Special Revenue Fund. The City levies and collects the 1.25 percent tax on all income earned within the City as well as on incomes of residents earned outside the City. In the latter case, the City allows a credit of the lesser of actual taxes paid to another city or ninety-five percent of the 1.25 percent tax rate on taxable income. Employers within the City are required to withhold income tax on employee earnings and remit the tax to the City at least quarterly. Corporations and other individual taxpayers are also required to pay their estimated tax at least quarterly and file a final return annually.

## City of Westerville, Ohio

### Notes to the Basic Financial Statements (Continued)

#### **NOTE 8 – PROPERTY TAX**

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the City. Property tax revenue received during 2005 for real and public utility property taxes represents collections of 2004 taxes. Property tax payments received during 2005 for tangible personal property (other than public utility property) are for 2005 taxes.

2005 real property taxes are levied after October 1, 2005 on the assessed value as of January 1, 2005, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2005 real property taxes are collected in and intended to finance 2006.

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. 2005 public utility property taxes became a lien December 31, 2004, are levied after October 1, 2005, and are collected in 2006 with real property taxes.

2005 tangible personal property taxes are levied after October 1, 2004, on the value as of December 31, 2004. Collections are made in 2005. Tangible personal property assessments are 25 percent of true value for capital assets and 23 percent of true value for inventory.

The full tax rate for all City operations for the year ended December 31, 2005, was \$17.95 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2005 property tax receipts were based are as follows:

<u>Category</u>	<u>Franklin County</u>	<u>Delaware County</u>	<u>Total</u>
Real Property:			
Residential and Agricultural	\$523,468,110	\$178,226,460	\$701,694,570
Commercial and Industrial	158,701,040	51,573,510	210,274,550
Public Utility Real and Personal	15,689,130	4,007,870	19,697,000
Tangible Personal Property	<u>19,070,331</u>	<u>13,496,917</u>	<u>32,567,248</u>
<i>Totals</i>	<u>\$716,928,611</u>	<u>\$247,304,757</u>	<u>\$964,233,368</u>

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



# City of Westerville, Ohio

## Notes to the Basic Financial Statements (Continued)

### **NOTE 8 – PROPERTY TAX** (continued)

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

The County Treasurers collect property taxes on behalf of all taxing districts in the county, including the City of Westerville. The County Auditors periodically remit to the City its portion of the taxes. Property taxes receivable represents real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2005, and for which there is an enforceable legal claim. Although total property tax collections for the next 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 2005 operations. The receivable is offset by deferred revenue. On a full accrual basis, collectible delinquent property taxes have been recorded as revenue while the remainder of the receivable is deferred.

### **NOTE 9 – RECEIVABLES**

Receivables at December 31, 2005 consisted of taxes, interest, interfund, accounts (billings for user charged services including unbilled utility services), and intergovernmental receivables arising from grants, entitlements and shared revenues. All receivables are considered fully collectible except accounts receivable related to business-type services. Special assessments receivable expected to be collected in more than one year amounted to \$287,404. The City has no delinquent special assessments at December 31, 2005. A summary of accounts receivable related to business-type services is as follows:

	<u>Water</u>	<u>Sewer</u>	<u>Refuse</u>	<u>Electric</u>	<u>Total</u>
Accounts Receivable - Gross	\$555,451	\$810,472	\$304,774	\$4,881,008	\$6,551,705
Allowance for Uncollectibles	<u>(10,455)</u>	<u>(19,527)</u>	<u>(7,620)</u>	<u>(121,731)</u>	<u>(159,333)</u>
Net Accounts Receivable	<u>\$544,996</u>	<u>\$790,945</u>	<u>\$297,154</u>	<u>\$4,759,277</u>	<u>\$6,392,372</u>

**City of Westerville, Ohio**

Notes to the Basic Financial Statements  
(Continued)

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**NOTE 9 – RECEIVABLES** (continued)

A summary of the principal items of intergovernmental receivable follows:

	<u>Amounts</u>
<b><u>Governmental Activities:</u></b>	
Local Government - Franklin County	\$799,676
Local Government - Delaware County	126,150
Local Government - State	153,228
Local Government - Revenue Assistance	81,528
Liquor Permits	11,787
Estate Taxes	292,875
Vest Grant	6,243
Hurricane Relief Reimbursement	9,233
Seat Belt Program	1,360
Sunbury Road Bikeway Grant	150,000
School Resource Officers	38,437
Franklin County Drug Task Force	7,565
Delaware County Share - Maxtown Road/Tussic Street	188,401
Homestead And Rollback	534,505
Gasoline Tax - Cents Per Gallon	375,276
Gasoline Tax - Municipal Excise	227,708
Motor Vehicle License Tax	104,143
Permissive Motor Vehicle License Taxes	16,580
<i>Total Governmental Activities</i>	<u>3,124,695</u>
<b><u>Business-Type Activities:</u></b>	
OWDA Research and Development Grant	10,769
<i>Total Intergovernmental Receivable</i>	<u><u>\$3,135,464</u></u>

**City of Westerville, Ohio**

Notes to the Basic Financial Statements  
(Continued)

**NOTE 10 – CAPITAL ASSETS**

Capital assets activity of the governmental activities for the year ended December 31, 2005, was as follows:

	<i>Restated Balance At 12/31/2004</i>	<i>Additions</i>	<i>Deletions</i>	<i>Balance At 12/31/2005</i>
<b><u>Governmental Activities</u></b>				
<b><u>Capital Assets, Not Being Depreciated:</u></b>				
Land	\$6,723,093	\$14,850	(\$143,600)	\$6,594,343
Construction in Progress	4,453,165	6,555,164	(10,352,597)	655,732
<i>Total Capital Assets, Not Being Depreciated</i>	11,176,258	6,570,014	(10,496,197)	7,250,075
<b><u>Depreciable Capital Assets:</u></b>				
Land Improvements	14,285,396	775,902	0	15,061,298
Buildings	32,493,020	1,571,736	(5,800)	34,058,956
Furniture and Equipment	6,967,030	556,330	(1,356,326)	6,167,034
Vehicles	4,486,339	603,256	(469,978)	4,619,617
Infrastructure	30,826,074	10,076,878 *	(11,501)	40,891,451
<i>Total Depreciable Capital Assets</i>	89,057,859	13,584,102	(1,843,605)	100,798,356
<b><u>Less Accumulated Depreciation:</u></b>				
Land Improvements	(3,289,340)	(980,540)	0	(4,269,880)
Buildings	(5,969,548)	(890,669)	3,758	(6,856,459)
Furniture and Equipment	(4,497,265)	(578,134)	1,330,243	(3,745,156)
Vehicles	(3,444,876)	(375,444)	420,800	(3,399,520)
Infrastructure	(1,084,376)	(1,397,378)	383	(2,481,371)
<i>Total Accumulated Depreciation</i>	(18,285,405)	(4,222,165)	1,755,184	(20,752,386)
<i>Depreciable Capital Assets, Net</i>	70,772,454	9,361,937	(88,421)	80,045,970
<i>Governmental Activities Capital Assets, Net</i>	\$81,948,712	\$15,931,951	(\$10,584,618)	\$87,296,045

\* \$875,411 of the additions to infrastructure consisted of assets donated by developers.

Depreciation expense was charged to functions/programs of the governmental activities of the City as follows:

<b><u>Governmental activities:</u></b>	
Security of Person And Property	\$701,776
Public Health	7,792
Leisure Time Activites	1,520,859
Community Environment	20,016
Basic Utility Services	80,363
Transportation	1,448,007
General Government	443,352
Total Depreciation Expense	\$4,222,165

**City of Westerville, Ohio**

Notes to the Basic Financial Statements  
(Continued)

**NOTE 10 – CAPITAL ASSETS** (continued)

Capital assets activity of the business-type activities for the year ended December 31, 2005, was as follows:

	<i>Restated Balance At 12/31/2004</i>	<i>Additions</i>	<i>Deletions</i>	<i>Balance At 12/31/2005</i>
<b><u>Business-Type Activities</u></b>				
<b><u>Capital Assets, Not Being Depreciated:</u></b>				
Land	\$1,091,107	\$0	\$0	\$1,091,107
Construction in Progress	1,675,022	1,792,432	(1,842,934)	1,624,520
<i>Total Capital Assets, Not Being Depreciated</i>	2,766,129	1,792,432	(1,842,934)	2,715,627
<b><u>Depreciable Capital Assets:</u></b>				
Land Improvements	2,986,527	9,917	(60,000)	2,936,444
Buildings	6,683,931	19,040	(170,917)	6,532,054
Furniture and Equipment	8,928,371	264,431	(505,612)	8,687,190
Vehicles	1,861,278	155,100	(104,806)	1,911,572
Infrastructure				
Water Lines	30,448,458	2,074,931	0	32,523,389
Sewer Lines	22,132,936	589,081	0	22,722,017
Electric System	44,217,665	4,579,825	(110,910)	48,686,580
<i>Total Depreciable Capital Assets</i>	117,259,166	7,692,325	(952,245)	123,999,246
<b><u>Less Accumulated Depreciation:</u></b>				
Land Improvements	(952,809)	(215,118)	37,199	(1,130,728)
Buildings	(3,189,317)	(154,725)	150,952	(3,193,090)
Furniture and Equipment	(3,751,871)	(252,872)	496,635	(3,508,108)
Vehicles	(855,696)	(162,976)	104,806	(913,866)
Infrastructure				
Water Lines	(11,004,509)	(649,210)	0	(11,653,719)
Sewer Lines	(9,901,889)	(410,924)	0	(10,312,813)
Electric System	(15,607,363)	(1,319,466)	35,220	(16,891,609)
<i>Total Accumulated Depreciation</i>	(45,263,454)	(3,165,291)	824,812	(47,603,933)
<i>Depreciable Capital Assets, Net</i>	71,995,712	4,527,034	(127,433)	76,395,313
<i>Business-Type Activities Capital Assets, Net</i>	\$74,761,841	\$6,319,466	(\$1,970,367)	\$79,110,940

Depreciation expense was charged to the enterprise funds of the City as follows:

<b><u>Business-type activities:</u></b>	
Water	\$785,306
Sewer	436,911
Electric	1,727,290
Refuse	163,182
Swimming Pool	52,602
Total Depreciation Expense	\$3,165,291

## *City of Westerville, Ohio*

### Notes to the Basic Financial Statements (Continued)

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#### **NOTE 11 – DEFINED BENEFIT PENSION PLANS**

##### **OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM**

The City participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member-directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions, plus any investment earnings. The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member-directed plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost-of-living adjustments to members of the traditional and combined plans. Members of the member-directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-6701 or (800) 222-7377.

For the year ended December 31, 2005, the members of all three plans, except those in law enforcement or public safety participating in the traditional plan, were required to contribute 8.5 percent of their annual covered salaries. Members participating in the traditional plan who were in law enforcement contributed 10.1 percent of their annual covered salary; members in public safety contributed 9.0 percent. The employer contribution rate for pension benefits for 2005 was 9.55 percent, except for those plan members in law enforcement or public safety. For those classifications, the employer's pension contributions were 12.7 percent of covered payroll. The Ohio Revised Code provides statutory authority for member and employer contributions.

The City's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2005, 2004, and 2003 were \$1,300,714, \$1,302,119, and \$1,095,958 respectively; 96.14 percent has been contributed for 2005 and 100 percent for 2004 and 2003. Contributions to the member-directed plan for 2005 were \$26,494 made by the City and \$16,620 made by the plan members.

## *City of Westerville, Ohio*

### Notes to the Basic Financial Statements (Continued)

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#### **NOTE 11 – DEFINED BENEFIT PENSION PLANS** (continued)

##### **OHIO POLICE AND FIRE 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.

Plan members are required to contribute 10.0 percent of their annual covered salary to fund pension benefits while the City is required to contribute 11.75 percent for police officers and 16.25 percent for firefighters. Contributions are authorized by State statute. The City's contributions to OP&F for police and firefighters were \$604,088 and \$921,078 for the year ended December 31, 2005, \$584,204 and \$839,950 for the year ended December 31, 2004 and \$556,612 and \$795,712 for the year ended December 31, 2003. The full amount has been contributed for 2004 and 2003. 95.44 percent for police officers and 95.82 percent for firefighters has been contributed for 2005.

#### **NOTE 12 – POSTEMPLOYMENT BENEFITS**

##### **OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM**

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in *GASB Statement No. 12*. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2005 local government employer contribution rate was 13.55 percent of covered payroll (16.7 percent for public safety and law enforcement); 4.0 percent of covered payroll was the portion that was used to fund health care.

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2004, include a rate of return on investments of 8.0 percent, an annual increase in active employee total payroll of 4.0 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between 0.50 percent and 6.3 percent based on additional annual pay increases. Health care premiums were assumed to increase at the projected wage inflation rate plus an additional factor ranging from 1.0 to 6.0 percent annually for the next eight years and 4.0 percent annually after eight years.

## *City of Westerville, Ohio*

### Notes to the Basic Financial Statements (Continued)

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#### **NOTE 12 – POSTEMPLOYMENT BENEFITS** *(continued)*

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

The number of active contributing participants in the traditional and combined plans was 376,109. Actual City contributions for 2005 which were used to fund postemployment benefits were \$544,802. The actual contribution and the actuarially required contribution amounts are the same. The actuarial value of OPERS's net assets available for payment of benefits at December 31, 2004, (the latest information available) was \$10.8 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$29.5 billion and \$18.7 billion, respectively.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. The HCPP restructures OPERS' health care coverage to improve the financial solvency of the fund in response to increasing health care costs. Member and employer contribution rates increased as of January 1, 2006, which will allow additional funds to be allocated to the health care plan.

#### **OHIO POLICE AND FIRE PENSION FUND**

The Ohio Police and Fire Pension Fund (OP&F) provides postretirement health care coverage to any person who receives or is eligible to receive a monthly service, disability or survivor benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school, or under the age of 22 if attending school full-time or on a 2/3 basis.

The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in *GASB Statement No. 12*. The Ohio Revised Code provides the authority allowing the Ohio Police and Fire Pension Fund's board of trustees to provide health care coverage and states that health care costs paid from the funds of OP&F shall be included in the employer's contribution rate. Health care funding and accounting is on a pay-as-you-go basis. The total police employer contribution rate is 19.5 percent of covered payroll and the total firefighter employer contribution rate is 24 percent of covered payroll, of which 7.75 percent of covered payroll was applied to the postemployment health care program during 2005 and 2004. In addition, since July 1, 1992, most retirees and survivors have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. Beginning in 2001, all retirees and survivors have monthly health care contributions.

The City's actual contributions for 2005 that were used to fund postemployment health care benefits were \$398,441 for police and \$439,283 for firefighters. The OP&F's total health care expense for the year ended December 31, 2004, (the latest information available) was \$102,173,796, which was net of member contributions of \$55,665,341. The number of OP&F participants eligible to receive health care benefits as of December 31, 2004, was 13,812 for police and 10,528 for firefighters

## *City of Westerville, Ohio*

### Notes to the Basic Financial Statements (Continued)

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#### **NOTE 13 – EMPLOYEE BENEFITS**

##### **DEFERRED COMPENSATION**

Employees of the City may elect to participate in the International City Managers Association or Ohio Public Employees Deferred Compensation Program created in accordance with Internal Revenue Code Section 457. Under these programs, employees elect to defer a portion of their pay. The deferred pay and any income earned on it is not subject to federal and state income taxation until actually received by the employee. According to the plans, the deferred compensation is not available until termination, retirement, death or an unforeseeable emergency.

##### **COMPENSATED ABSENCES**

Vacation leave is earned at rates which vary depending upon length of service and standard work week. Current policy credits vacation leave on the employee's anniversary date and allows a maximum of two years accrual to be carried into the next calendar year. City employees are paid for earned, unused vacation leave at the time of termination of employment and those employees with six years of service may request pay in lieu of vacation for up to two weeks accumulated balance. Pay in lieu of vacation is subject to the availability of funds, and the employee must have taken or scheduled ten days of vacation in a calendar year.

Sick leave is earned at the rate of ten hours a month for employees hired prior to January 1, 1997. All others earn eight hours per month. Each employee with ten or more years of service with the City is paid for fifty percent of their accumulated unused sick leave up to a maximum of 1120 hours upon retirement or termination from the City, or the full balance may be transferred to another governmental agency. The maximum payment for sick leave is \$17,500 for all employees other than firefighters who are union members, whose maximum amount is \$18,000.

##### **HEALTH CARE/DENTAL/VISION/LIFE INSURANCE BENEFITS**

The City provides health care coverage for its employees through United Health Care, dental coverage through Delta Dental, vision coverage through Vision Service Plan, and life insurance through Jefferson Financial Insurance.



## City of Westerville, Ohio

### Notes to the Basic Financial Statements (Continued)

#### **NOTE 14 – BONDED DEBT AND OTHER LONG-TERM OBLIGATIONS**

Bonded debt and other long-term obligations payable activity for the year ended December 31, 2005, were as follows:

<i>Types / Issues</i>	<i>Interest Rates</i>	<i>Balance 12/31/04</i>	<i>Issued</i>	<i>Retired</i>	<i>Balance 12/31/05</i>	<i>Due Within One Year</i>
<b><u>Business-Type Activities</u></b>						
<b><u>General Obligation Bonds</u></b>						
1998 Water Works Refunding and Improvement Bonds	3.10 - 5.25%	\$2,560,000	\$0	\$320,000	\$2,240,000	\$335,000
1998 Transportation Improvement Bonds	3.10 - 5.25%	1,070,100	0	54,945	1,015,155	56,610
1999 Electric System Improvement Bonds	3.80 - 5.55%	1,825,000	0	85,000	1,740,000	90,000
2004 Electric Capital Facilities Bonds	2.25 - 5.25%	1,300,000	0	45,000	1,255,000	50,000
Premium on Debt Issue		35,825	0	1,799	34,026	0
<i>Total General Obligation Bonds</i>		<u>6,790,925</u>	<u>0</u>	<u>506,744</u>	<u>6,284,181</u>	<u>531,610</u>
<b><u>Other Long-Term Obligations</u></b>						
Compensated Absences		754,921	447,674	481,419	721,176	446,238
ODNR Debt		1,875,889	0	36,135	1,839,754	37,299
<i>Total Other Long-Term Obligations</i>		<u>2,630,810</u>	<u>447,674</u>	<u>517,554</u>	<u>2,560,930</u>	<u>483,537</u>
<i>Total Business-Type Activities</i>		<u>\$9,421,735</u>	<u>\$447,674</u>	<u>\$1,024,298</u>	<u>\$8,845,111</u>	<u>\$1,015,147</u>
<b><u>Governmental Activities</u></b>						
<b><u>General Obligation Bonds</u></b>						
1986 Municipal Facilities Series A Bonds	7.375%	\$410,000	\$0	\$205,000	\$205,000	\$205,000
1986 Municipal Facilities Series B Bonds	7.375%	90,000	0	45,000	45,000	45,000
1998 Transportation Improvement Bonds	3.10 - 5.25%	2,064,900	0	110,055	1,954,845	113,390
1998 Recreation Facilities Bonds	3.10 - 5.25%	21,365,000	0	1,125,000	20,240,000	1,170,000
2003 Fire/EMS Improvement Bonds-Voted	2.00 - 4.65%	2,480,000	0	95,000	2,385,000	100,000
Discount on Debt Issue		(15,246)	0	(820)	(14,426)	0
2003 Fire/EMS Improvement Bonds-Blendon	2.00 - 4.65%	409,300	0	15,700	393,600	16,200
Discount on Debt Issue		(2,372)	0	(128)	(2,244)	0
2003 Municipal Facilities Improvement Bonds	2.00 - 4.65%	3,370,700	0	129,300	3,241,400	133,800
Discount on Debt Issue		(19,530)	0	(1,051)	(18,479)	0
<i>Total Governmental General Obligation Bonds</i>		<u>30,152,752</u>	<u>0</u>	<u>1,723,056</u>	<u>28,429,696</u>	<u>1,783,390</u>
<b><u>Other Long-Term Obligations</u></b>						
2001 County Line Road Right-of-Way Note	0.00%	197,343	0	197,343	0	0
Compensated Absences		3,309,654	2,485,625	2,055,086	3,740,193	1,665,486
Police Pension Liability		23,081	0	517	22,564	539
<i>Total Other Long-Term Obligations</i>		<u>3,530,078</u>	<u>2,485,625</u>	<u>2,252,946</u>	<u>3,762,757</u>	<u>1,666,025</u>
<i>Total Governmental Activities</i>		<u>\$33,682,830</u>	<u>\$2,485,625</u>	<u>\$3,976,002</u>	<u>\$32,192,453</u>	<u>\$3,449,415</u>

**City of Westerville, Ohio**

Notes to the Basic Financial Statements  
(Continued)

**NOTE 14 – BONDED DEBT AND OTHER LONG-TERM OBLIGATIONS** (continued)

**GENERAL OBLIGATION BONDS:** The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities and refinancing of bond anticipation notes. General obligation bonds are direct obligations and pledge the full faith and credit of the City for repayment. General obligation bonds are to be repaid from voted and unvoted general property taxes and from income tax monies. Property tax monies will be received in and the debt will be repaid from the General Obligation Bond Retirement Fund. Income tax monies are transferred from the General Fund and the Parks and Recreation Income Tax Allocation Special Revenue Fund into the General Obligation Bond Retirement Fund for payment. The general obligation bonds reported as enterprise fund obligations are payable from unvoted property tax revenues to the extent operating resources of the Water and Electric Enterprise Funds are not available to meet the annual debt service requirements.

General obligation bonds outstanding at December 31, 2005 consisted of the following:

<u>Bond Issue</u>	<u>Original Issue</u>	<u>Maturity Date</u>	<u>12/31/2005 Balance</u>
1998 Water Works Refunding and Improvement	\$3,325,000	December, 2011	\$2,240,000
1998 Transportation Improvement	1,333,320	December, 2018	1,015,155
1999 Electric System Improvement	2,200,000	December, 2019	1,740,000
2004 Electric Capital Facilities	1,300,000	December, 2024	1,255,000
1986 Municipal Facilities Series A - Voted	4,045,000	December, 2006	205,000
1986 Municipal Facilities Series B	900,000	December, 2006	45,000
1998 Transportation Improvement	2,666,680	December, 2018	1,954,845
1998 Recreation Facilities	27,250,000	December, 2018	20,240,000
2003 Fire/EMS Improvement - Voted	2,575,000	December, 2023	2,385,000
2003 Fire/EMS Improvement Bonds - Blendon	425,000	December, 2023	393,600
2003 Municipal Facilities Improvement	3,500,000	December, 2023	3,241,400

**ODNR DEBT PAYABLE:** In 1974, the City entered into a sixty year agreement with the State of Ohio, Department of Natural Resources (ODNR), whereby the City acquired the right to seven and one-half percent of the storage capacity of the Alum Creek Reservoir. In exchange for the water rights, the City agreed to pay to ODNR seven and one-half percent of their annual payment due to the United States Army Corps of Engineers as reimbursement of the project investment costs. In addition, the City is required to pay seven and one-half percent of the annual operation and maintenance costs for as long as the contract is in effect. The original ODNR Debt of \$2,366,440 will be fully retired in June, 2035.

**COUNTY LINE ROAD RIGHT-OF-WAY NOTE:** On July 6, 2001, the City received note proceeds in the amount of \$493,359 at 0% interest for the purpose of purchasing 5.96 acres of land as a right-of-way for County Line Road. The note was fully retired from the County Line Road Capital Improvements Fund in June, 2005.

*City of Westerville, Ohio*

Notes to the Basic Financial Statements  
(Continued)

**NOTE 14 – BONDED DEBT AND OTHER LONG-TERM OBLIGATIONS** (continued)

**POLICE PENSION LIABILITY:** The City pays installments on the accrued liability incurred when the State of Ohio established the statewide pension system for police personnel in 1967. The original liability was \$29,842, with the principal payable semiannually from the General Fund. The liability will be fully retired in April, 2030.

**COMPENSATED ABSENCES:** Compensated absences will be paid from the General, Fire Operating, Street Maintenance, Parks and Recreation Operating, Water, Sewer, Refuse, Electric Swimming Pool and Garage Funds.

**INDUSTRIAL DEVELOPMENT REVENUE BONDS:** The City has outstanding issues of industrial development revenue bonds in the aggregate principal amount of \$1,190,000 at December 31, 2005 for facilities used by private corporations or other entities. The City is not obligated in any way to pay debt charges on the bonds from any of its funds, and therefore they have been excluded entirely from the City's debt presentation. There has not been and is not any condition of default under the bonds or the related financing documents.

The City's overall legal debt margin was \$72,879,532, with an unvoted debt margin of \$24,667,863 at December 31, 2005.

**FUTURE DEBT SERVICE REQUIREMENTS:** The principal and interest requirements to retire the long-term debt obligations outstanding at December 31, 2005 are:

<i>Year</i>	<i>Governmental Activities</i>			
	<i>General Obligation Bonds</i>		<i>Police Pension</i>	
	<i>Principal</i>	<i>Interest</i>	<i>Principal</i>	<i>Interest</i>
2006	\$1,783,390	\$1,296,759	\$539	\$953
2007	1,590,060	1,222,629	562	930
2008	1,648,395	1,163,358	586	906
2009	1,710,065	1,100,108	611	881
2010	1,796,735	1,016,029	637	855
2011-2015	10,385,395	3,654,817	3,622	3,838
2016-2020	8,215,805	1,147,667	4,470	2,991
2021-2025	1,335,000	125,891	5,516	1,944
2026-2030	0	0	6,021	654
<i>Totals</i>	\$28,464,845	\$10,727,258	\$22,564	\$13,952

**City of Westerville, Ohio**

Notes to the Basic Financial Statements  
(Continued)

**NOTE 14 – BONDED DEBT AND OTHER LONG-TERM OBLIGATIONS** (continued)

Year	<i>Business-Type Activities</i>					
	<i>Refunding and Improvement Bonds</i>		<i>Electric System, Electric Facilities and Transportation Improvements</i>		<i>ODNR Debt</i>	
	<i>Principal</i>	<i>Interest</i>	<i>Principal</i>	<i>Interest</i>	<i>Principal</i>	<i>Interest</i>
2006	\$335,000	\$104,550	\$196,610	\$189,621	\$37,299	\$59,277
2007	350,000	91,318	204,940	181,915	38,501	58,075
2008	360,000	77,317	206,605	173,613	39,741	56,835
2009	375,000	62,738	214,935	165,019	41,022	55,554
2010	400,000	43,050	228,265	155,110	42,344	54,232
2011-2015	420,000	22,050	1,314,605	602,682	233,084	249,797
2016-2020	0	0	1,294,195	250,277	273,134	209,747
2021-2025	0	0	350,000	39,825	320,064	162,817
2026-2030	0	0	0	0	375,058	107,823
2031-2035	0	0	0	0	439,507	43,380
<i>Totals</i>	<u>\$2,240,000</u>	<u>\$401,023</u>	<u>\$4,010,155</u>	<u>\$1,758,062</u>	<u>\$1,839,754</u>	<u>\$1,057,537</u>

**NOTE 15 – SHORT-TERM DEBT**

During 2005, the City received note proceeds of \$1,350,000 with a 4.0 percent interest rate for the purpose of making electric system improvements. The note matures on September 21, 2006 and will be retired with revenues from the Electric Enterprise Fund.

## City of Westerville, Ohio

### Notes to the Basic Financial Statements

(Continued)

#### **NOTE 16 – CONSTRUCTION COMMITMENTS**

The City has entered into various contracts for the construction and acquisition of capital assets. At December 31, 2005, the significant outstanding construction commitments are:

<u>Projects</u>	<u>Contract Amount</u>	<u>Amount Expended</u>	<u>Balance At 12/31/05</u>
2005 Curb Ramp Program	\$67,445	\$0	\$67,445
2005 Sidewalk Replacement	307,065	68,956	238,109
2005 Storm Sewer Improvements	120,697	28,057	92,640
2005 Street Rehabilitation	1,369,089	1,331,497	37,592
Annehurst Loop Underground Cable Replacement	111,557	0	111,557
Bikeway - State Route 3 and Schrock Road	479,070	0	479,070
Broadway Avenue Improvements	256,055	89,186	166,869
Central College Sewer Extension	172,000	154,361	17,639
Community Tennis Court Lighting	41,814	35,177	6,637
Estates at Polaris Roadway Construction	182,733	147,533	35,200
Heritage Park Phase II Wetland Monitoring	5,000	0	5,000
Heritage Parking Lot and Paths	97,805	0	97,805
Huber Village Loop Electric Lines	71,299	68,359	2,940
Huber Village Street Lighting Replacement	173,936	170,151	3,785
Maxtown Road Improvements	2,126,526	2,054,212	72,314
North State Street Improvements	1,217,093	1,138,619	78,474
Olde Town Park Improvements	27,480	0	27,480
Olde Westerville Trunk Sewer	435,950	20,695	415,255
Parkview Street Water and Sewer Improvements	236,597	187,414	49,183
Sports Complex - Court Improvements	25,050	0	25,050
Spring/Maxtown Intersection & Spring Rd. Widening	3,951,018	3,920,862	30,156
Substation #3 New Construction	245,000	66,170	178,830
Substations #1, #4 and #5 Potential Transformers	51,010	0	51,010
Sunbury Road Bikeway	451,984	418,263	33,721
Water Distribution Pumping System	228,663	0	228,663
Water Plant Concrete Basin Repair	142,564	123,439	19,125
Westerville Community Center Construction	909,094	708,308	200,786
<i>Totals</i>	<u>\$13,503,594</u>	<u>\$10,731,259</u>	<u>\$2,772,335</u>

**City of Westerville, Ohio**

Notes to the Basic Financial Statements  
(Continued)

**NOTE 17 – RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to or destruction of assets; errors and omissions; injuries to employees; and natural disasters. On October 1, 1997, the City established membership in the Central Ohio Risk Management Agency Self-Insurance Pool, Inc. (CORMA). CORMA was formed pursuant to Section 2744.081 of the Ohio Revised Code. Members of CORMA are the cities of Westerville, Dublin, Upper Arlington, and Pickerington. Each member has two representatives on the Board of Trustees.

Membership in CORMA enables the City to take advantage of any economies to be realized from an insurance pool with other cities and also provides the City with more control over claims than what is normally available with traditional insurance coverage. A third-party claims administrator investigates, processes and advises the CORMA Treasurer/Board regarding payment of claims. The City reports a liability when it is probable that a loss has occurred and the amount can be reasonably estimated through reviewing actual claims filed in the first few months of the year.

As part of participating in CORMA, coverage is provided for up to \$10,000,000 annual umbrella/excess liability for liability claims and \$100,000,000 limit for property claims for the pool. Coverage is provided on a per member annual aggregate basis for crime (\$975,000 blanket public employee/dishonesty, \$475,000 forgery/computer fraud, \$75,000 money and securities), general liability (\$900,000/\$2,000,000), law enforcement liability (\$900,000/\$2,000,000), public official liability (\$900,000/\$2,000,000), employment practices liability (\$900,000/\$3,000,000) and automobile liability (\$900,000). Pool retentions are \$25,000 per loss for property and \$450,000 aggregate for liability, with a \$100,000 per loss self-insurance retention. A third-party broker, with expertise in public entity pools, markets the program, identifies coverage lines and limits, and recommends the best insurer and insurance for procurement.

The City has created a self-insurance internal service fund to account for deductible amounts and any other amounts not covered by CORMA. A third party administrator processes and pays the claims. Claims liabilities and expenses are estimated through a case by case review of all claims. The estimate was not affected by incremental claims adjustment expenses and does not include other allocated or unallocated claim adjustment expenses.

The changes in claims payable during the years December 31, 2004 and 2005 are:

	<i>Beginning of Year Liability</i>	<i>Current Year Claims and Changes in Estimates</i>	<i>Claims Payments</i>	<i>End of Year Liability</i>
2004	\$2,073	\$331,684	\$288,183	\$45,574
2005	45,574	262,308	300,791	7,091

**City of Westerville, Ohio**

Notes to the Basic Financial Statements  
(Continued)

**NOTE 17 – RISK MANAGEMENT** (continued)

All employees of the City are covered by a blanket bond, while certain individuals in policy making roles are covered by a separate, higher limit bond coverage.

Workers' Compensation coverage is provided by the State of Ohio and is based on a rate per \$100 of salaries. The rate is calculated based on accident history and administrative costs.

Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years. There has been no significant change in coverage from last year.

**NOTE 18 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

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

		<i>Payable</i>			<i>Totals</i>
		<i>Fire Operating</i>	<i>Nonmajor Governmental Funds</i>	<i>Nonmajor Business-Type Fund</i>	
<i>Receivable</i>	General	\$333,000	\$7,639,377	\$675,000	\$8,647,377
	Nonmajor Governmental Fund	0	12,937	0	12,937
	<i>Totals</i>	<u>\$333,000</u>	<u>\$7,652,314</u>	<u>\$675,000</u>	<u>\$8,660,314</u>

The amount due to the Nonmajor Governmental Funds from the Nonmajor Governmental Funds resulted from a loan from the Cable Franchise Fee Special Revenue Fund to the Hotel Tax Special Revenue Fund. This loan is not expected to be repaid in 2006. The amount due to the General Fund from the Nonmajor Business-Type Fund results from a long-term loan to the Refuse Enterprise Fund to help fund operations. The amount payable from the Fire Operating Special Revenue Fund was originally advanced to the Safety Building Capital Projects Fund, but according to a stipulation addressed in ordinance 03-65, \$333,000 will be paid from revenues of the Fire Operating Special Revenue Fund. The balance of the amounts due to the General Fund results from loans to various capital projects funds for the purpose of funding construction projects. The General Fund will be reimbursed when funds become available in the non-major governmental funds. Of the total amount due to the General Fund at year-end, \$4,502,000 is not expected to be repaid in 2006.

**City of Westerville, Ohio**

Notes to the Basic Financial Statements  
(Continued)

**NOTE 18 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS** (continued)

Transfers made during the year ended December 31, 2005 were as follows:

		Transfers To							Totals
		General	Parks and Recreation Operating	Nonmajor Governmental Funds	Water	Sewer	Electric	All Other Enterprise Funds	
<b>Transfers From</b>	General	\$0	\$419,160	\$5,821,705	\$0	\$0	\$0	\$0	\$6,240,865
	Nonmajor								
	Governmental Funds	2,879	3,331,417	225,668	795	3,026	11,463	594	3,575,842
	<b>Totals</b>	<b>\$2,879</b>	<b>\$3,750,577</b>	<b>\$6,047,373</b>	<b>\$795</b>	<b>\$3,026</b>	<b>\$11,463</b>	<b>\$594</b>	<b>\$9,816,707</b>

Transfers from the General Fund represent subsidy monies for operations of the various funds receiving these monies. Transfers from the Nonmajor Governmental Funds were made to move available balances of restricted funds to support programs and projects accounted for in other funds. The funds receiving these transfers expended the money in a manner consistent with the nature of the transferring fund. The City received FEMA grant monies for snow removal and placed these monies into the FEMA Grants Special Revenue Fund. These monies were then transferred to the funds affected by the snow removal emergency. These funds included the General, Parks and Recreation Operating, Street Maintenance, Water, Sewer, Electric and Refuse Funds.

Due From Other Funds and Due To Other Funds consist of electric service provided by the Electric Enterprise Fund to various other funds of the City. Due to/from amounts at December 31, 2005 were as follows:

		Due to
		Electric
<b>Due From</b>	General	\$7,193
	Fire Operating	2,521
	Parks and Recreation Operating	22,561
	Nonmajor Governmental Funds	75
	Water	10,376
	Sewer	442
	Nonmajor Enterprise Funds	832
	Internal Service Fund	180
<b>Total</b>	<b>\$44,180</b>	



## *City of Westerville, Ohio*

### Notes to the Basic Financial Statements (Continued)

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#### **NOTE 19 – JOINTLY GOVERNED ORGANIZATION**

The Westerville, Minerva Park, and Blendon Township Joint Hospital District is a jointly governed organization managed by a nine member board consisting of three elected officials from each of the governmental entities comprising the Joint Hospital District. The Joint Hospital District possesses its own budgeting and taxing authority and does not receive contributions or payments from its members. The participating members do not retain an ongoing financial interest or an ongoing financial responsibility for the Joint Hospital District. Nothing was paid to the organization by the City in 2005.

#### **NOTE 20 – RELATED ORGANIZATION**

The Westerville Industry and Commerce Corporation (WICC) is a not-for-profit corporation formed to promote industrial, economic, commercial and civic development in and around the City. WICC is governed by a seven member self-perpetuating board of trustees of which four trustees are elected and/or appointed officials from the City. The board of trustees possesses its own contracting and budgeting authority, hires and fires personnel and does not depend on the City for operating subsidies. There were no financial transactions from the City to WICC during 2005.

#### **NOTE 21 – RISK SHARING POOL**

On October 1, 1997, the City established membership in the Central Ohio Risk Management Agency (CORMA) Self-Insurance Pool, Inc., a not for profit risk sharing pool, for the purpose of obtaining reduced rates on traditional liability insurance coverage. CORMA was formed pursuant to Section 2744.081 of the Ohio Revised Code. Members of CORMA are the Cities of Westerville, Dublin, Upper Arlington and Pickerington. Each member has two representatives on the Board of Trustees. This Board establishes its own budget, hires and fires personnel and determines annual rates for its members.

#### **NOTE 22 – CONTINGENT LIABILITIES**

##### **LITIGATION**

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

##### **FEDERAL AND STATE GRANTS**

For the period January 1, 2005, to December 31, 2005, the City received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies or their designees. 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.

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Combining Statements  
And  
Individual Fund Schedules

*City of Westerville, Ohio*

*Nonmajor Fund Descriptions*

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***SPECIAL REVENUE FUNDS***

Special Revenue Funds are established to account for the proceeds of specific revenue resources (other than major capital projects) that are restricted by law and administrative action to expenditures for a specified purpose. The following are the City's nonmajor special revenue funds:

***Nonmajor Special Revenue Funds***

*Street Maintenance Fund* - To account for the portion (92.5%) of the state gasoline tax and motor vehicle registration fees designated for maintenance and repair of streets within the City.

*State Highway Fund* - To account for the portion (7.5%) of the state gasoline tax and motor vehicle registration fees designated for maintenance of state highways within the City.

*Drug Abuse Resistance Education (DARE) Fund* - To account for all charitable contributions and State grants used to finance the City's DARE programs.

*Permissive Motor Vehicle License Fund* - To account for the permissive motor vehicle registration fees used for maintenance of streets within the City.

*Mayor's Operating Fund* - To account for money received by the Mayor and used to promote the City and its governmental functions.

*Hotel Tax Fund* - To account for the receipt of seventy-five percent of the hotel tax revenues collected by the City and expended as required by local ordinance.

*OMVI Education Fund* - To account for contributions to the Mayor's Task Force on alcohol and drug abuse programs and court fines restricted for OMVI education.

*Tax Incentive / Redistribution Fund* - To account for monies received from payments in lieu of taxes to be redistributed to area school districts.

*Mayor's Court Computer Fund* - To account for court costs collected for the acquisition and maintenance of computer equipment used in the operations of the Court.

*Cable TV Franchise Fee Fund* - To account for cable franchise fees which are used primarily to supplement funding to the Otterbein College community access channel.

*Parks and Recreation Income Tax Allocation Fund* - To account for the receipts generated by the additional .25% City income tax which are designated for the development of the parks and recreation projects.

*FEMA Grants Fund* - To account for grant monies received as reimbursement for emergency snow removal associated with the 2005 winter storms.

*(continued)*

City of Westerville, Ohio

**Nonmajor Fund Descriptions**  
(continued)

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**Nonmajor Special Revenue Funds (continued)**

Drug Enforcement Fund - To account for confiscated monies related to criminal offenses which are designated, by State statute, for expenditures that would enhance the police department.

Criminal Activity Forfeiture Fund - To account for assets seized and forfeited by individuals engaged in criminal activities which are used to further law enforcement activities.

McVay Endowment - To account for monies received from the Columbus Foundation endowed fund established by Dorothy McVay to be used for expenditures at the City's Fire Department, Police Department, or the Senior Citizens Center.

**DEBT SERVICE FUND**

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest. Following is the description of the City's nonmajor debt service fund:

**Nonmajor Debt Service Fund**

General Bond Retirement Fund - To account for the accumulation of property tax revenues used for the payment of general obligation debt principal and interest.

**CAPITAL PROJECTS FUNDS**

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

**Nonmajor Capital Projects Funds**

General Capital Improvement Fund - To account for general capital improvements financed by transfers from the General Fund.

Recreation Improvement Fund - To account for public use fees restricted for recreation capital improvements.

County Line Road Improvement Fund - To account for street improvements financed by OPWC grants and transfers from the General Fund.

Dempsey Road Improvement Fund - To account for street improvements financed by transfers from the General Fund.

Spring Road Improvement Fund - To account for street improvements financed by OPWC grants and transfers from the General Fund.

(continued)

City of Westerville, Ohio

**Nonmajor Fund Descriptions**  
(continued)

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**Nonmajor Capital Projects Funds (continued)**

Maxtown Road Improvement Fund - To account for street improvements financed by developer fees and transfers from the General Fund.

Parks and Recreation Capital Improvement Fund - To account for monies originally received from the proceeds of general obligation bonds issued by the City for the purpose of funding park and recreation improvements.

North State Street Improvement Fund - To account for street improvements financed by intergovernmental grants and transfers from the General Fund.

Cleveland Avenue Extension Improvement Fund - To account for street improvements financed by transfers from the General Fund.

Parks and Recreation Replacement and Reserve Fund -To account for monies received by transfer from the Parks and Recreation Tax Allocation Fund to be earmarked for future capital repairs and replacements.

Street Replacement and Reserve Fund - To account for annual transfers from the General Fund to make advance preparation for the long-term funding of major street rehabilitation and reconstruction projects.

Tree Replacement Fund - To account for fees paid by developers for the replacement of trees removed or destroyed during construction projects.

City Buildings Improvement Fund – To account for the proceeds of general obligation bonds in order to renovate, improve, furnish and to equip municipal facilities.

Safety Building Capital Improvement Fund – To account for the proceeds of general obligation bonds used for paying the costs of improving the provision of municipal fire services, including the constructing, furnishing and equipping of buildings to house municipal fire functions, including related site improvements, and the acquisition of safety vehicles and communication equipment.

Westar / Olentangy TIF Fund – To account for service payments in lieu of taxes made by developers and/or owners to fund public improvements and acquisition of interests in real estate relating to the TIF area.

Northridge Crossing TIF Fund – To account for service payments in lieu of taxes made by developers and/or owners to fund public improvements and acquisition of interests in real estate relating to the TIF area.

Perimeter Road Improvement Fund - To account for fees charged to developers for deferred planned improvements to each perimeter street providing access to developments. The activity of each perimeter road (Spring Road, Hempstead Road, County Line Road, and Maxtown Road) is maintained through the use of separate account codes.

Recreation Capital Improvement Fund - To account for interest, grants and the proceeds from the sale of certain real estate which is restricted to recreation capital improvements.

*City of Westerville, Ohio*  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2005

	<i>Nonmajor Special Revenue Funds</i>	<i>Nonmajor Debt Service Fund</i>	<i>Nonmajor Capital Projects Funds</i>	<i>Total Nonmajor Governmental Funds</i>
<b><u>Assets:</u></b>				
Equity in Pooled Cash and Cash Equivalents	\$3,251,471	\$99,873	\$12,245,433	\$15,596,777
Cash and Cash Equivalents with Fiscal Agents	30,868	3,067	0	33,935
Receivables:				
Property and Other Taxes	90,200	494,943	0	585,143
Municipal Income Taxes	671,382	0	0	671,382
Accounts	608	0	0	608
Payments in Lieu of Taxes	0	0	85,103	85,103
Accrued Interest	1,172	0	547	1,719
Intergovernmental Receivable	725,067	23,835	0	748,902
Materials and Supplies Inventory	156,608	0	0	156,608
Interfund Receivable	12,937	0	0	12,937
<i>Total Assets</i>	<u>\$4,940,313</u>	<u>\$621,718</u>	<u>\$12,331,083</u>	<u>\$17,893,114</u>
<b><u>Liabilities and Fund Balances</u></b>				
<b><u>Liabilities:</u></b>				
Accounts Payable	\$19,818	\$0	\$132,977	\$152,795
Contracts Payable	0	0	1,219,799	1,219,799
Retainage Payable	9,238	0	257,529	266,767
Accrued Wages	26,008	0	0	26,008
Intergovernmental Payable	20,700	0	0	20,700
Matured Interest Payable	0	3,067	0	3,067
Due To Other Funds	75	0	0	75
Deferred Revenue	929,447	518,778	85,103	1,533,328
Interfund Payable	12,937	0	7,639,377	7,652,314
<i>Total Liabilities</i>	<u>1,018,223</u>	<u>521,845</u>	<u>9,334,785</u>	<u>10,874,853</u>
<b><u>Fund Balances:</u></b>				
Reserved for Encumbrances	52,285	0	2,325,779	2,378,064
Reserved for Interfund Receivable	12,937	0	0	12,937
Unreserved:				
Undesignated, Reported in:				
Special Revenue Funds	3,856,868	0	0	3,856,868
Debt Service Funds	0	99,873	0	99,873
Capital Projects Funds	0	0	670,519	670,519
<i>Total Fund Balances</i>	<u>3,922,090</u>	<u>99,873</u>	<u>2,996,298</u>	<u>7,018,261</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$4,940,313</u>	<u>\$621,718</u>	<u>\$12,331,083</u>	<u>\$17,893,114</u>

*City of Westerville, Ohio*  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2005

	<u>Street Maintenance</u>	<u>State Highway</u>	<u>DARE</u>
<b><u>Assets:</u></b>			
Equity in Pooled Cash and Cash Equivalents	\$1,262,693	\$305,049	\$24,188
Cash and Cash Equivalents with Fiscal Agents	0	0	0
Receivables:			
Property and Other Taxes	0	0	0
Municipal Income Taxes	0	0	0
Accounts	608	0	0
Accrued Interest	0	0	117
Intergovernmental Receivable	654,093	53,034	1,360
Materials and Supplies Inventory	156,608	0	0
Interfund Receivable	0	0	0
<i>Total Assets</i>	<u>\$2,074,002</u>	<u>\$358,083</u>	<u>\$25,665</u>
<b><u>Liabilities and Fund Balances</u></b>			
<b><u>Liabilities:</u></b>			
Accounts Payable	\$16,126	\$0	\$0
Retainage Payable	0	0	0
Accrued Wages	26,008	0	0
Intergovernmental Payable	20,700	0	0
Due To Other Funds	75	0	0
Deferred Revenue	546,405	44,253	1,360
Interfund Payable	0	0	0
<i>Total Liabilities</i>	<u>609,314</u>	<u>44,253</u>	<u>1,360</u>
<b><u>Fund Balances:</u></b>			
Reserved for Encumbrances	9,629	0	427
Reserved for Interfund Receivable	0	0	0
Unreserved:			
Undesignated, Reported in:			
Special Revenue Funds (Deficit)	1,455,059	313,830	23,878
<i>Total Fund Balances (Deficit)</i>	<u>1,464,688</u>	<u>313,830</u>	<u>24,305</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$2,074,002</u>	<u>\$358,083</u>	<u>\$25,665</u>



<i>Permissive Motor Vehicle License</i>	<i>Hotel Tax</i>	<i>OMVI Education</i>	<i>Tax Incentive/ Redistribution</i>	<i>Mayor's Court Computer</i>
\$9,962	\$0	\$15,063	\$3,721	\$51,204
30,868	0	0	0	0
0	3,085	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
16,580	0	0	0	0
0	0	0	0	0
0	0	0	0	0
<u>\$57,410</u>	<u>\$3,085</u>	<u>\$15,063</u>	<u>\$3,721</u>	<u>\$51,204</u>
\$0	\$0	\$0	\$0	\$0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	12,937	0	0	0
<u>0</u>	<u>12,937</u>	<u>0</u>	<u>0</u>	<u>0</u>
9,692	0	35	0	0
0	0	0	0	0
47,718	(9,852)	15,028	3,721	51,204
<u>57,410</u>	<u>(9,852)</u>	<u>15,063</u>	<u>3,721</u>	<u>51,204</u>
<u>\$57,410</u>	<u>\$3,085</u>	<u>\$15,063</u>	<u>\$3,721</u>	<u>\$51,204</u>

(continued)

*City of Westerville, Ohio*  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2005  
(Continued)

	<u><i>Cable TV Franchise Fee</i></u>	<u><i>Parks and Recreation Income Tax Allocation</i></u>	<u><i>Drug Enforcement</i></u>
<b><u>Assets:</u></b>			
Equity in Pooled Cash and Cash Equivalents	\$553,563	\$831,981	\$21,499
Cash and Cash Equivalents with Fiscal Agents	0	0	0
Receivables:			
Property and Other Taxes	87,115	0	0
Municipal Income Taxes	0	671,382	0
Accounts	0	0	0
Accrued Interest	0	0	117
Intergovernmental Receivable	0	0	0
Materials and Supplies Inventory	0	0	0
Interfund Receivable	12,937	0	0
<i>Total Assets</i>	<u>\$653,615</u>	<u>\$1,503,363</u>	<u>\$21,616</u>
<b><u>Liabilities and Fund Balances</u></b>			
<b><u>Liabilities:</u></b>			
Accounts Payable	\$2,342	\$0	\$0
Retainage Payable	9,238	0	0
Accrued Wages	0	0	0
Intergovernmental Payable	0	0	0
Due To Other Funds	0	0	0
Deferred Revenue	14,284	323,145	0
Interfund Payable	0	0	0
<i>Total Liabilities</i>	<u>25,864</u>	<u>323,145</u>	<u>0</u>
<b><u>Fund Balances:</u></b>			
Reserved for Encumbrances	23,416	0	0
Reserved for Interfund Receivable	12,937	0	0
Unreserved:			
Undesignated, Reported in:			
Special Revenue Funds (Deficit)	591,398	1,180,218	21,616
<i>Total Fund Balances (Deficit)</i>	<u>627,751</u>	<u>1,180,218</u>	<u>21,616</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$653,615</u>	<u>\$1,503,363</u>	<u>\$21,616</u>

<i>Criminal Activity Forfeiture</i>	<i>McVay Endowment</i>	<i>Total Nonmajor Special Revenue Funds</i>
\$146,587	\$25,961	\$3,251,471
0	0	30,868
0	0	90,200
0	0	671,382
0	0	608
938	0	1,172
0	0	725,067
0	0	156,608
0	0	12,937
<u>\$147,525</u>	<u>\$25,961</u>	<u>\$4,940,313</u>

\$1,350	\$0	\$19,818
0	0	9,238
0	0	26,008
0	0	20,700
0	0	75
0	0	929,447
0	0	12,937
<u>1,350</u>	<u>0</u>	<u>1,018,223</u>

9,086	0	52,285
0	0	12,937
<u>137,089</u>	<u>25,961</u>	<u>3,856,868</u>
<u>146,175</u>	<u>25,961</u>	<u>3,922,090</u>
<u>\$147,525</u>	<u>\$25,961</u>	<u>\$4,940,313</u>

*City of Westerville, Ohio*  
Combining Balance Sheet  
Nonmajor Capital Projects Funds  
December 31, 2005

	<i>General Capital Improvement</i>	<i>Recreation Improvement</i>	<i>County Line Road Improvement</i>
<b><u>Assets:</u></b>			
Equity in Pooled Cash and Cash Equivalents	\$2,845,034	\$193,639	\$77,665
Receivables:			
Payments In Lieu of Taxes	0	0	0
Accrued Interest	0	0	0
<i>Total Assets</i>	<u>\$2,845,034</u>	<u>\$193,639</u>	<u>\$77,665</u>
<b><u>Liabilities and Fund Balances</u></b>			
<b><u>Liabilities:</u></b>			
Accounts Payable	\$91,712	\$0	\$0
Contracts Payable	182,394	0	0
Retainage Payable	28,953	0	0
Deferred Revenue	0	0	0
Interfund Payable	0	0	156,384
<i>Total Liabilities</i>	<u>303,059</u>	<u>0</u>	<u>156,384</u>
<b><u>Fund Balances:</u></b>			
Reserved for Encumbrances	597,629	0	0
Unreserved:			
Undesignated, Reported in:			
Capital Projects Funds (Deficit)	1,944,346	193,639	(78,719)
<i>Total Fund Balances (Deficit)</i>	<u>2,541,975</u>	<u>193,639</u>	<u>(78,719)</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$2,845,034</u>	<u>\$193,639</u>	<u>\$77,665</u>

<i>Dempsey Road Improvement</i>	<i>Spring Road Improvement</i>	<i>Maxtown Road Improvement</i>	<i>Parks and Recreation Capital Improvement</i>	<i>North State Street Improvement</i>	<i>Cleveland Avenue Extension Improvement</i>
\$126,000	\$1,030,033	\$466,024	\$2,972,161	\$1,607,917	\$56,123
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$126,000</u>	<u>\$1,030,033</u>	<u>\$466,024</u>	<u>\$2,972,161</u>	<u>\$1,607,917</u>	<u>\$56,123</u>
\$0	\$10,241	\$23,168	\$7,738	\$118	\$0
0	691,786	12,001	240,091	85,949	0
0	34,923	55,115	34,317	23,588	1,475
0	0	0	0	0	0
0	1,722,000	2,589,000	873,000	1,261,000	1,010,000
0	<u>2,458,950</u>	<u>2,679,284</u>	<u>1,155,146</u>	<u>1,370,655</u>	<u>1,011,475</u>
0	182,219	383,633	297,414	136,923	53,942
126,000	(1,611,136)	(2,596,893)	1,519,601	100,339	(1,009,294)
126,000	(1,428,917)	(2,213,260)	1,817,015	237,262	(955,352)
<u>\$126,000</u>	<u>\$1,030,033</u>	<u>\$466,024</u>	<u>\$2,972,161</u>	<u>\$1,607,917</u>	<u>\$56,123</u>

(continued)

**City of Westerville, Ohio**  
 Combining Balance Sheet  
 Nonmajor Capital Projects Funds  
 December 31, 2005  
 (Continued)

	<b><i>Parks and Recreation Replacement and Reserve</i></b>	<b><i>Street Replacement and Reserve</i></b>	<b><i>Tree Replacement</i></b>
<b><u>Assets:</u></b>			
Equity in Pooled Cash and Cash Equivalents	\$617,500	\$1,108,180	\$60,736
Receivables:			
Payments In Lieu of Taxes	0	0	0
Accrued Interest	0	0	0
<b>Total Assets</b>	<b><u>\$617,500</u></b>	<b><u>\$1,108,180</u></b>	<b><u>\$60,736</u></b>
<b><u>Liabilities and Fund Balances</u></b>			
<b><u>Liabilities:</u></b>			
Accounts Payable	\$0	\$0	\$0
Contracts Payable	0	0	0
Retainage Payable	0	0	0
Deferred Revenue	0	0	0
Interfund Payable	0	0	0
<b>Total Liabilities</b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>0</u></b>
<b><u>Fund Balances:</u></b>			
Reserved for Encumbrances	97,805	0	0
Unreserved:			
Undesignated, Reported in:			
Capital Projects Funds (Deficit)	519,695	1,108,180	60,736
<b>Total Fund Balances (Deficit)</b>	<b><u>617,500</u></b>	<b><u>1,108,180</u></b>	<b><u>60,736</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$617,500</u></b>	<b><u>\$1,108,180</u></b>	<b><u>\$60,736</u></b>

<i>City Buildings Improvement</i>	<i>Safety Building Capital Improvement</i>	<i>Westar/Olentangy TIF</i>	<i>Northridge Crossing TIF</i>	<i>Perimeter Road Improvement</i>	<i>Recreation Capital Improvement</i>	<i>Total Nonmajor Capital Projects Funds</i>
\$307,150	\$569,404	\$22,525	\$5,619	\$87,230	\$92,493	\$12,245,433
0	0	14,692	70,411	0	0	85,103
0	0	0	0	0	547	547
<u>\$307,150</u>	<u>\$569,404</u>	<u>\$37,217</u>	<u>\$76,030</u>	<u>\$87,230</u>	<u>\$93,040</u>	<u>\$12,331,083</u>
\$0	\$0	\$0	\$0	\$0	\$0	\$132,977
7,578	0	0	0	0	0	1,219,799
79,158	0	0	0	0	0	257,529
0	0	14,692	70,411	0	0	85,103
0	0	0	0	0	27,993	7,639,377
<u>86,736</u>	<u>0</u>	<u>14,692</u>	<u>70,411</u>	<u>0</u>	<u>27,993</u>	<u>9,334,785</u>
79,158	497,056	0	0	0	0	2,325,779
141,256	72,348	22,525	5,619	87,230	65,047	670,519
220,414	569,404	22,525	5,619	87,230	65,047	2,996,298
<u>\$307,150</u>	<u>\$569,404</u>	<u>\$37,217</u>	<u>\$76,030</u>	<u>\$87,230</u>	<u>\$93,040</u>	<u>\$12,331,083</u>

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

	<i>Nonmajor Special Revenue Funds</i>	<i>Nonmajor Debt Service Fund</i>	<i>Nonmajor Capital Projects Funds</i>	<i>Total Nonmajor Governmental Funds</i>
<b><u>Revenues:</u></b>				
Property Taxes	\$0	\$382,037	\$0	\$382,037
Municipal Income Taxes	3,839,454	0	0	3,839,454
Other Local Taxes	392,450	0	0	392,450
Payments in Lieu of Taxes	406,481	0	13,467	419,948
Intergovernmental	1,908,066	81,181	925,130	2,914,377
Fees, Licenses and Permits	0	0	161,144	161,144
Fines and Forfeitures	114,904	0	0	114,904
Interest	12,953	0	73,411	86,364
Decrease in Fair Value of Investments	(1,351)	0	(503)	(1,854)
Other	19,774	5,134	21,956	46,864
<b>Total Revenues</b>	<b>6,692,731</b>	<b>468,352</b>	<b>1,194,605</b>	<b>8,355,688</b>
<b><u>Expenditures:</u></b>				
Current:				
Security of Persons and Property	72,393	0	0	72,393
Transportation	3,325,763	0	0	3,325,763
General Government	948,124	0	0	948,124
Capital Outlay	0	0	8,069,949	8,069,949
Debt Service:				
Principal Retirement	0	1,725,055	197,343	1,922,398
Interest and Fiscal Charges	0	1,368,163	0	1,368,163
<b>Total Expenditures</b>	<b>4,346,280</b>	<b>3,093,218</b>	<b>8,267,292</b>	<b>15,706,790</b>
Excess of Revenues Over (Under) Expenditures	2,346,451	(2,624,866)	(7,072,687)	(7,351,102)
<b><u>Other Financing Sources (Uses):</u></b>				
Transfers - In	271,849	2,634,873	3,140,651	6,047,373
Transfers - Out	(3,393,471)	0	(182,371)	(3,575,842)
<b>Total Other Financing Sources (Uses)</b>	<b>(3,121,622)</b>	<b>2,634,873</b>	<b>2,958,280</b>	<b>2,471,531</b>
Net Change in Fund Balances	(775,171)	10,007	(4,114,407)	(4,879,571)
Fund Balances Beginning of Year	4,697,261	89,866	7,110,705	11,897,832
<b>Fund Balances End of Year</b>	<b>\$3,922,090</b>	<b>\$99,873</b>	<b>\$2,996,298</b>	<b>\$7,018,261</b>

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

	<i>Street Maintenance</i>	<i>State Highway</i>	<i>DARE</i>
<b><u>Revenues:</u></b>			
Municipal Income Taxes	\$0	\$0	\$0
Other Local Taxes	0	0	0
Payments in Lieu of Taxes	0	0	0
Intergovernmental	1,363,575	110,560	8,498
Fines and Forfeitures	0	0	0
Interest	40	0	572
Decrease in Fair Value of Investments	0	0	(100)
Other	783	713	1,456
<i>Total Revenues</i>	<u>1,364,398</u>	<u>111,273</u>	<u>10,426</u>
<b><u>Expenditures:</u></b>			
Current:			
Security of Persons and Property	0	0	7,248
Transportation	1,776,455	215,000	0
General Government	0	0	0
<i>Total Expenditures</i>	<u>1,776,455</u>	<u>215,000</u>	<u>7,248</u>
Excess of Revenues Over (Under) Expenditures	<u>(412,057)</u>	<u>(103,727)</u>	<u>3,178</u>
<b><u>Other Financing Sources (Uses):</u></b>			
Transfers - In	43,297	0	0
Transfers - Out	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>43,297</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	(368,760)	(103,727)	3,178
Fund Balances (Deficit) Beginning of Year	<u>1,833,448</u>	<u>417,557</u>	<u>21,127</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$1,464,688</u></u>	<u><u>\$313,830</u></u>	<u><u>\$24,305</u></u>

<i>Permissive Motor Vehicle License</i>	<i>Mayor's Operating</i>	<i>Hotel Tax</i>	<i>OMVI Education</i>	<i>Tax Incentive/ Redistribution</i>
\$0	\$0	\$0	\$0	\$0
0	0	42,168	0	0
0	0	0	0	406,481
360,443	0	0	0	0
0	0	0	3,540	0
8,144	0	0	0	0
0	0	0	0	0
0	1,520	0	0	0
<u>368,587</u>	<u>1,520</u>	<u>42,168</u>	<u>3,540</u>	<u>406,481</u>
0	0	0	1,335	0
1,334,308	0	0	0	0
0	2,703	41,860	0	631,313
<u>1,334,308</u>	<u>2,703</u>	<u>41,860</u>	<u>1,335</u>	<u>631,313</u>
<u>(965,721)</u>	<u>(1,183)</u>	<u>308</u>	<u>2,205</u>	<u>(224,832)</u>
0	0	0	0	228,552
0	0	0	0	0
0	0	0	0	228,552
(965,721)	(1,183)	308	2,205	3,720
1,023,131	1,183	(10,160)	12,858	1
<u>\$57,410</u>	<u>\$0</u>	<u>(\$9,852)</u>	<u>\$15,063</u>	<u>\$3,721</u>

(Continued)

**City of Westerville, Ohio**  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2005  
(Continued)

	<i>Mayor's Court Computer</i>	<i>Cable TV Franchise Fee</i>	<i>Parks and Recreation Income Tax Allocation</i>
<b><u>Revenues:</u></b>			
Municipal Income Taxes	\$0	\$0	\$3,839,454
Other Local Taxes	0	350,282	0
Payments in Lieu of Taxes	0	0	0
Intergovernmental	0	0	0
Fines and Forfeitures	22,984	0	0
Interest	0	0	0
Decrease in Fair Value of Investments	0	0	0
Other	0	0	0
<i>Total Revenues</i>	<u>22,984</u>	<u>350,282</u>	<u>3,839,454</u>
<b><u>Expenditures:</u></b>			
Current:			
Security of Persons and Property	0	0	0
Transportation	0	0	0
General Government	8,529	263,719	0
<i>Total Expenditures</i>	<u>8,529</u>	<u>263,719</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	<u>14,455</u>	<u>86,563</u>	<u>3,839,454</u>
<b><u>Other Financing Sources (Uses):</u></b>			
Transfers - In	0	0	0
Transfers - Out	0	0	(3,328,481)
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>(3,328,481)</u>
Net Change in Fund Balances	14,455	86,563	510,973
Fund Balances (Deficit) Beginning of Year	<u>36,749</u>	<u>541,188</u>	<u>669,245</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$51,204</u>	<u>\$627,751</u>	<u>\$1,180,218</u>

<i>FEMA Grants</i>	<i>Drug Enforcement</i>	<i>Criminal Activity Forfeiture</i>	<i>McVay Endowment</i>	<i>Total Nonmajor Special Revenue Funds</i>
\$0	\$0	\$0	\$0	\$3,839,454
0	0	0	0	392,450
0	0	0	0	406,481
64,990	0	0	0	1,908,066
0	12,408	75,972	0	114,904
0	363	3,834	0	12,953
0	(179)	(1,072)	0	(1,351)
0	0	0	15,302	19,774
64,990	12,592	78,734	15,302	6,692,731
0	0	63,810	0	72,393
0	0	0	0	3,325,763
0	0	0	0	948,124
0	0	63,810	0	4,346,280
64,990	12,592	14,924	15,302	2,346,451
0	0	0	0	271,849
(64,990)	0	0	0	(3,393,471)
(64,990)	0	0	0	(3,121,622)
0	12,592	14,924	15,302	(775,171)
0	9,024	131,251	10,659	4,697,261
\$0	\$21,616	\$146,175	\$25,961	\$3,922,090

*City of Westerville, Ohio*  
 Combining Statement of Revenues, Expenditures and Changes in Fund Balance:  
 Nonmajor Capital Projects Funds  
 For the Year Ended December 31, 2005

	<b>General Capital Improvement</b>	<b>Recreation Improvement</b>	<b>County Line Road Improvement</b>
<b><u>Revenues:</u></b>			
Payments in Lieu of Taxes	\$0	\$0	\$0
Intergovernmental	0	0	551,673
Fees, Licenses and Permits	0	68,000	0
Interest	0	0	0
Decrease in Fair Value of Investments	0	0	0
Other	0	6,956	0
<i>Total Revenues</i>	<u>0</u>	<u>74,956</u>	<u>551,673</u>
<b><u>Expenditures:</u></b>			
Capital Outlay	2,027,272	0	71,974
Debt Service:			
Principal Retirement	0	0	197,343
<i>Total Expenditures</i>	<u>2,027,272</u>	<u>0</u>	<u>269,317</u>
Excess of Revenues Over (Under) Expenditures	<u>(2,027,272)</u>	<u>74,956</u>	<u>282,356</u>
<b><u>Other Financing Sources (Uses):</u></b>			
Transfers - In	2,306,100	0	182,371
Transfers - Out	(182,371)	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>2,123,729</u>	<u>0</u>	<u>182,371</u>
Net Change in Fund Balances	96,457	74,956	464,727
Fund Balances (Deficit) Beginning of Year	<u>2,445,518</u>	<u>118,683</u>	<u>(543,446)</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$2,541,975</u></u>	<u><u>\$193,639</u></u>	<u><u>(\$78,719)</u></u>

<i>Dempsey Road Improvement</i>	<i>Spring Road Improvement</i>	<i>Maxtown Road Improvement</i>	<i>Parks and Recreation Capital Improvement</i>	<i>North State Street Improvement</i>	<i>Cleveland Avenue Extension Improvement</i>
\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	371,400	0
0	0	24,774	0	0	0
0	0	0	39,713	0	0
0	0	0	0	0	0
0	0	0	15,000	0	0
<u>0</u>	<u>0</u>	<u>24,774</u>	<u>54,713</u>	<u>371,400</u>	<u>0</u>
0	1,857,252	2,203,501	503,294	632,090	147,533
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>0</u>	<u>1,857,252</u>	<u>2,203,501</u>	<u>503,294</u>	<u>632,090</u>	<u>147,533</u>
<u>0</u>	<u>(1,857,252)</u>	<u>(2,178,727)</u>	<u>(448,581)</u>	<u>(260,690)</u>	<u>(147,533)</u>
0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
0	(1,857,252)	(2,178,727)	(448,581)	(260,690)	(147,533)
<u>126,000</u>	<u>428,335</u>	<u>(34,533)</u>	<u>2,265,596</u>	<u>497,952</u>	<u>(807,819)</u>
<u>\$126,000</u>	<u>(\$1,428,917)</u>	<u>(\$2,213,260)</u>	<u>\$1,817,015</u>	<u>\$237,262</u>	<u>(\$955,352)</u>

(Continued)

*City of Westerville, Ohio*  
Combining Statement of Revenues, Expenditures and Changes in Fund Balance:  
Nonmajor Capital Projects Funds  
For the Year Ended December 31, 2005  
(Continued)

	<i><b>Parks and Recreation Replacement and Reserve</b></i>	<i><b>Street Replacement and Reserve</b></i>	<i><b>Tree Replacement</b></i>
<b><u>Revenues:</u></b>			
Payments in Lieu of Taxes	\$0	\$0	\$0
Intergovernmental	0	0	0
Fees, Licenses and Permits	0	0	8,970
Interest	0	0	0
Decrease in Fair Value of Investments	0	0	0
Other	0	0	0
<i>Total Revenues</i>	<u>0</u>	<u>0</u>	<u>8,970</u>
<b><u>Expenditures:</u></b>			
Capital Outlay	39,068	0	6,467
Debt Service:			
Principal Retirement	0	0	0
<i>Total Expenditures</i>	<u>39,068</u>	<u>0</u>	<u>6,467</u>
Excess of Revenues Over (Under) Expenditures	<u>(39,068)</u>	<u>0</u>	<u>2,503</u>
<b><u>Other Financing Sources (Uses):</u></b>			
Transfers - In	150,000	502,180	0
Transfers - Out	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>150,000</u>	<u>502,180</u>	<u>0</u>
Net Change in Fund Balances	110,932	502,180	2,503
Fund Balances (Deficit) Beginning of Year	<u>506,568</u>	<u>606,000</u>	<u>58,233</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$617,500</u></u>	<u><u>\$1,108,180</u></u>	<u><u>\$60,736</u></u>



<i>City Buildings Improvement</i>	<i>Safety Building Capital Improvement</i>	<i>Westar/Olentangy TIF</i>	<i>Northridge Crossing TIF</i>	<i>Perimeter Road Improvement</i>	<i>Recreation Capital Improvement</i>	<i>Total Nonmajor Capital Projects Funds</i>
\$0	\$0	\$8,410	\$5,057	\$0	\$0	\$13,467
0	0	1,495	562	0	0	925,130
0	0	0	0	59,400	0	161,144
17,540	13,794	0	0	0	2,364	73,411
0	0	0	0	0	(503)	(503)
0	0	0	0	0	0	21,956
<u>17,540</u>	<u>13,794</u>	<u>9,905</u>	<u>5,619</u>	<u>59,400</u>	<u>1,861</u>	<u>1,194,605</u>
187,437	93,006	0	0	300,000	1,055	8,069,949
0	0	0	0	0	0	197,343
<u>187,437</u>	<u>93,006</u>	<u>0</u>	<u>0</u>	<u>300,000</u>	<u>1,055</u>	<u>8,267,292</u>
<u>(169,897)</u>	<u>(79,212)</u>	<u>9,905</u>	<u>5,619</u>	<u>(240,600)</u>	<u>806</u>	<u>(7,072,687)</u>
0	0	0	0	0	0	3,140,651
0	0	0	0	0	0	(182,371)
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,958,280</u>
(169,897)	(79,212)	9,905	5,619	(240,600)	806	(4,114,407)
390,311	648,616	12,620	0	327,830	64,241	7,110,705
<u>\$220,414</u>	<u>\$569,404</u>	<u>\$22,525</u>	<u>\$5,619</u>	<u>\$87,230</u>	<u>\$65,047</u>	<u>\$2,996,298</u>

*City of Westerville, Ohio*  
*Nonmajor Fund Descriptions*

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***ENTERPRISE FUNDS***

Enterprise Funds are used to account for the City's water, sewer, refuse, electric and swimming pool operations. These activities are financed and operated in a manner similar to private sector business enterprises where the intent is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The following are the City's nonmajor enterprise funds.

***Nonmajor Enterprise Funds***

*Refuse Fund* - To account for the revenues and expenses of the City's solid waste collection and disposal services.

*Swimming Pool Fund* - To account for the revenues and expenses of the Highlands Park Swimming Pool complex.

*City of Westerville, Ohio*  
Combining Statement of Fund Net Assets  
Nonmajor Enterprise Funds  
December 31, 2005

	<i>Refuse</i>	<i>Swimming Pool</i>	<i>Total Nonmajor Enterprise Funds</i>
<b><u>Assets:</u></b>			
<i>Current Assets:</i>			
Equity in Pooled Cash and Cash Equivalents	\$613,584	\$248,429	\$862,013
Receivables:			
Accounts, Net	297,154	0	297,154
<i>Total Current Assets</i>	<u>910,738</u>	<u>248,429</u>	<u>1,159,167</u>
<i>Non-current Assets:</i>			
<i>Capital Assets:</i>			
Nondepreciable Capital Assets	12,500	101,450	113,950
Depreciable Capital Assets, Net	1,138,593	410,880	1,549,473
<i>Total Non-current Assets</i>	<u>1,151,093</u>	<u>512,330</u>	<u>1,663,423</u>
<i>Total Assets</i>	<u>2,061,831</u>	<u>760,759</u>	<u>2,822,590</u>
<b><u>Liabilities:</u></b>			
<i>Current Liabilities:</i>			
Accounts Payable	140,052	13	140,065
Accrued Wages	2,452	2,247	4,699
Intergovernmental Payable	2,395	3,361	5,756
Due to Other Funds	180	652	832
Compensated Absences Payable	7,082	1,734	8,816
<i>Total Current Liabilities</i>	<u>152,161</u>	<u>8,007</u>	<u>160,168</u>
<i>Long-Term Liabilities:</i>			
Interfund Payable	675,000	0	675,000
Compensated Absences Payable	0	3,870	3,870
<i>Total Long-Term Liabilities</i>	<u>675,000</u>	<u>3,870</u>	<u>678,870</u>
<i>Total Liabilities</i>	<u>827,161</u>	<u>11,877</u>	<u>839,038</u>
<b><u>Net Assets:</u></b>			
Invested in Capital Assets	1,151,093	512,330	1,663,423
Unrestricted (Deficit)	83,577	236,552	320,129
<i>Total Net Assets</i>	<u>\$1,234,670</u>	<u>\$748,882</u>	<u>\$1,983,552</u>

*City of Westerville, Ohio*  
Combining Statement of Revenues,  
Expenses and Changes in Fund Net Assets  
Nonmajor Enterprise Funds  
For the Year Ended December 31, 2005

	<i>Refuse</i>	<i>Swimming Pool</i>	<i>Total Nonmajor Enterprise Funds</i>
<b><u>Operating Revenues:</u></b>			
Charges for Services	\$1,850,321	\$406,581	\$2,256,902
Other Operating Revenues	67	59	126
<i>Total Operating Revenues</i>	<u>1,850,388</u>	<u>406,640</u>	<u>2,257,028</u>
<b><u>Operating Expenses:</u></b>			
Personal Services	100,999	303,941	404,940
Contractual Services	1,648,658	55,078	1,703,736
Materials and Supplies	2,990	54,352	57,342
Other	5,284	0	5,284
Depreciation	163,182	52,602	215,784
<i>Total Operating Expenses</i>	<u>1,921,113</u>	<u>465,973</u>	<u>2,387,086</u>
<i>Operating Loss</i>	(70,725)	(59,333)	(130,058)
Transfers In	594	0	594
Change in Net Assets	(70,131)	(59,333)	(129,464)
Net Assets Beginning of Year	<u>1,304,801</u>	<u>808,215</u>	<u>2,113,016</u>
<i>Net Assets End of Year</i>	<u><u>\$1,234,670</u></u>	<u><u>\$748,882</u></u>	<u><u>\$1,983,552</u></u>

*City of Westerville, Ohio*  
Combining Statement of Cash Flows  
Nonmajor Enterprise Funds  
For The Year Ended December 31, 2005

	<i>Refuse</i>	<i>Swimming Pool</i>	<i>Total Nonmajor Enterprise Funds</i>
<b><u>Increases (Decreases) in Cash and Cash Equivalents:</u></b>			
<b><u>Cash Flows from Operating Activities:</u></b>			
Cash Received from Customers	\$1,836,065	\$406,642	\$2,242,707
Cash Payments for Personal Services	(112,435)	(300,866)	(413,301)
Cash Payments for Materials and Supplies	(2,990)	(54,437)	(57,427)
Cash Payments for Other Services and Charges	(1,629,539)	(42,103)	(1,671,642)
Interfund Services Used	(550)	(15,205)	(15,755)
Other Operating Revenues	67	59	126
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>90,618</u>	<u>(5,910)</u>	<u>84,708</u>
<b><u>Cash Flows from Non-Capital Financing Activities:</u></b>			
Advances to Other Funds	(105,000)	0	(105,000)
Transfers from Other Funds	594	0	594
<i>Net Cash Used for Non-Capital Financing Activities</i>	<u>(104,406)</u>	<u>0</u>	<u>(104,406)</u>
Net Decrease in Cash and Cash Equivalents	(13,788)	(5,910)	(19,698)
Cash and Cash Equivalents at Beginning of Year	<u>627,372</u>	<u>254,339</u>	<u>881,711</u>
<i>Cash and Cash Equivalents at End of Year</i>	<u><u>\$613,584</u></u>	<u><u>\$248,429</u></u>	<u><u>\$862,013</u></u>
<b><u>Reconciliation of Operating Loss to Net Cash Provided by (Used for) Operating Activities:</u></b>			
Operating Loss	(\$70,725)	(\$59,333)	(\$130,058)
<b><u>Adjustments to Reconcile Operating Loss to Net Cash Provided by (Used for) Operating Activities:</u></b>			
Depreciation	163,182	52,602	215,784
Change in Provision for Uncollectable Accounts Receivable	206	0	206
<b><u>Changes in Assets and Liabilities:</u></b>			
(Increase) Decrease in Accounts Receivable	(9,178)	61	(9,117)
Increase (Decrease) in Accounts Payable	18,389	(2,405)	15,984
Increase (Decrease) in Accrued Wages	(1,380)	544	(836)
Increase (Decrease) in Compensated Absences	(10,262)	1,825	(8,437)
Increase in Due to Other Funds	180	90	270
Increase in Intergovernmental Payable	206	706	912
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u><u>\$90,618</u></u>	<u><u>(\$5,910)</u></u>	<u><u>\$84,708</u></u>

*City of Westerville, Ohio*

*Fund Descriptions*

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***INTERNAL SERVICE FUNDS***

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City and to other governmental units, on a cost reimbursement basis. The following are the City's internal service funds:

*Garage Fund* - To account for the operations of the City Garage which provides maintenance and repair services on all City vehicles and equipment.

*Self-Insurance Fund* - To account for general liability claims, actions, and judgments against the City, its officers and employees.

*City of Westerville, Ohio*  
Combining Statement of Fund Net Assets  
Internal Service Funds  
December 31, 2005

	<i>Garage</i>	<i>Self- Insurance</i>	<i>Total Internal Service Funds</i>
<b><u>Assets</u></b>			
<i>Current Assets:</i>			
Equity in Pooled Cash and Cash Equivalents	\$49,577	\$564,010	\$613,587
Receivables:			
Accrued Interest	0	3,439	3,439
Materials and Supplies Inventory	43,271	0	43,271
<i>Total Current Assets</i>	<u>92,848</u>	<u>567,449</u>	<u>660,297</u>
<i>Non-current Assets:</i>			
Capital Assets:			
Depreciable Capital Assets, Net	228,418	0	228,418
<i>Total Assets</i>	<u>321,266</u>	<u>567,449</u>	<u>888,715</u>
<b><u>Liabilities</u></b>			
<i>Current Liabilities:</i>			
Accounts Payable	19,573	0	19,573
Accrued Wages	8,213	0	8,213
Intergovernmental Payable	6,230	0	6,230
Due to Other Funds	180	0	180
Claims Payable	0	7,091	7,091
Compensated Absences Payable	21,123	0	21,123
<i>Total Current Liabilities</i>	<u>55,319</u>	<u>7,091</u>	<u>62,410</u>
<i>Long-Term Liabilities:</i>			
Compensated Absences Payable	48,245	0	48,245
<i>Total Liabilities</i>	<u>103,564</u>	<u>7,091</u>	<u>110,655</u>
<b><u>Net Assets</u></b>			
Invested in Capital Assets	228,418	0	228,418
Unrestricted (Deficit)	(10,716)	560,358	549,642
<i>Total Net Assets</i>	<u>\$217,702</u>	<u>\$560,358</u>	<u>\$778,060</u>

*City of Westerville, Ohio*  
Combining Statement of Revenues,  
Expenses and Changes in Fund Net Assets  
Internal Service Funds  
For the Year Ended December 31, 2005

	<i>Garage</i>	<i>Self- Insurance</i>	<i>Total Internal Service Funds</i>
<b><u>Operating Revenues:</u></b>			
Charges for Services	\$713,970	\$241,372	\$955,342
Other Operating Revenues	4,814	61,772	66,586
<i>Total Operating Revenues</i>	<u>718,784</u>	<u>303,144</u>	<u>1,021,928</u>
<b><u>Operating Expenses:</u></b>			
Personal Services	308,507	0	308,507
Contractual Services	51,210	0	51,210
Materials and Supplies	363,806	0	363,806
Claims	0	262,308	262,308
Depreciation	20,503	0	20,503
<i>Total Operating Expenses</i>	<u>744,026</u>	<u>262,308</u>	<u>1,006,334</u>
<i>Operating Income (Loss)</i>	<u>(25,242)</u>	<u>40,836</u>	<u>15,594</u>
<b><u>Non-Operating Revenues (Expenses):</u></b>			
Interest	0	15,367	15,367
Decrease in Fair Value	0	(2,642)	(2,642)
<i>Total Non-Operating Revenues (Expenses)</i>	<u>0</u>	<u>12,725</u>	<u>12,725</u>
Change in Net Assets	(25,242)	53,561	28,319
Net Assets Beginning of Year	<u>242,944</u>	<u>506,797</u>	<u>749,741</u>
<i>Net Assets End of Year</i>	<u><u>\$217,702</u></u>	<u><u>\$560,358</u></u>	<u><u>\$778,060</u></u>



*City of Westerville, Ohio*  
Combining Statement of Cash Flows  
Internal Service Funds  
For The Year Ended December 31, 2005

	<u>Garage</u>	<u>Self- Insurance</u>	<u>Total Internal Service Funds</u>
<b><u>Increases (Decreases) in Cash and Cash Equivalents:</u></b>			
<b><u>Cash Flows from Operating Activities:</u></b>			
Internal Services Provided	\$713,970	\$250,000	\$963,970
Cash Payments for Personal Services	(302,436)	0	(302,436)
Cash Payments for Materials and Supplies	(378,669)	0	(378,669)
Cash Payments for Other Services and Charges	(49,749)	0	(49,749)
Internal Services Used	(3,500)	0	(3,500)
Cash Payments for Claims	0	(300,791)	(300,791)
Other Operating Revenues	4,814	61,772	66,586
<i>Net Cash Provided (Used for) by Operating Activities</i>	<u>(15,570)</u>	<u>10,981</u>	<u>(4,589)</u>
<b><u>Cash Flows from Capital and Related Financing Activities:</u></b>			
Acquisition and Construction of Capital Assets	(12,900)	0	(12,900)
<b><u>Cash Flows From Investing Activities:</u></b>			
Decrease in Fair Value of Cash Equivalents	0	(2,642)	(2,642)
Interest	0	15,970	15,970
<i>Net Cash Provided by Investing Activities</i>	<u>0</u>	<u>13,328</u>	<u>13,328</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(28,470)	24,309	(4,161)
Cash and Cash Equivalents at Beginning of Year	78,047	539,701	617,748
<i>Cash and Cash Equivalents at End of Year</i>	<u>\$49,577</u>	<u>\$564,010</u>	<u>\$613,587</u>
<b><u>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:</u></b>			
Operating Income (Loss)	(\$25,242)	\$40,836	\$15,594
<b><u>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:</u></b>			
Depreciation	20,503	0	20,503
<b><u>Changes in Assets and Liabilities:</u></b>			
Decrease in Accounts Receivable	0	8,628	8,628
Increase in Material and Supplies Inventory	(9,787)	0	(9,787)
Decrease in Accounts Payable	(7,295)	0	(7,295)
Decrease in Claims Payable	0	(38,483)	(38,483)
Decrease in Accrued Wages	(1,431)	0	(1,431)
Increase in Compensated Absences	6,879	0	6,879
Increase in Due to Other Funds	180	0	180
Increase in Intergovernmental Payable	623	0	623
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>(\$15,570)</u>	<u>\$10,981</u>	<u>(\$4,589)</u>

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# *City of Westerville, Ohio*

## *Fund Descriptions*

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### *AGENCY FUNDS*

Agency Funds are used to account for assets held by the City while acting in the capacity of an agent for individuals, private organizations, other governments, and/or other funds. The following are the City's agency funds.

*Hotel Tax Fund* - To account for a portion of the tax imposed on establishments that provide sleeping accommodations for transient guests that, by statute, must be allocated to the Visitor's Bureau.

*Payroll Revolving Fund* - To account for all payroll related liabilities including the City's portion of payments made to various state pension systems.

*Columbus Sewer Capacity Fund* - To account for the sewer capacity fees collected and distributed to the City of Columbus.

*State Building Standards Fund* - To account for a three percent assessment by the State of Ohio collected on all building and related permits.

*Performance Bond Fund* - To account for deposits from contractors, developers, or individuals and held to insure compliance with City Ordinances pertaining to development.

*Mayor's Court Fund* - To account for the collection of court fines and costs and the subsequent remittance to the City, other local governments, and the State of Ohio.

*Public Use Fees Fund* - To account for the portion of recreation fees which is allocated to other subdivisions for use in maintaining their park systems.

*City of Westerville, Ohio*

Combining Statement of Assets and Liabilities  
Agency Funds

December 31, 2005

	<i>Hotel Tax</i>	<i>Payroll Revolving</i>	<i>Columbus Sewer Capacity</i>
<b><u>Assets:</u></b>			
Equity In Pooled Cash And Cash Equivalents	\$0	\$740,737	\$123,404
Cash And Cash Equivalents With Fiscal Agents	0	0	0
Receivables: Property And Other Taxes	1,028	0	0
<i>Total Assets</i>	\$1,028	\$740,737	\$123,404
 <b><u>Liabilities:</u></b>			
Accounts Payable	\$1,028	\$0	\$0
Undistributed Monies	0	740,737	0
Intergovernmental Payable	0	0	123,404
Deposits Held And Due To Others	0	0	0
<i>Total Liabilities</i>	\$1,028	\$740,737	\$123,404

<i>State Building Standards</i>	<i>Performance Bond</i>	<i>Mayor's Court</i>	<i>Public Use Fees</i>	<i>Totals</i>
\$1,405	\$149,613	\$0	\$23,500	\$1,038,659
0	0	6,648	0	6,648
0	0	0	0	1,028
<u>\$1,405</u>	<u>\$149,613</u>	<u>\$6,648</u>	<u>\$23,500</u>	<u>\$1,046,335</u>
\$0	\$0	\$0	\$0	\$1,028
0	0	0	0	740,737
1,405	0	5,426	23,500	153,735
0	149,613	1,222	0	150,835
<u>\$1,405</u>	<u>\$149,613</u>	<u>\$6,648</u>	<u>\$23,500</u>	<u>\$1,046,335</u>

*City of Westerville, Ohio*  
Combining Statement Of Changes In Assets And Liabilities  
Agency Funds

For The Year Ended December 31, 2005

<b>Hotel Tax</b>	<i>Balance January 1, 2005</i>	<i>Additions</i>	<i>Deductions</i>	<i>Balance December 31, 2005</i>
<b>Hotel Tax</b>				
<u><i>Assets:</i></u>				
Equity In Pooled Cash And Cash Equivalents	\$0	\$13,953	\$13,953	\$0
Receivables:				
Property And Other Taxes	926	1,028	926	1,028
<i>Total Assets</i>	<u>\$926</u>	<u>\$14,981</u>	<u>\$14,879</u>	<u>\$1,028</u>
<u><i>Liabilities:</i></u>				
Accounts Payable	<u>\$926</u>	<u>\$14,981</u>	<u>\$14,879</u>	<u>\$1,028</u>
<b>Payroll Revolving Fund</b>				
<u><i>Assets:</i></u>				
Equity In Pooled Cash And Cash Equivalents	\$740,204	\$18,779,588	\$18,779,055	\$740,737
<u><i>Liabilities:</i></u>				
Undistributed Monies	<u>\$740,204</u>	<u>\$18,779,588</u>	<u>\$18,779,055</u>	<u>\$740,737</u>
<b>Columbus Sewer Capacity</b>				
<u><i>Assets:</i></u>				
Equity In Pooled Cash And Cash Equivalents	\$133,304	\$441,800	\$451,700	\$123,404
<u><i>Liabilities:</i></u>				
Intergovernmental Payable	<u>\$133,304</u>	<u>\$441,800</u>	<u>\$451,700</u>	<u>\$123,404</u>
<b>State Building Standards</b>				
<u><i>Assets:</i></u>				
Equity In Pooled Cash And Cash Equivalents	\$925	\$15,025	\$14,545	\$1,405
<u><i>Liabilities:</i></u>				
Intergovernmental Payable	<u>\$925</u>	<u>\$15,025</u>	<u>\$14,545</u>	<u>\$1,405</u>
<b>Performance Bond</b>				
<u><i>Assets:</i></u>				
Equity In Pooled Cash And Cash Equivalents	\$61,488	\$168,871	\$80,746	\$149,613
<u><i>Liabilities:</i></u>				
Deposits Held And Due To Others	<u>\$61,488</u>	<u>\$168,871</u>	<u>\$80,746</u>	<u>\$149,613</u>

(continued)

*City of Westerville, Ohio*  
Combining Statement Of Changes In Assets And Liabilities  
Agency Funds  
(Continued)  
For The Year Ended December 31, 2005

<b>Mayor's Court</b>	<i>Balance January 1, 2005</i>	<i>Additions</i>	<i>Deductions</i>	<i>Balance December 31, 2005</i>
<b>Assets:</b>				
Cash And Cash Equivalents With Fiscal Agents	\$7,932	\$6,648	\$7,932	\$6,648
<b>Liabilities:</b>				
Intergovernmental Payable	\$6,018	\$5,426	\$6,018	\$5,426
Deposits Held And Due To Others	1,914	1,222	1,914	1,222
<i>Total Liabilities</i>	<u>\$7,932</u>	<u>\$6,648</u>	<u>\$7,932</u>	<u>\$6,648</u>
<b>Public Use Fees</b>				
<b>Assets:</b>				
Equity In Pooled Cash And Cash Equivalents	\$23,500	\$0	\$0	\$23,500
<b>Liabilities:</b>				
Intergovernmental Payable	\$23,500	\$0	\$0	\$23,500
<b>TOTAL - ALL AGENCY FUNDS</b>				
<b>Assets:</b>				
Equity In Pooled Cash And Cash Equivalents	\$959,421	\$19,419,237	\$19,339,999	\$1,038,659
Cash And Cash Equivalents With Fiscal Agents	7,932	6,648	7,932	6,648
Receivables:				
Property And Other Taxes	926	1,028	926	1,028
<i>Total Assets</i>	<u>\$968,279</u>	<u>\$19,426,913</u>	<u>\$19,348,857</u>	<u>\$1,046,335</u>
<b>Liabilities:</b>				
Accounts Payable	\$926	\$14,981	\$14,879	\$1,028
Undistributed Monies	740,204	18,779,588	18,779,055	740,737
Intergovernmental Payable	163,747	462,251	472,263	153,735
Deposits Held And Due To Others	63,402	170,093	82,660	150,835
<i>Total Liabilities</i>	<u>\$968,279</u>	<u>\$19,426,913</u>	<u>\$19,348,857</u>	<u>\$1,046,335</u>

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*City of Westerville, Ohio*

***General Governmental Capital Assets***

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General governmental capital assets are long-lived assets that are associated with and generally rise from governmental activities. These assets are not used in the operation of the City's business-type activities.

**City of Westerville, Ohio**  
Schedule of Governmental Activities Capital Assets  
By Program and Department  
As of December 31, 2005

Program / Department	Land	Land Improvements	Buildings
Security of Persons and Property			
Police	\$0	\$0	\$5,125,556
Fire	110,512	0	5,307,809
Communications	0	0	0
Total Security of Persons and Property	<u>110,512</u>	<u>0</u>	<u>10,433,365</u>
Public Health			
Cemetery Maintenance	0	60,463	21,695
Leisure Time Activities			
Parks and Recreation	3,970,335	14,910,378	18,843,172
Community Development			
Planning, Engineering and Building	0	0	5,355
Basic Utility Services			
Storm Sewer	522,794	5,666	0
Transportation			
Street Maintenance	0	56,481	64,500
Traffic Signal Maintenance and Repair	0	0	0
Total Transportation	<u>0</u>	<u>56,481</u>	<u>64,500</u>
General Government			
City Manager	0	0	0
Legislative	0	0	0
Cable TV Commission	0	0	0
Finance	0	0	0
Management Information Systems	0	0	39,600
Income Tax	0	0	0
Mayor's Court	0	0	0
Lands and Buildings	1,990,702	28,310	4,014,041
Total General Government	<u>1,990,702</u>	<u>28,310</u>	<u>4,053,641</u>
Total General Capital Assets	6,594,343	15,061,298	33,421,728
Less Accumulated Depreciation	0	(4,269,880)	(6,423,556)
Net General Capital Assets	<u>6,594,343</u>	<u>10,791,418</u>	<u>26,998,172</u>
Internal Service Fund Capital Assets	0	0	637,228
Less Accumulated Depreciation	0	0	(432,903)
Net Internal Service Fund Capital Assets	<u>0</u>	<u>0</u>	<u>204,325</u>
Total Before Construction In Progress	<u>\$6,594,343</u>	<u>\$10,791,418</u>	<u>\$27,202,497</u>
Construction In Progress			
Total Governmental Activities Capital Assets			

Furniture and Equipment	Vehicles	Infrastructure	Totals
\$1,023,616	\$875,381	\$0	\$7,024,553
368,671	1,968,003	0	7,754,995
1,240,529	0	0	1,240,529
<u>2,632,816</u>	<u>2,843,384</u>	<u>0</u>	<u>16,020,077</u>
0	0	0	82,158
1,059,259	726,064	0	39,509,208
43,738	155,769	0	204,862
55,669	23,896	4,442,758	5,050,783
317,514	720,279	36,448,693	37,607,467
95,731	16,400	0	112,131
<u>413,245</u>	<u>736,679</u>	<u>36,448,693</u>	<u>37,719,598</u>
49,478	0	0	49,478
14,623	0	0	14,623
624,062	71,189	0	695,251
38,000	45,613	0	83,613
928,423	0	0	968,023
18,960	0	0	18,960
74,067	0	0	74,067
149,000	0	0	6,182,053
<u>1,896,613</u>	<u>116,802</u>	<u>0</u>	<u>8,086,068</u>
6,101,340	4,602,594	40,891,451	106,672,754
(3,703,557)	(3,382,497)	(2,481,371)	(20,260,861)
<u>2,397,783</u>	<u>1,220,097</u>	<u>38,410,080</u>	<u>86,411,893</u>
65,694	17,023	0	719,945
(41,599)	(17,023)	0	(491,525)
<u>24,095</u>	<u>0</u>	<u>0</u>	<u>228,420</u>
<u>\$2,421,878</u>	<u>\$1,220,097</u>	<u>\$38,410,080</u>	<u>\$86,640,313</u>
			655,732
			<u>\$87,296,045</u>

**City of Westerville, Ohio**  
Schedule of Changes in Governmental Activities Capital Assets  
By Program and Department  
For the Year Ended December 31, 2005

Program / Department	Balance 1/1/2005	Additions	Deletions	Balance 12/31/2005
Security of Persons and Property				
Police	\$6,893,367	\$329,800	\$198,614	\$7,024,553
Fire	8,002,359	98,206	345,570	7,754,995
Communications	1,217,048	23,481	0	1,240,529
Total Security of Persons and Property	<u>16,112,774</u>	<u>451,487</u>	<u>544,184</u>	<u>16,020,077</u>
Public Health				
Cemetery Maintenance	82,158	0	0	82,158
Leisure Time Activities				
Parks and Recreation	38,572,312	1,092,401	155,505	39,509,208
Community Development				
Planning, Engineering and Building	228,396	16,700	40,234	204,862
Basic Utility Services				
Storm Sewer	4,175,372	875,411	0	5,050,783
Transportation				
Street Maintenance	28,489,237	9,341,275	223,045	37,607,467
Traffic Signal Maintenance and Repair	94,356	75,931	58,156	112,131
Total Transportation	<u>28,583,593</u>	<u>9,417,206</u>	<u>281,201</u>	<u>37,719,598</u>
General Government				
City Manager	59,448	0	9,970	49,478
Legislative	14,623	0	0	14,623
Cable TV Commission	876,460	38,143	219,352	695,251
Finance	76,494	18,837	11,718	83,613
Management Information Systems	1,205,640	266,391	504,008	968,023
Income Tax	18,960	0	0	18,960
Mayor's Court	74,067	0	0	74,067
Lands and Buildings	4,975,066	1,409,476	202,489	6,182,053
Total General Government	<u>7,300,758</u>	<u>1,732,847</u>	<u>947,537</u>	<u>8,086,068</u>
Total General Capital Assets	95,055,363	13,586,052	1,968,661	106,672,754
Less Accumulated Depreciation	(17,795,839)	(4,201,662)	(1,736,640)	(20,260,861)
Total General Capital Assets (Net of Accumulated Depreciation) Allocated To Programs	<u>77,259,524</u>	<u>9,384,390</u>	<u>232,021</u>	<u>86,411,893</u>
Internal Service Fund Capital Assets	725,589	12,900	18,544	719,945
Less Accumulated Depreciation	(489,566)	(20,503)	(18,544)	(491,525)
Net Internal Service Fund Capital Assets	<u>236,023</u>	<u>(7,603)</u>	<u>0</u>	<u>228,420</u>
Totals Before Construction In Progress	77,495,547	9,376,787	232,021	86,640,313
Construction In Progress	4,453,165	6,555,164	10,352,597	655,732
Total Governmental Activities Capital Assets	<u><u>\$81,948,712</u></u>	<u><u>\$15,931,951</u></u>	<u><u>\$10,584,618</u></u>	<u><u>\$87,296,045</u></u>

**City of Westerville, Ohio**

Schedule of Revenues, Expenditures, and Changes in Fund  
Balance - Budget (Non-GAAP Budgetary Basis) and Actual

**General Fund**

For the Year Ended December 31, 2005

	Budget		Actuals			Variance Positive (Negative)
	Original	Final	Cash Transactions	Encumbrances	Total	
<b><u>Revenues:</u></b>						
Property Taxes	\$2,921,342	\$2,747,050	\$2,747,051		\$2,747,051	\$1
Municipal Income Tax	15,246,739	15,679,839	15,785,293		15,785,293	105,454
Intergovernmental	6,481,813	7,053,676	7,065,679		7,065,679	12,003
Charges for Services	571,983	437,137	437,990		437,990	853
Fees, Licenses and Permits	512,350	823,910	842,512		842,512	18,602
Fines and Forfeitures	445,300	390,240	390,241		390,241	1
Interest	1,369,500	1,754,500	1,811,677		1,811,677	57,177
Miscellaneous	51,550	80,481	97,678		97,678	17,197
<b>Total Revenues</b>	<b>27,600,577</b>	<b>28,966,833</b>	<b>29,178,121</b>		<b>29,178,121</b>	<b>211,288</b>
<b><u>Expenditures:</u></b>						
Current Operations and Maintenance						
Security of Persons and Property						
Police Department						
Police Services						
Personal Services	8,747,946	8,747,946	7,790,034	3,129	7,793,163	954,783
Supplies and Materials	397,911	395,904	318,904	47,397	366,301	29,603
Other Services and Charges	589,724	579,761	472,099	42,317	514,416	65,345
Capital Outlay	353,487	348,867	294,334	42,179	336,513	12,354
Other Financing Uses	1,493	1,493	1,492	0	1,492	1
<b>Total Police Department</b>	<b>10,090,561</b>	<b>10,073,971</b>	<b>8,876,863</b>	<b>135,022</b>	<b>9,011,885</b>	<b>1,062,086</b>
Communications						
Personal Services	1,049,985	1,049,985	939,653	0	939,653	110,332
Supplies and Materials	22,197	21,895	18,984	1,339	20,323	1,572
Other Services and Charges	187,052	167,114	116,998	7,361	124,359	42,755
Capital Outlay	50,355	50,355	4,282	38,550	42,832	7,523
<b>Total Communications</b>	<b>1,309,589</b>	<b>1,289,349</b>	<b>1,079,917</b>	<b>47,250</b>	<b>1,127,167</b>	<b>162,182</b>
Fire Hydrant Maintenance						
Supplies and Materials	10,296	9,715	7,034	64	7,098	2,617
Capital Outlay	22,980	22,980	7,980	11,967	19,947	3,033
<b>Total Fire Hydrant Maintenance</b>	<b>33,276</b>	<b>32,695</b>	<b>15,014</b>	<b>12,031</b>	<b>27,045</b>	<b>5,650</b>
<b>Total Security of Persons and Property</b>	<b>11,433,426</b>	<b>11,396,015</b>	<b>9,971,794</b>	<b>194,303</b>	<b>10,166,097</b>	<b>1,229,918</b>
Public Health						
Cemetery Maintenance						
Supplies and Materials	1,750	1,350	750	0	750	600
Other Services and Charges	55,150	55,150	43,229	6,935	50,164	4,986
<b>Total Public Health</b>	<b>56,900</b>	<b>56,500</b>	<b>43,979</b>	<b>6,935</b>	<b>50,914</b>	<b>5,586</b>
Community Development						
Planning, Engineering, and Building Department						
Building, Planning and Zoning						
Personal Services	1,982,722	1,982,722	1,871,673	0	1,871,673	111,049
Supplies and Materials	45,115	47,048	38,294	397	38,691	8,357
Other Services and Charges	360,632	504,950	421,625	51,318	472,943	32,007
Capital Outlay	34,600	34,600	30,336	0	30,336	4,264
Other Financing Uses	1,000	1,000	35	0	35	965
<b>Total Community Development</b>	<b>\$2,424,069</b>	<b>\$2,570,320</b>	<b>\$2,361,963</b>	<b>\$51,715</b>	<b>\$2,413,678</b>	<b>\$156,642</b>

(Continued)

**City of Westerville, Ohio**

Schedule of Revenues, Expenditures, and Changes in Fund  
Balance - Budget (Non-GAAP Budgetary Basis) and Actual

**General Fund**

For the Year Ended December 31, 2005

(Continued)

	Budget		Actuals			Variance Positive (Negative)
	Original	Final	Cash Transactions	Encumbrances	Total	
Basic Utility Services						
General Public Services						
Storm Sewer Maintenance and Improvements						
Personal Services	\$324,694	\$319,336	\$280,138	\$4,230	\$284,368	\$34,968
Supplies and Materials	40,123	36,114	18,852	1,414	20,266	15,848
Other Services and Charges	52,796	49,660	27,734	889	28,623	21,037
Capital Outlay	25,000	25,000	0	0	0	25,000
Total Basic Utility Services	442,613	430,110	326,724	6,533	333,257	96,853
General Government						
City Manager						
Administration						
Personal Services	967,902	967,902	928,677	0	928,677	39,225
Supplies and Materials	11,789	11,779	10,932	31	10,963	816
Other Services and Charges	1,320,057	1,321,762	1,201,343	41,093	1,242,436	79,326
Capital Outlay	7,000	7,000	5,845	0	5,845	1,155
Total Administration	2,306,748	2,308,443	2,146,797	41,124	2,187,921	120,522
Economic Development						
Personal Services	102,505	102,505	77,309	0	77,309	25,196
Supplies and Materials	4,200	4,200	68	176	244	3,956
Other Services and Charges	105,234	100,077	84,880	15,196	100,076	1
Capital Outlay	1,400	1,400	1,169	0	1,169	231
Total Economic Development	213,339	208,182	163,426	15,372	178,798	29,384
Total City Manager	2,520,087	2,516,625	2,310,223	56,496	2,366,719	149,906
Legislative						
Personal Services	124,430	124,430	123,525	0	123,525	905
Supplies and Materials	11,536	11,536	7,445	553	7,998	3,538
Other Services and Charges	98,425	98,422	88,756	5,457	94,213	4,209
Total Legislative	234,391	234,388	219,726	6,010	225,736	8,652
Management Information Systems						
Personal Services	943,831	943,831	846,836	1,676	848,512	95,319
Supplies and Materials	36,353	35,382	18,804	1,437	20,241	15,141
Other Services and Charges	572,491	431,383	291,354	31,286	322,640	108,743
Capital Outlay	308,907	438,302	218,851	165,586	384,437	53,865
Total Management Information Systems	1,861,582	1,848,898	1,375,845	199,985	1,575,830	273,068
Finance Department						
Administration and Accounting						
Personal Services	684,224	684,224	638,375	0	638,375	45,849
Supplies and Materials	26,342	26,197	19,135	4,758	23,893	2,304
Other Services and Charges	322,061	312,262	300,272	5,111	305,383	6,879
Capital Outlay	17,185	15,756	15,755	0	15,755	1
Total Administration	1,049,812	1,038,439	973,537	9,869	983,406	55,033
Income Tax						
Personal Services	375,794	375,794	280,581	0	280,581	95,213
Supplies and Materials	50,506	50,044	22,216	9,832	32,048	17,996
Other Services and Charges	55,922	54,477	30,845	6,041	36,886	17,591
Capital Outlay	15,295	8,609	8,608	0	8,608	1
Other Financing Uses	725,000	717,500	624,845	0	624,845	92,655
Total Income Tax	\$1,222,517	\$1,206,424	\$967,095	\$15,873	\$982,968	\$223,456

(Continued)

**City of Westerville, Ohio**

Schedule of Revenues, Expenditures, and Changes in Fund  
Balance - Budget (Non-GAAP Budgetary Basis) and Actual

**General Fund**

For the Year Ended December 31, 2005

(Continued)

	Budget		Actuals			Variance Positive (Negative)
	Original	Final	Cash Transactions	Encumbrances	Total	
Utility Billing Services						
Personal Services	\$505,790	\$505,790	\$462,844	\$0	\$462,844	\$42,946
Supplies and Materials	26,825	26,549	24,284	1,888	26,172	377
Other Services and Charges	58,291	53,473	46,918	3,136	50,054	3,419
Capital Outlay	19,736	18,879	14,514	0	14,514	4,365
<b>Total Utility Billing Services</b>	<b>610,642</b>	<b>604,691</b>	<b>548,560</b>	<b>5,024</b>	<b>553,584</b>	<b>51,107</b>
Mayor's Court						
Personal Services	281,035	277,493	261,200	0	261,200	16,293
Supplies and Materials	14,029	10,901	10,200	8	10,208	693
Other Services and Charges	242,629	250,883	219,907	26,376	246,283	4,600
<b>Total Mayor's Court</b>	<b>537,693</b>	<b>539,277</b>	<b>491,307</b>	<b>26,384</b>	<b>517,691</b>	<b>21,586</b>
Law Administration						
Personal Services	93,773	93,773	81,904	0	81,904	11,869
Other Services and Charges	294,550	294,550	294,527	0	294,527	23
<b>Total Law Administration</b>	<b>388,323</b>	<b>388,323</b>	<b>376,431</b>	<b>0</b>	<b>376,431</b>	<b>11,892</b>
Buildings and Grounds						
Personal Services	354,501	354,501	352,051	0	352,051	2,450
Supplies and Materials	66,022	65,643	34,694	1,600	36,294	29,349
Other Services and Charges	241,629	240,960	206,654	15,027	221,681	19,279
<b>Total Buildings and Grounds</b>	<b>662,152</b>	<b>661,104</b>	<b>593,399</b>	<b>16,627</b>	<b>610,026</b>	<b>51,078</b>
<b>Total Finance Department</b>	<b>4,471,139</b>	<b>4,438,258</b>	<b>3,950,329</b>	<b>73,777</b>	<b>4,024,106</b>	<b>414,152</b>
<b>Total General Government</b>	<b>9,087,199</b>	<b>9,038,169</b>	<b>7,856,123</b>	<b>336,268</b>	<b>8,192,391</b>	<b>845,778</b>
<b>Total Expenditures</b>	<b>23,444,207</b>	<b>23,491,114</b>	<b>20,560,583</b>	<b>595,754</b>	<b>21,156,337</b>	<b>2,334,777</b>
Excess of Revenues Over Expenditures	4,156,370	5,475,719	8,617,538	(595,754)	8,021,784	2,546,065
<b>Other Financing Sources (Uses):</b>						
Proceeds from Sale of Capital Assets	0	135,329	135,330		135,330	1
Advances - In	3,252,000	1,027,405	999,412		999,412	(27,993)
Advances - Out	0	(2,555,000)	(2,555,000)	0	(2,555,000)	0
Transfers - In	0	2,879	2,879		2,879	0
Transfers - Out	(5,989,187)	(6,279,187)	(6,240,865)	0	(6,240,865)	38,322
<b>Total Other Financing Sources (Uses)</b>	<b>(2,737,187)</b>	<b>(7,668,574)</b>	<b>(7,658,244)</b>	<b>0</b>	<b>(7,658,244)</b>	<b>10,330</b>
<b>Net Change in Fund Balance</b>	<b>1,419,183</b>	<b>(2,192,855)</b>	<b>959,294</b>	<b>(595,754)</b>	<b>363,540</b>	<b>2,556,395</b>
Fund Balance at Beginning of Year	12,160,159	12,276,252	12,562,154	(285,902)	12,276,252	0
Prior Year Encumbrances Carried Over	401,995	285,902	0	285,902	285,902	0
<b>Fund Balance at End of Year</b>	<b>\$13,981,337</b>	<b>\$10,369,299</b>	<b>\$13,521,448</b>	<b>(\$595,754)</b>	<b>\$12,925,694</b>	<b>\$2,556,395</b>

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

	Budget		Actual			Variance Positive (Negative)
	Original	Final	Cash Transactions	Encumbrances	Total	
<b><u>Revenues:</u></b>						
Property Taxes	\$7,585,453	\$7,315,980	\$7,315,981		\$7,315,981	\$1
Intergovernmental	2,111,644	2,480,257	2,480,259		2,480,259	2
Charges for Services	0	1,688	1,688		1,688	0
Fees, Licenses and Permits	0	50	50		50	0
Interest	95,000	152,800	177,446		177,446	24,646
Miscellaneous	1,500	7,554	7,555		7,555	1
<b>Total Revenues</b>	<b>9,793,597</b>	<b>9,958,329</b>	<b>9,982,979</b>		<b>9,982,979</b>	<b>24,650</b>
<b><u>Expenditures:</u></b>						
Current Operations and Maintenance						
Security of Persons and Property						
Fire Department						
Operations						
Personal Services	8,590,881	8,590,881	8,229,817	5,600	8,235,417	355,464
Supplies and Materials	346,129	320,780	278,103	19,638	297,741	23,039
Other Services and Charges	848,133	829,890	661,497	58,001	719,498	110,392
Capital Outlay	165,729	160,636	88,387	1,500	89,887	70,749
<b>Total Expenditures</b>	<b>9,950,872</b>	<b>9,902,187</b>	<b>9,257,804</b>	<b>84,739</b>	<b>9,342,543</b>	<b>559,644</b>
Net Change in Fund Balance	(157,275)	56,142	725,175	(84,739)	640,436	584,294
Fund Balance at Beginning of Year	5,429,397	5,478,082	5,606,943	(128,861)	5,478,082	0
Prior Year Encumbrances Carried Over	177,546	128,861	0	128,861	128,861	0
<b>Fund Balance at End of Year</b>	<b>\$5,449,668</b>	<b>\$5,663,085</b>	<b>\$6,332,118</b>	<b>(\$84,739)</b>	<b>\$6,247,379</b>	<b>\$584,294</b>



**City of Westerville, Ohio**

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

	Budget		Actual			Variance Positive (Negative)
	Original	Final	Cash Transactions	Encumbrances	Total	
<b><u>Revenues:</u></b>						
Intergovernmental	\$591,192	\$15,425	\$15,425		\$15,425	\$0
Charges for Services	2,634,350	2,639,900	2,742,776		2,742,776	102,876
Fees, Licenses and Permits	30,000	187,637	187,637		187,637	0
Miscellaneous	92,900	67,756	72,372		72,372	4,616
<b>Total Revenues</b>	<b>3,348,442</b>	<b>2,910,718</b>	<b>3,018,210</b>		<b>3,018,210</b>	<b>107,492</b>
<b><u>Expenditures:</u></b>						
Current Operations and Maintenance						
Leisure Time Activities						
Parks and Recreation						
Administration						
Personal Services	560,572	560,572	485,974	0	485,974	74,598
Supplies and Materials	23,533	23,051	12,984	1,249	14,233	8,818
Other Services and Charges	99,952	99,519	73,929	15,546	89,475	10,044
Capital Outlay	10,000	10,000	9,394	0	9,394	606
<b>Total Administration</b>	<b>694,057</b>	<b>693,142</b>	<b>582,281</b>	<b>16,795</b>	<b>599,076</b>	<b>94,066</b>
Recreation Services						
Personal Services	2,199,126	2,112,103	2,035,694	51	2,035,745	76,358
Supplies and Materials	209,799	224,183	184,100	21,198	205,298	18,885
Other Services and Charges	961,659	1,063,894	929,895	79,838	1,009,733	54,161
Capital Outlay	131,225	106,225	70,517	28,567	99,084	7,141
Other Financing Uses	12,000	12,000	7,225	0	7,225	4,775
<b>Total Recreation Services</b>	<b>3,513,809</b>	<b>3,518,405</b>	<b>3,227,431</b>	<b>129,654</b>	<b>3,357,085</b>	<b>161,320</b>
Parks						
Personal Services	1,273,295	1,273,295	1,206,204	0	1,206,204	67,091
Supplies and Materials	313,040	304,419	277,273	21,386	298,659	5,760
Other Services and Charges	334,922	332,933	282,496	43,601	326,097	6,836
Capital Outlay	1,153,694	1,136,855	309,209	773,912	1,083,121	53,734
<b>Total Parks</b>	<b>3,074,951</b>	<b>3,047,502</b>	<b>2,075,182</b>	<b>838,899</b>	<b>2,914,081</b>	<b>133,421</b>
Senior Center						
Personal Services	457,805	457,805	428,113	0	428,113	29,692
Supplies and Materials	36,964	35,831	29,062	855	29,917	5,914
Other Services and Charges	89,824	88,767	72,263	13,274	85,537	3,230
Capital Outlay	93,976	93,976	74,398	7,008	81,406	12,570
<b>Total Senior Center</b>	<b>678,569</b>	<b>676,379</b>	<b>603,836</b>	<b>21,137</b>	<b>624,973</b>	<b>51,406</b>
<b>Total Expenditures</b>	<b>7,961,386</b>	<b>7,935,428</b>	<b>6,488,730</b>	<b>1,006,485</b>	<b>7,495,215</b>	<b>440,213</b>
Excess of Revenues						
Under Expenditures	(4,612,944)	(5,024,710)	(3,470,520)	(1,006,485)	(4,477,005)	547,705
<b><u>Other Financing Sources:</u></b>						
Proceeds from Sale of Capital Assets	0	19,700	19,700		19,700	0
Transfers - In	3,747,641	3,750,577	3,750,577		3,750,577	0
<b>Total Other Financing Sources</b>	<b>3,747,641</b>	<b>3,770,277</b>	<b>3,770,277</b>	<b>0</b>	<b>3,770,277</b>	<b>0</b>
Net Change in Fund Balance	(865,303)	(1,254,433)	299,757	(1,006,485)	(706,728)	547,705
Fund Balance at Beginning of Year	5,020,220	5,064,678	5,425,697	(361,019)	5,064,678	0
Prior Year Encumbrances Carried Over	405,477	361,019	0	361,019	361,019	0
<b>Fund Balance at End of Year</b>	<b>\$4,560,394</b>	<b>\$4,171,264</b>	<b>\$5,725,454</b>	<b>(\$1,006,485)</b>	<b>\$4,718,969</b>	<b>\$547,705</b>

**City of Westerville, Ohio**  
Schedule of Revenues, Expenses, and Changes in Fund  
Equity - Budget (Non-GAAP Budgetary Basis) and Actual  
**Water Enterprise Fund**  
For the Year Ended December 31, 2005

	Budget		Actual			Variance Positive (Negative)
	Original	Final	Cash Transactions	Encumbrances	Total	
<b><u>Revenues:</u></b>						
Charges for Services	\$2,777,000	\$2,843,463	\$2,848,046		\$2,848,046	\$4,583
Capacity Charges	500,000	949,775	949,775		949,775	0
Sale of Meters	30,000	51,690	51,690		51,690	0
Interest	0	4,450	4,907		4,907	457
Miscellaneous	33,664	36,643	41,042		41,042	4,399
<b>Total Revenues</b>	<b>3,340,664</b>	<b>3,886,021</b>	<b>3,895,460</b>		<b>3,895,460</b>	<b>9,439</b>
<b><u>Expenses:</u></b>						
Personal Services						
Water Treatment	900,552	900,552	772,948	0	772,948	127,604
System Improvements	490,257	490,257	435,561	0	435,561	54,696
<b>Total Personal Services</b>	<b>1,390,809</b>	<b>1,390,809</b>	<b>1,208,509</b>	<b>0</b>	<b>1,208,509</b>	<b>182,300</b>
Supplies and Materials						
Water Treatment	324,256	307,569	260,642	17,742	278,384	29,185
System Improvements	50,078	49,172	36,675	2,959	39,634	9,538
<b>Total Supplies and Materials</b>	<b>374,334</b>	<b>356,741</b>	<b>297,317</b>	<b>20,701</b>	<b>318,018</b>	<b>38,723</b>
Other Services and Charges						
Water Treatment	548,885	534,569	426,270	23,689	449,959	84,610
System Improvements	94,395	91,223	71,916	5,858	77,774	13,449
<b>Total Other Services and Charges</b>	<b>643,280</b>	<b>625,792</b>	<b>498,186</b>	<b>29,547</b>	<b>527,733</b>	<b>98,059</b>
Capital Outlay						
Water Treatment	1,470,518	1,468,349	948,056	445,736	1,393,792	74,557
System Improvements	428,825	678,825	391,073	236,028	627,101	51,724
<b>Total Capital Outlay</b>	<b>1,899,343</b>	<b>2,147,174</b>	<b>1,339,129</b>	<b>681,764</b>	<b>2,020,893</b>	<b>126,281</b>
Debt Service						
Principal Retirement	320,000	320,000	320,000	0	320,000	0
Interest and Fiscal Charges	177,471	177,471	177,471	0	177,471	0
ODNR Debt	36,136	36,136	36,135	0	36,135	1
<b>Total Debt Service</b>	<b>533,607</b>	<b>533,607</b>	<b>533,606</b>	<b>0</b>	<b>533,606</b>	<b>1</b>
<b>Total Expenses</b>	<b>4,841,373</b>	<b>5,054,123</b>	<b>3,876,747</b>	<b>732,012</b>	<b>4,608,759</b>	<b>445,364</b>
Excess of Revenues Over (Under) Expenses	(1,500,709)	(1,168,102)	18,713	(732,012)	(713,299)	454,803
Transfers - In	0	795	795		795	0
<b>Net Change in Fund Equity</b>	<b>(1,500,709)</b>	<b>(1,167,307)</b>	<b>19,508</b>	<b>(732,012)</b>	<b>(712,504)</b>	<b>454,803</b>
Fund Equity at Beginning of Year	6,319,429	6,360,679	7,216,958	(856,279)	6,360,679	0
Prior Year Encumbrances Carried Over	897,529	856,279	0	856,279	856,279	0
<b>Fund Equity at End of Year</b>	<b>\$5,716,249</b>	<b>\$6,049,651</b>	<b>\$7,236,466</b>	<b>(\$732,012)</b>	<b>\$6,504,454</b>	<b>\$454,803</b>

**City of Westerville, Ohio**

Schedule of Revenues, Expenses and Changes in Fund  
Equity - Budget (Non-GAAP Budgetary Basis) and Actual  
**Water System Capital Improvement Enterprise Fund**  
For the Year Ended December 31, 2005

	Budget		Actual			Variance Positive (Negative)
	Original	Final	Cash Transactions	Encumbrances	Total	
<b><u>Revenues:</u></b>	\$0	\$0	\$0		\$0	\$0
<b><u>Expenses:</u></b>	0	0	0	0	0	0
Net Change in Fund Equity	0	0	0	0	0	0
Fund Equity at Beginning of Year	809,033	809,033	809,033	0	809,033	0
Fund Equity at End of Year	\$809,033	\$809,033	\$809,033	\$0	\$809,033	\$0

**City of Westerville, Ohio**  
Schedule of Revenues, Expenses, and Changes in Fund  
Equity - Budget (Non-GAAP Budgetary Basis) and Actual  
**Sewer Enterprise Fund**  
For the Year Ended December 31, 2005

	Budget		Actual			Variance Positive (Negative)
	Original	Final	Cash Transactions	Encumbrances	Total	
<b><u>Revenues:</u></b>						
Charges for Services	\$4,692,969	\$4,750,000	\$4,758,972		\$4,758,972	\$8,972
Tap-In Fees	15,000	18,675	18,675		18,675	0
Capacity Charges	225,000	474,900	474,900		474,900	0
Other Charges	0	2,680	2,680		2,680	0
Premium on Bonds	445,000	0	0		0	0
Proceeds of Notes	898,000	0	0		0	0
Miscellaneous	0	430	431		431	1
<b>Total Revenues</b>	<b>6,275,969</b>	<b>5,246,685</b>	<b>5,255,658</b>		<b>5,255,658</b>	<b>8,973</b>
<b><u>Expenses:</u></b>						
Personal Services						
System Improvements	545,441	545,441	486,079	0	486,079	59,362
Supplies and Materials						
System Improvements	24,693	21,957	14,387	3,133	17,520	4,437
Other Services and Charges						
Sewer Treatment	5,129,253	5,075,385	4,076,961	998,375	5,075,336	49
System Improvements	149,685	144,498	73,024	2,293	75,317	69,181
<b>Total Other Services and Charges</b>	<b>5,278,938</b>	<b>5,219,883</b>	<b>4,149,985</b>	<b>1,000,668</b>	<b>5,150,653</b>	<b>69,230</b>
Capital Outlay						
System Improvements	2,248,674	2,238,591	484,548	813,478	1,298,026	940,565
Debt Service						
Interest and Fiscal Charges	43,910	43,910	0	0	0	43,910
<b>Total Expenses</b>	<b>8,141,656</b>	<b>8,069,782</b>	<b>5,134,999</b>	<b>1,817,279</b>	<b>6,952,278</b>	<b>1,117,504</b>
Excess of Revenues Over (Under) Expenses	(1,865,687)	(2,823,097)	120,659	(1,817,279)	(1,696,620)	1,126,477
Transfers - In	0	3,026	3,026		3,026	0
<b>Net Change in Fund Equity</b>	<b>(1,865,687)</b>	<b>(2,820,071)</b>	<b>123,685</b>	<b>(1,817,279)</b>	<b>(1,693,594)</b>	<b>1,126,477</b>
Fund Equity at Beginning of Year	2,086,150	2,158,024	3,265,309	(1,107,285)	2,158,024	0
Prior Year Encumbrances Carried Over	1,179,159	1,107,285	0	1,107,285	1,107,285	0
<b>Fund Equity at End of Year</b>	<b>\$1,399,622</b>	<b>\$445,238</b>	<b>\$3,388,994</b>	<b>(\$1,817,279)</b>	<b>\$1,571,715</b>	<b>\$1,126,477</b>

**City of Westerville, Ohio**  
Schedule of Revenues, Expenses and Changes in Fund  
Equity - Budget (Non-GAAP Budgetary Basis) and Actual  
**Electric Enterprise Fund**  
For the Year Ended December 31, 2005

	Budget		Actual			Variance Positive (Negative)
	Original	Final	Cash Transactions	Encumbrances	Total	
<b><u>Revenues:</u></b>						
Charges for Services	\$26,874,000	\$27,708,802	\$27,779,935		\$27,779,935	\$71,133
Underground Line Charge	40,000	59,300	59,300		59,300	0
Proceeds of Bonds	2,470,500	0	0		0	0
Proceeds of Notes	0	1,350,000	1,350,000		1,350,000	0
Sale of Meters	0	6,440	6,440		6,440	0
Interest	0	2,600	2,843		2,843	243
Miscellaneous	25,000	78,675	78,677		78,677	2
<b>Total Revenues</b>	<b>29,409,500</b>	<b>29,205,817</b>	<b>29,277,195</b>		<b>29,277,195</b>	<b>71,378</b>
<b><u>Expenses:</u></b>						
Personal Services						
Electric System Maintenance	3,664,814	3,664,814	3,466,984	0	3,466,984	197,830
Supplies and Materials						
Electric System Maintenance	645,086	624,205	527,325	61,472	588,797	35,408
Other Services and Charges						
Purchased Power	23,393,619	27,597,536	24,765,290	2,765,334	27,530,624	66,912
Electric System Maintenance	1,883,771	1,804,742	975,033	208,100	1,183,133	621,609
<b>Total Other Services and Charges</b>	<b>25,277,390</b>	<b>29,402,278</b>	<b>25,740,323</b>	<b>2,973,434</b>	<b>28,713,757</b>	<b>688,521</b>
Capital Outlay						
Electric System Maintenance	6,323,750	6,038,596	3,268,324	1,065,364	4,333,688	1,704,908
Debt Service						
Principal Retirement	184,945	184,945	184,945	0	184,945	0
Interest and Fiscal Charges	196,755	196,773	196,773	0	196,773	0
<b>Total Debt Service</b>	<b>381,700</b>	<b>381,718</b>	<b>381,718</b>	<b>0</b>	<b>381,718</b>	<b>0</b>
<b>Total Expenses</b>	<b>36,292,740</b>	<b>40,111,611</b>	<b>33,384,674</b>	<b>4,100,270</b>	<b>37,484,944</b>	<b>2,626,667</b>
Excess of Revenues Under Expenses	(6,883,240)	(10,905,794)	(4,107,479)	(4,100,270)	(8,207,749)	2,698,045
Transfers - In	0	11,463	11,463		11,463	0
Net Change in Fund Equity	(6,883,240)	(10,894,331)	(4,096,016)	(4,100,270)	(8,196,286)	2,698,045
Fund Equity at Beginning of Year	15,041,726	15,426,855	18,442,672	(3,015,817)	15,426,855	0
Prior Year Encumbrances Carried Over	3,400,946	3,015,817	0	3,015,817	3,015,817	0
<b>Fund Equity at End of Year</b>	<b>\$11,559,432</b>	<b>\$7,548,341</b>	<b>\$14,346,656</b>	<b>(\$4,100,270)</b>	<b>\$10,246,386</b>	<b>\$2,698,045</b>

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

	Budget		Actual			Variance Positive (Negative)
	Original	Final	Cash Transactions	Encumbrances	Total	
<b><u>Revenues:</u></b>						
Intergovernmental	\$1,543,585	\$1,364,623	\$1,364,624		\$1,364,624	\$1
Interest	0	39	40		40	1
Miscellaneous	0	782	783		783	1
<i>Total Revenues</i>	<u>1,543,585</u>	<u>1,365,444</u>	<u>1,365,447</u>		<u>1,365,447</u>	<u>3</u>
<b><u>Expenditures:</u></b>						
Current Operations and Maintenance						
Transportation						
Right of Way Maintenance						
Personal Services	1,122,422	1,122,422	1,067,980	0	1,067,980	54,442
Supplies and Materials	361,744	372,433	354,600	418	355,018	17,415
Other Services and Charges	386,149	379,127	294,588	24,911	319,499	59,628
Capital Outlay	156,696	135,696	132,182	0	132,182	3,514
<i>Total Expenditures</i>	<u>2,027,011</u>	<u>2,009,678</u>	<u>1,849,350</u>	<u>25,329</u>	<u>1,874,679</u>	<u>134,999</u>
Excess of Revenues Under Expenditures	(483,426)	(644,234)	(483,903)	(25,329)	(509,232)	135,002
<b><u>Other Financing Sources:</u></b>						
Transfers - In	0	43,297	43,297		43,297	0
Net Change in Fund Balance	(483,426)	(600,937)	(440,606)	(25,329)	(465,935)	135,002
Fund Balance at Beginning of Year	1,621,419	1,640,752	1,703,298	(62,546)	1,640,752	0
Prior Year Encumbrances Carried Over	81,879	62,546	0	62,546	62,546	0
Fund Balance at End of Year	<u>\$1,219,872</u>	<u>\$1,102,361</u>	<u>\$1,262,692</u>	<u>(\$25,329)</u>	<u>\$1,237,363</u>	<u>\$135,002</u>

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

	Budget		Actual			Variance Positive (Negative)
	Original	Final	Cash Transactions	Encumbrances	Total	
<b><u>Revenues:</u></b>						
Intergovernmental	\$125,155	\$110,645	\$110,645		\$110,645	\$0
Interest	450	0	0		0	0
Miscellaneous	0	585	713		713	128
<i>Total Revenues</i>	125,605	111,230	111,358		111,358	128
<b><u>Expenditures:</u></b>						
Current Operations and Maintenance						
Transportation						
Right of Way Maintenance						
Capital Outlay	5,000	215,000	215,000	0	215,000	0
Net Change in Fund Balance	120,605	(103,770)	(103,642)	0	(103,642)	128
Fund Balance at Beginning of Year	408,689	408,689	408,689	0	408,689	0
Fund Balance at End of Year	\$529,294	\$304,919	\$305,047	\$0	\$305,047	\$128

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

	Budget		Actual		Variance Positive (Negative)
	Original	Final	Cash Transactions	Encumbrances Total	
<b><u>Revenues:</u></b>					
Intergovernmental	\$0	\$7,399	\$8,498	\$8,498	\$1,099
Interest	0	500	583	583	83
Miscellaneous	0	1,455	1,456	1,456	1
<i>Total Revenues</i>	0	9,354	10,537	10,537	1,183
<b><u>Expenditures:</u></b>					
Current Operations and Maintenance					
Security of Persons and Property					
Police Department					
Police Services					
Supplies and Materials	0	7,676	7,248	427	1
Net Change in Fund Balance	0	1,678	3,289	(427)	1,184
Fund Balance at Beginning of Year	21,116	21,116	21,116	0	0
Fund Balance at End of Year	\$21,116	\$22,794	\$24,405	(\$427)	\$1,184



**City of Westerville, Ohio**  
Schedule of Revenues, Expenditures, and Changes in Fund  
Balance - Budget (Non-GAAP Budgetary Basis) and Actual  
**Permissive Motor Vehicle License Special Revenue Fund**  
For the Year Ended December 31, 2005

	Budget		Actual			Variance Positive (Negative)
	Original	Final	Cash Transactions	Encumbrances	Total	
<b><u>Revenues:</u></b>						
Intergovernmental	\$322,500	\$1,008,111	\$1,008,111		\$1,008,111	\$0
Interest	250	8,143	8,144		8,144	1
<i>Total Revenues</i>	<u>322,750</u>	<u>1,016,254</u>	<u>1,016,255</u>		<u>1,016,255</u>	<u>1</u>
<b><u>Expenditures:</u></b>						
Current Operations and Maintenance						
Transportation						
Right of Way Maintenance						
Capital Outlay	610,070	1,353,500	1,343,808	9,692	1,353,500	0
Net Change in Fund Balance	(287,320)	(337,246)	(327,553)	(9,692)	(337,245)	1
Fund Balance at Beginning of Year	327,445	328,015	337,515	(9,500)	328,015	0
Prior Year Encumbrances Carried Over	10,070	9,500	0	9,500	9,500	0
Fund Balance at End of Year	<u>\$50,195</u>	<u>\$269</u>	<u>\$9,962</u>	<u>(\$9,692)</u>	<u>\$270</u>	<u>\$1</u>

**City of Westerville, Ohio**  
Schedule of Revenues, Expenditures, and Changes in Fund  
Balance - Budget (Non-GAAP Budgetary Basis) and Actual  
**Mayor's Operating Special Revenue Fund**  
For the Year Ended December 31, 2005

	Budget		Actual			Variance Positive (Negative)
	Original	Final	Cash Transactions	Encumbrances	Total	
<b><u>Revenues:</u></b>						
Miscellaneous	\$0	\$1,520	\$1,520		\$1,520	\$0
<b><u>Expenditures:</u></b>						
Current Operations and Maintenance						
General Government						
Other Government						
Other Services and Charges	207	2,910	2,909	0	2,909	1
Net Change in Fund Balance	(207)	(1,390)	(1,389)	0	(1,389)	1
Fund Balance at Beginning of Year	1,183	1,183	1,390	(207)	1,183	0
Prior Year Encumbrances Carried Over	207	207	0	207	207	0
Fund Balance at End of Year	\$1,183	\$0	\$1	\$0	\$1	\$1

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

	Budget		Actual			Variance Positive (Negative)
	Original	Final	Cash Transactions	Encumbrances	Total	
<b><u>Revenues:</u></b>						
Other Local Taxes	\$39,000	\$41,860	\$41,860		\$41,860	\$0
<b><u>Expenditures:</u></b>						
Current Operations and Maintenance						
General Government						
Other Government						
Other Services and Charges	0	41,860	41,860	0	41,860	0
Net Change in Fund Balance	39,000	0	0	0	0	0
Fund Balance at Beginning of Year	0	0	0	0	0	0
Fund Balance at End of Year	\$39,000	\$0	\$0	\$0	\$0	\$0

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

	Budget		Actual			Variance Positive (Negative)
	Original	Final	Cash Transactions	Encumbrances	Total	
<b><u>Revenues:</u></b>						
Fines and Forfeitures	\$0	\$3,636	\$3,637		\$3,637	\$1
<b><u>Expenditures:</u></b>						
Current Operations and Maintenance						
Security of Persons and Property						
Police Department						
Police Services						
Supplies and Materials	0	1,370	1,335	35	1,370	0
Net Change in Fund Balance	0	2,266	2,302	(35)	2,267	1
Fund Balance at Beginning of Year	12,577	12,577	12,577	0	12,577	0
Fund Balance at End of Year	\$12,577	\$14,843	\$14,879	(\$35)	\$14,844	\$1

**City of Westerville, Ohio**  
Schedule of Revenues, Expenditures, and Changes in Fund  
Balance - Budget (Non-GAAP Budgetary Basis) and Actual  
**Tax Incentive / Redistribution Special Revenue Fund**  
For the Year Ended December 31, 2005

	Budget		Actual			Variance Positive (Negative)
	Original	Final	Cash Transactions	Encumbrances	Total	
<b><u>Revenues:</u></b>						
Payments in Lieu of Taxes	\$0	\$406,480	\$406,481		\$406,481	\$1
<b><u>Expenditures:</u></b>						
Current Operations and Maintenance						
General Government						
Other Government						
Other Services and Charges	0	633,371	631,313	0	631,313	2,058
Excess of Revenues						
Under Expenditures	0	(226,891)	(224,832)	0	(224,832)	2,059
<b><u>Other Financing Sources:</u></b>						
Transfers - In	0	228,552	228,552		228,552	0
Net Change in Fund Balance	0	1,661	3,720	0	3,720	2,059
Fund Balance at Beginning of Year	1	1	1	0	1	0
Fund Balance at End of Year	\$1	\$1,662	\$3,721	\$0	\$3,721	\$2,059

**City of Westerville, Ohio**  
Schedule of Revenues, Expenditures, and Changes in Fund  
Balance - Budget (Non-GAAP Budgetary Basis) and Actual  
**Mayor's Court Computer Special Revenue Fund**  
For the Year Ended December 31, 2005

	Budget		Actual			Variance Positive (Negative)
	Original	Final	Cash Transactions	Encumbrances	Total	
<b><u>Revenues:</u></b>						
Fines and Forfeitures	\$0	\$24,514	\$24,514		\$24,514	\$0
<b><u>Expenditures:</u></b>						
Current Operations and Maintenance						
General Government						
Other Government						
Supplies and Materials	0	1,443	1,078	0	1,078	365
Other Services and Charges	0	8,625	8,249	0	8,249	376
Capital Outlay	0	2,500	0	0	0	2,500
<b>Total Expenditures</b>	<b>0</b>	<b>12,568</b>	<b>9,327</b>	<b>0</b>	<b>9,327</b>	<b>3,241</b>
Net Change in Fund Balance	0	11,946	15,187	0	15,187	3,241
Fund Balance at Beginning of Year	34,506	34,858	34,877	(19)	34,858	0
Prior Year Encumbrances Carried Over	371	19	0	19	19	0
<b>Fund Balance at End of Year</b>	<b>\$34,877</b>	<b>\$46,823</b>	<b>\$50,064</b>	<b>\$0</b>	<b>\$50,064</b>	<b>\$3,241</b>

**City of Westerville, Ohio**  
Schedule of Revenues, Expenditures, and Changes in Fund  
Balance - Budget (Non-GAAP Budgetary Basis) and Actual  
**Cable TV Franchise Fee Special Revenue Fund**  
For the Year Ended December 31, 2005

	Budget		Actual		Variance Positive (Negative)	
	Original	Final	Cash Transactions	Encumbrances		Total
<b><u>Revenues:</u></b>						
Other Local Taxes	\$313,850	\$345,285	\$345,286		\$345,286	\$1
<b><u>Expenditures:</u></b>						
Current Operations and Maintenance						
General Government						
Other Government						
Supplies and Materials	9,650	9,650	4,750	0	4,750	4,900
Other Services and Charges	204,299	203,139	178,085	16,520	194,605	8,534
Capital Outlay	121,532	121,532	89,651	9,238	98,889	22,643
<i>Total Expenditures</i>	335,481	334,321	272,486	25,758	298,244	36,077
Net Change in Fund Balance	(21,631)	10,964	72,800	(25,758)	47,042	36,078
Fund Balance at Beginning of Year	412,283	413,443	480,766	(67,323)	413,443	0
Prior Year Encumbrances Carried Over	68,483	67,323	0	67,323	67,323	0
Fund Balance at End of Year	\$459,135	\$491,730	\$553,566	(\$25,758)	\$527,808	\$36,078

**City of Westerville, Ohio**  
Schedule of Revenues, Expenditures, and Changes in Fund  
Balance - Budget (Non-GAAP Budgetary Basis) and Actual  
**Parks and Recreation Income Tax Allocation Special Revenue Fund**  
For the Year Ended December 31, 2005

	Budget		Actual			Variance Positive (Negative)
	Original	Final	Cash Transactions	Encumbrances	Total	
<b><u>Revenues:</u></b>						
Income Taxes	\$3,546,530	\$3,675,000	\$3,748,179		\$3,748,179	\$73,179
<b><u>Expenditures:</u></b>	0	0	0		0	0
Net Change in Fund Balance	3,546,530	3,675,000	3,748,179	0	3,748,179	73,179
<b><u>Other Financing Uses:</u></b>						
Transfers - Out	(3,328,481)	(3,328,481)	(3,328,481)	0	(3,328,481)	0
Net Change in Fund Balance	218,049	346,519	419,698	0	419,698	73,179
Fund Balance at Beginning of Year	412,282	412,282	412,282	0	412,282	0
Fund Balance at End of Year	\$630,331	\$758,801	\$831,980	\$0	\$831,980	\$73,179



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

	Budget		Actual			Variance Positive (Negative)
	Original	Final	Cash Transactions	Encumbrances	Total	
<b><u>Revenues:</u></b>						
Intergovernmental	\$0	\$64,990	\$64,990		\$64,990	\$0
<b><u>Expenditures:</u></b>	0	0	0		0	0
Excess of Revenues Over Expenditures	0	64,990	64,990	0	64,990	0
<b><u>Other Financing Uses:</u></b>						
Transfers - Out	0	(64,990)	(64,990)	0	(64,990)	0
Net Change in Fund Balance	0	0	0	0	0	0
Fund Balance at Beginning of Year	0	0	0	0	0	0
Fund Balance at End of Year	\$0	\$0	\$0	\$0	\$0	\$0

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

	Budget		Actual			Variance Positive (Negative)
	Original	Final	Cash Transactions	Encumbrances	Total	
<b><u>Revenues:</u></b>						
Fines and Forfeitures	\$0	\$12,408	\$12,408		\$12,408	\$0
Interest	0	220	289		289	69
<i>Total Revenues</i>	0	12,628	12,697		12,697	69
<b><u>Expenditures:</u></b>	0	0	0		0	0
Net Change in Fund Balance	0	12,628	12,697	0	12,697	69
Fund Balance at Beginning of Year	9,021	9,021	9,021	0	9,021	0
Fund Balance at End of Year	\$9,021	\$21,649	\$21,718	\$0	\$21,718	\$69

**City of Westerville, Ohio**  
Schedule of Revenues, Expenditures, and Changes in Fund  
Balance - Budget (Non-GAAP Budgetary Basis) and Actual  
**Criminal Activity Forfeiture Special Revenue Fund**  
For the Year Ended December 31, 2005

	Budget		Actual			Variance Positive (Negative)
	Original	Final	Cash Transactions	Encumbrances	Total	
<b><u>Revenues:</u></b>						
Fines and Forfeitures	\$0	\$66,086	\$75,972		\$75,972	\$9,886
Interest	0	3,025	3,619		3,619	594
<i>Total Revenues</i>	<u>0</u>	<u>69,111</u>	<u>79,591</u>		<u>79,591</u>	<u>10,480</u>
<b><u>Expenditures:</u></b>						
Current Operations and Maintenance						
Security of Persons and Property						
Police Department						
Police Services						
Supplies and Materials	1,713	28,115	22,921	5,193	28,114	1
Other Services and Charges	2,454	11,619	11,377	242	11,619	0
Capital Outlay	10,534	36,057	31,056	5,000	36,056	1
<i>Total Expenditures</i>	<u>14,701</u>	<u>75,791</u>	<u>65,354</u>	<u>10,435</u>	<u>75,789</u>	<u>2</u>
Net Change in Fund Balance	(14,701)	(6,680)	14,237	(10,435)	3,802	10,482
Fund Balance at Beginning of Year	119,391	119,761	134,092	(14,331)	119,761	0
Prior Year Encumbrances Carried Over	14,701	14,331	0	14,331	14,331	0
Fund Balance at End of Year	<u>\$119,391</u>	<u>\$127,412</u>	<u>\$148,329</u>	<u>(\$10,435)</u>	<u>\$137,894</u>	<u>\$10,482</u>

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

	Budget		Actual			Variance Positive (Negative)
	Original	Final	Cash Transactions	Encumbrances	Total	
<b><u>Revenues:</u></b>						
Miscellaneous	\$0	\$15,300	\$15,302		\$15,302	\$2
<b><u>Expenditures:</u></b>	0	0	0		0	0
Net Change in Fund Balance	0	15,300	15,302	0	15,302	2
Fund Balance at Beginning of Year	10,659	10,659	10,659	0	10,659	0
Fund Balance at End of Year	\$10,659	\$25,959	\$25,961	\$0	\$25,961	\$2

**City of Westerville, Ohio**  
Schedule of Revenues, Expenditures, and Changes in Fund  
Balance - Budget (Non-GAAP Budgetary Basis) and Actual  
**General Bond Retirement Debt Service Fund**  
For the Year Ended December 31, 2005

	Budget		Actuals		Variance Positive (Negative)	
	Original	Final	Cash Transactions	Encumbrances Total		
<b><u>Revenues:</u></b>						
Property Taxes	\$384,119	\$382,036	\$382,037		\$382,037	\$1
Intergovernmental	74,228	81,181	81,181		81,181	0
Miscellaneous	0	5,134	5,134		5,134	0
<b>Total Revenues</b>	<b>458,347</b>	<b>468,351</b>	<b>468,352</b>		<b>468,352</b>	<b>1</b>
<b><u>Expenditures:</u></b>						
Debt Service						
Principal Retirement	1,725,055	1,725,055	1,725,055	0	1,725,055	0
Interest and Fiscal Charges	1,368,165	1,368,165	1,368,163	0	1,368,163	2
<b>Total Expenditures</b>	<b>3,093,220</b>	<b>3,093,220</b>	<b>3,093,218</b>	<b>0</b>	<b>3,093,218</b>	<b>2</b>
Excess of Revenues Under Expenditures	(2,634,873)	(2,624,869)	(2,624,866)	0	(2,624,866)	3
<b><u>Other Financing Sources:</u></b>						
Transfers - In	2,634,873	2,634,873	2,634,873		2,634,873	0
Net Change in Fund Balance	0	10,004	10,007	0	10,007	3
Fund Balance at Beginning of Year	89,866	89,866	89,866	0	89,866	0
Fund Balance at End of Year	\$89,866	\$99,870	\$99,873	\$0	\$99,873	\$3

**City of Westerville, Ohio**  
Schedule of Revenues, Expenditures, and Changes in Fund  
Balance - Budget (Non-GAAP Budgetary Basis) and Actual  
**General Capital Improvement Capital Projects Fund**  
For the Year Ended December 31, 2005

	Budget		Actuals			Variance Positive (Negative)
	Original	Final	Cash Transactions	Encumbrances	Total	
<b><u>Revenues:</u></b>	\$0	\$0	\$0		\$0	\$0
<b><u>Expenditures:</u></b>						
Capital Outlay	3,748,253	3,718,790	1,799,355	871,735	2,671,090	1,047,700
Excess of Revenues Under Expenditures	(3,748,253)	(3,718,790)	(1,799,355)	(871,735)	(2,671,090)	1,047,700
<b><u>Other Financing Sources (Uses):</u></b>						
Transfers - In	2,306,100	2,306,100	2,306,100		2,306,100	0
Transfers - Out	(182,371)	(182,371)	(182,371)	0	(182,371)	0
<i>Total Other Financing Sources (Uses)</i>	2,123,729	2,123,729	2,123,729	0	2,123,729	0
Net Change in Fund Balance	(1,624,524)	(1,595,061)	324,374	(871,735)	(547,361)	1,047,700
Fund Balance at Beginning of Year	2,230,906	2,260,369	2,520,659	(260,290)	2,260,369	0
Prior Year Encumbrances Carried Over	289,753	260,290	0	260,290	260,290	0
Fund Balance at End of Year	\$896,135	\$925,598	\$2,845,033	(\$871,735)	\$1,973,298	\$1,047,700

**City of Westerville, Ohio**  
Schedule of Revenues, Expenditures, and Changes in Fund  
Balance - Budget (Non-GAAP Budgetary Basis) and Actual  
**Recreation Improvement Capital Projects Fund**  
For the Year Ended December 31, 2005

	Budget		Actuals			Variance Positive (Negative)
	Original	Final	Cash Transactions	Encumbrances	Total	
<b><u>Revenues:</u></b>						
Fees, Licenses and Permits	\$0	\$68,000	\$68,000		\$68,000	\$0
Miscellaneous	0	6,955	6,956		6,956	1
<i>Total Revenues</i>	0	74,955	74,956		74,956	1
<b><u>Expenditures:</u></b>	0	0	0		0	0
Net Change in Fund Balance	0	74,955	74,956	0	74,956	1
Fund Balance at Beginning of Year	118,685	118,685	118,685	0	118,685	0
Fund Balance at End of Year	\$118,685	\$193,640	\$193,641	\$0	\$193,641	\$1

**City of Westerville, Ohio**  
Schedule of Revenues, Expenditures, and Changes in Fund  
Balance - Budget (Non-GAAP Budgetary Basis) and Actual  
**County Line Road Improvement Capital Projects Fund**  
For the Year Ended December 31, 2005

	Budget		Actuals			Variance Positive (Negative)
	Original	Final	Cash Transactions	Encumbrances	Total	
<b><u>Revenues:</u></b>						
Intergovernmental	\$0	\$824,412	\$824,412		\$824,412	\$0
<b><u>Expenditures:</u></b>						
Capital Outlay	1,117,504	843,365	842,500	0	842,500	865
Debt Service						
Debt Retirement	0	197,343	197,343	0	197,343	0
<i>Total Expenditures</i>	<u>1,117,504</u>	<u>1,040,708</u>	<u>1,039,843</u>	<u>0</u>	<u>1,039,843</u>	<u>865</u>
Excess of Revenues Under Expenditures	(1,117,504)	(216,296)	(215,431)	0	(215,431)	865
<b><u>Other Financing Sources (Uses):</u></b>						
Advances - Out	0	(824,413)	(824,412)	0	(824,412)	1
Transfers - In	182,371	182,371	182,371		182,371	0
<i>Total Other Financing Sources (Uses)</i>	<u>182,371</u>	<u>(642,042)</u>	<u>(642,041)</u>	<u>0</u>	<u>(642,041)</u>	<u>1</u>
Net Change in Fund Balance	(935,133)	(858,338)	(857,472)	0	(857,472)	866
Fund Balance at Beginning of Year	17,633	94,429	935,137	(840,708)	94,429	0
Prior Year Encumbrances Carried Over	917,504	840,708	0	840,708	840,708	0
Fund Balance at End of Year	<u>\$4</u>	<u>\$76,799</u>	<u>\$77,665</u>	<u>\$0</u>	<u>\$77,665</u>	<u>\$866</u>



**City of Westerville, Ohio**  
 Schedule of Revenues, Expenditures, and Changes in Fund  
 Balance - Budget (Non-GAAP Budgetary Basis) and Actual  
**Dempsey Road Improvement Capital Projects Fund**  
 For the Year Ended December 31, 2005

	Budget		Actuals			Variance Positive (Negative)
	Original	Final	Cash Transactions	Encumbrances	Total	
<b><u>Revenues:</u></b>	\$0	\$0	\$0		\$0	\$0
<b><u>Expenditures:</u></b>	0	0	0	0	0	0
Net Change in Fund Balance	0	0	0	0	0	0
Fund Balance at Beginning of Year	126,000	126,000	126,000	0	126,000	0
Fund Balance at End of Year	<u>\$126,000</u>	<u>\$126,000</u>	<u>\$126,000</u>	<u>\$0</u>	<u>\$126,000</u>	<u>\$0</u>

**City of Westerville, Ohio**  
Schedule of Revenues, Expenditures, and Changes in Fund  
Balance - Budget (Non-GAAP Budgetary Basis) and Actual  
**Spring Road Improvement Capital Projects Fund**  
For the Year Ended December 31, 2005

	Budget		Actuals			Variance Positive (Negative)
	Original	Final	Cash Transactions	Encumbrances	Total	
<b><u>Revenues:</u></b>	\$0	\$0	\$0		\$0	\$0
<b><u>Expenditures:</u></b>						
Capital Outlay	0	2,421,239	1,537,741	883,496	2,421,237	2
Net Change in Fund Balance	0	(2,421,239)	(1,537,741)	(883,496)	(2,421,237)	2
Fund Balance at Beginning of Year	142,715	146,535	2,567,774	(2,421,239)	146,535	0
Prior Year Encumbrances Carried Over	2,425,059	2,421,239	0	2,421,239	2,421,239	0
Fund Balance at End of Year	\$2,567,774	\$146,535	\$1,030,033	(\$883,496)	\$146,537	\$2

**City of Westerville, Ohio**  
Schedule of Revenues, Expenditures, and Changes in Fund  
Balance - Budget (Non-GAAP Budgetary Basis) and Actual  
**Maxtown Road Improvement Capital Projects Fund**  
For the Year Ended December 31, 2005

	Budget		Actuals			Variance Positive (Negative)
	Original	Final	Cash Transactions	Encumbrances	Total	
<b><u>Revenues:</u></b>						
Fees, Licenses and Permits	\$0	\$24,774	\$24,774		\$24,774	\$0
<b><u>Expenditures:</u></b>						
Capital Outlay	31,484	2,549,618	2,117,282	418,802	2,536,084	13,534
Excess of Revenues Under Expenditures	(31,484)	(2,524,844)	(2,092,508)	(418,802)	(2,511,310)	13,534
<b><u>Other Financing Sources:</u></b>						
Advances - In	0	2,495,000	2,495,000		2,495,000	0
Net Change in Fund Balance	(31,484)	(29,844)	402,492	(418,802)	(16,310)	13,534
Fund Balance at Beginning of Year	32,050	58,916	63,534	(4,618)	58,916	0
Prior Year Encumbrances Carried Over	31,484	4,618	0	4,618	4,618	0
Fund Balance at End of Year	\$32,050	\$33,690	\$466,026	(\$418,802)	\$47,224	\$13,534

**City of Westerville, Ohio**  
Schedule of Revenues, Expenditures, and Changes in Fund  
Balance - Budget (Non-GAAP Budgetary Basis) and Actual  
**Parks and Recreation Capital Improvement Capital Projects Fund**  
For the Year Ended December 31, 2005

	Budget		Actuals			Variance Positive (Negative)
	Original	Final	Cash Transactions	Encumbrances	Total	
<b><u>Revenues:</u></b>						
Interest	\$0	\$37,500	\$39,713		\$39,713	\$2,213
Miscellaneous	0	15,000	15,000		15,000	0
<b>Total Revenues</b>	<b>0</b>	<b>52,500</b>	<b>54,713</b>		<b>54,713</b>	<b>2,213</b>
<b><u>Expenditures:</u></b>						
Capital Outlay	227,161	816,318	267,521	545,243	812,764	3,554
Net Change in Fund Balance	(227,161)	(763,818)	(212,808)	(545,243)	(758,051)	5,767
Fund Balance at Beginning of Year	2,957,808	2,962,971	3,184,969	(221,998)	2,962,971	0
Prior Year Encumbrances Carried Over	227,161	221,998	0	221,998	221,998	0
<b>Fund Balance at End of Year</b>	<b>\$2,957,808</b>	<b>\$2,421,151</b>	<b>\$2,972,161</b>	<b>(\$545,243)</b>	<b>\$2,426,918</b>	<b>\$5,767</b>

**City of Westerville, Ohio**  
Schedule of Revenues, Expenditures, and Changes in Fund  
Balance - Budget (Non-GAAP Budgetary Basis) and Actual  
**North State Street Improvement Capital Projects Fund**  
For the Year Ended December 31, 2005

	Budget		Actuals			Variance Positive (Negative)
	Original	Final	Cash Transactions	Encumbrances	Total	
<b><u>Revenues:</u></b>						
Intergovernmental	\$0	\$371,400	\$371,400		\$371,400	\$0
<b><u>Expenditures:</u></b>						
Capital Outlay	395,843	968,831	729,240	222,990	952,230	16,601
Excess of Revenues Under Expenditures	(395,843)	(597,431)	(357,840)	(222,990)	(580,830)	16,601
<b><u>Other Financing Uses:</u></b>						
Advances - Out	0	(70,000)	(70,000)	0	(70,000)	0
Net Change in Fund Balance	(395,843)	(667,431)	(427,840)	(222,990)	(650,830)	16,601
Fund Balance at Beginning of Year	1,639,915	1,685,657	2,035,758	(350,101)	1,685,657	0
Prior Year Encumbrances Carried Over	395,843	350,101	0	350,101	350,101	0
Fund Balance at End of Year	\$1,639,915	\$1,368,327	\$1,607,918	(\$222,990)	\$1,384,928	\$16,601

**City of Westerville, Ohio**  
Schedule of Revenues, Expenditures, and Changes in Fund  
Balance - Budget (Non-GAAP Budgetary Basis) and Actual  
**Cleveland Avenue Extension Improvement Capital Projects Fund**  
For the Year Ended December 31, 2005

	Budget		Actuals			Variance Positive (Negative)
	Original	Final	Cash Transactions	Encumbrances	Total	
<b><u>Revenues:</u></b>	\$0	\$0	\$0		\$0	\$0
<b><u>Expenditures:</u></b>						
Capital Outlay	0	200,000	146,058	53,942	200,000	0
Excess of Revenues Under Expenditures	0	(200,000)	(146,058)	(53,942)	(200,000)	0
<b><u>Other Financing Sources:</u></b>						
Advances - In	0	60,000	60,000		60,000	0
Net Change in Fund Balance	0	(140,000)	(86,058)	(53,942)	(140,000)	0
Fund Balance at Beginning of Year	142,182	142,182	142,182	0	142,182	0
Fund Balance at End of Year	\$142,182	\$2,182	\$56,124	(\$53,942)	\$2,182	\$0

**City of Westerville, Ohio**  
Schedule of Revenues, Expenditures, and Changes in Fund  
Balance - Budget (Non-GAAP Budgetary Basis) and Actual  
**Parks and Recreation Replacement and Reserve Capital Projects Fund**  
For the Year Ended December 31, 2005

	Budget		Actuals			Variance Positive (Negative)
	Original	Final	Cash Transactions	Encumbrances	Total	
<b><u>Revenues:</u></b>	\$0	\$0	\$0		\$0	\$0
<b><u>Expenditures:</u></b>						
Capital Outlay	168,867	168,856	39,068	97,805	136,873	31,983
Excess of Revenues Under Expenditures	(168,867)	(168,856)	(39,068)	(97,805)	(136,873)	31,983
<b><u>Other Financing Sources:</u></b>						
Transfers - In	150,000	150,000	150,000		150,000	0
Net Change in Fund Balance	(18,867)	(18,856)	110,932	(97,805)	13,127	31,983
Fund Balance at Beginning of Year	476,101	476,112	506,568	(30,456)	476,112	0
Prior Year Encumbrances Carried Over	30,467	30,456	0	30,456	30,456	0
Fund Balance at End of Year	\$487,701	\$487,712	\$617,500	(\$97,805)	\$519,695	\$31,983

**City of Westerville, Ohio**

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

	Budget		Actuals			Variance Positive (Negative)
	Original	Final	Cash Transactions	Encumbrances	Total	
<b><u>Revenues:</u></b>	\$0	\$0	\$0		\$0	\$0
<b><u>Expenditures:</u></b>	0	0	0	0	0	0
Excess of Revenues Over Expenditures	0	0	0	0	0	0
<b><u>Other Financing Sources:</u></b>						
Transfers - In	212,180	502,180	502,180		502,180	0
Net Change in Fund Balance	212,180	502,180	502,180	0	502,180	0
Fund Balance at Beginning of Year	606,000	606,000	606,000	0	606,000	0
Fund Balance at End of Year	<u>\$818,180</u>	<u>\$1,108,180</u>	<u>\$1,108,180</u>	<u>\$0</u>	<u>\$1,108,180</u>	<u>\$0</u>



**City of Westerville, Ohio**  
 Schedule of Revenues, Expenditures, and Changes in Fund  
 Balance - Budget (Non-GAAP Budgetary Basis) and Actual  
**Tree Replacement Capital Projects Fund**  
 For the Year Ended December 31, 2005

	Budget		Actuals			Variance Positive (Negative)
	Original	Final	Cash Transactions	Encumbrances	Total	
<b><u>Revenues:</u></b>						
Fees, Licenses and Permits	\$0	\$8,970	\$8,970		\$8,970	\$0
<b><u>Expenditures:</u></b>						
Capital Outlay	0	6,570	6,467	0	6,467	103
Net Change in Fund Balance	0	2,400	2,503	0	2,503	103
Fund Balance at Beginning of Year	58,233	58,233	58,233	0	58,233	0
Fund Balance at End of Year	\$58,233	\$60,633	\$60,736	\$0	\$60,736	\$103

**City of Westerville, Ohio**  
 Schedule of Revenues, Expenditures, and Changes in Fund  
 Balance - Budget (Non-GAAP Budgetary Basis) and Actual  
**City Buildings Improvement Capital Projects Fund**  
 For the Year Ended December 31, 2005

	Budget		Actuals			Variance Positive (Negative)
	Original	Final	Cash Transactions	Encumbrances	Total	
<b><u>Revenues:</u></b>						
Interest	\$0	\$16,699	\$17,540		\$17,540	\$841
<b><u>Expenditures:</u></b>						
Capital Outlay	304,521	428,599	341,411	86,736	428,147	452
Net Change in Fund Balance	(304,521)	(411,900)	(323,871)	(86,736)	(410,607)	1,293
Fund Balance at Beginning of Year	326,499	327,699	631,020	(303,321)	327,699	0
Prior Year Encumbrances Carried Over	304,521	303,321	0	303,321	303,321	0
Fund Balance at End of Year	\$326,499	\$219,120	\$307,149	(\$86,736)	\$220,413	\$1,293

**City of Westerville, Ohio**  
Schedule of Revenues, Expenditures, and Changes in Fund  
Balance - Budget (Non-GAAP Budgetary Basis) and Actual  
**Safety Building Capital Improvement Capital Projects Fund**  
For the Year Ended December 31, 2005

	Budget		Actuals			Variance Positive (Negative)
	Original	Final	Cash Transactions	Encumbrances	Total	
<b><u>Revenues:</u></b>						
Interest	\$0	\$13,400	\$13,794		\$13,794	\$394
<b><u>Expenditures:</u></b>						
Capital Outlay	598,623	597,937	100,880	497,056	597,936	1
Net Change in Fund Balance	(598,623)	(584,537)	(87,086)	(497,056)	(584,142)	395
Fund Balance at Beginning of Year	57,868	58,554	656,491	(597,937)	58,554	0
Prior Year Encumbrances Carried Over	598,623	597,937	0	597,937	597,937	0
Fund Balance at End of Year	\$57,868	\$71,954	\$569,405	(\$497,056)	\$72,349	\$395

**City of Westerville, Ohio**  
 Schedule of Revenues, Expenditures, and Changes in Fund  
 Balance - Budget (Non-GAAP Budgetary Basis) and Actual  
**Westar / Olentangy TIF Capital Projects Fund**  
 For the Year Ended December 31, 2005

	Budget		Actuals			Variance Positive (Negative)
	Original	Final	Cash Transactions	Encumbrances	Total	
<b><u>Revenues:</u></b>						
Payments in Lieu of Taxes	\$0	\$8,410	\$8,410		\$8,410	\$0
Intergovernmental	0	1,494	1,495		1,495	1
<i>Total Revenues</i>	0	9,904	9,905		9,905	1
<b><u>Expenditures:</u></b>	0	0	0	0	0	0
Net Change in Fund Balance	0	9,904	9,905	0	9,905	1
Fund Balance at Beginning of Year	12,620	12,620	12,620	0	12,620	0
Fund Balance at End of Year	\$12,620	\$22,524	\$22,525	\$0	\$22,525	\$1

**City of Westerville, Ohio**  
Schedule of Revenues, Expenditures, and Changes in Fund  
Balance - Budget (Non-GAAP Budgetary Basis) and Actual  
**Northridge Crossing TIF Capital Projects Fund**  
For the Year Ended December 31, 2005

	Budget		Actuals			Variance Positive (Negative)
	Original	Final	Cash Transactions	Encumbrances	Total	
<b><u>Revenues:</u></b>						
Payments in Lieu of Taxes	\$0	\$5,056	\$5,057		\$5,057	\$1
Intergovernmental	0	561	562		562	1
<i>Total Revenues</i>	0	5,617	5,619		5,619	2
<b><u>Expenditures:</u></b>	0	0	0	0	0	0
Net Change in Fund Balance	0	5,617	5,619	0	5,619	2
Fund Balance at Beginning of Year	0	0	0	0	0	0
Fund Balance at End of Year	\$0	\$5,617	\$5,619	\$0	\$5,619	\$2

**City of Westerville, Ohio**  
Schedule of Revenues, Expenditures, and Changes in Fund  
Balance - Budget (Non-GAAP Budgetary Basis) and Actual  
**Perimeter Road Improvement Capital Projects Fund**  
For the Year Ended December 31, 2005

	Budget		Actuals			Variance Positive (Negative)
	Original	Final	Cash Transactions	Encumbrances	Total	
<b><u>Revenues:</u></b>						
Fees, Licenses and Permits	\$0	\$59,400	\$59,400		\$59,400	\$0
<b><u>Expenditures:</u></b>						
Capital Outlay	0	300,000	300,000	0	300,000	0
Net Change in Fund Balance	0	(240,600)	(240,600)	0	(240,600)	0
Fund Balance at Beginning of Year	327,832	327,832	327,832	0	327,832	0
Fund Balance at End of Year	\$327,832	\$87,232	\$87,232	\$0	\$87,232	\$0

**City of Westerville, Ohio**

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

	Budget		Actuals			Variance Favorable (Unfavorable)
	Original	Final	Cash Transactions	Encumbrances	Total	
<b><u>Revenues:</u></b>						
Interest	\$0	\$2,050	\$2,370		\$2,370	\$320
<b><u>Expenditures:</u></b>						
Capital Outlay	1,305	1,055	1,055	0	1,055	0
Excess of Revenues Over (Under) Expenditures	(1,305)	995	1,315	0	1,315	320
<b><u>Other Financing Uses:</u></b>						
Advances - Out	0	(27,993)	0	0	0	27,993
Net Change in Fund Balance	(1,305)	(26,998)	1,315	0	1,315	28,313
Fund Balance at Beginning of Year	90,888	91,138	92,193	(1,055)	91,138	0
Prior Year Encumbrances Carried Over	1,305	1,055	0	1,055	1,055	0
Fund Balance at End of Year	\$90,888	\$65,195	\$93,508	\$0	\$93,508	\$28,313

**City of Westerville, Ohio**  
Schedule of Revenues, Expenses and Changes in Fund  
Equity - Budget (Non-GAAP Budgetary Basis) and Actual  
**Refuse Enterprise Fund**  
For the Year Ended December 31, 2005

	Budget		Actual			Variance Positive (Negative)
	Original	Final	Cash Transactions	Encumbrances	Total	
<b><u>Revenues:</u></b>						
Charges for Services	\$1,856,820	\$1,830,000	\$1,836,065		\$1,836,065	\$6,065
Miscellaneous	100	63	67		67	4
<b>Total Revenues</b>	<b>1,856,920</b>	<b>1,830,063</b>	<b>1,836,132</b>		<b>1,836,132</b>	<b>6,069</b>
<b><u>Expenses:</u></b>						
Personal Services						
Refuse Operations	107,980	117,980	112,435	0	112,435	5,545
Supplies and Materials						
Refuse Operations	3,690	3,650	2,990	18	3,008	642
Other Services and Charges						
Refuse Disposal	1,764,864	1,753,679	1,610,846	140,845	1,751,691	1,988
Refuse Operations	26,131	25,981	19,243	1,274	20,517	5,464
<b>Total Other Services and Charges</b>	<b>1,790,995</b>	<b>1,779,660</b>	<b>1,630,089</b>	<b>142,119</b>	<b>1,772,208</b>	<b>7,452</b>
<b>Total Expenses</b>	<b>1,902,665</b>	<b>1,901,290</b>	<b>1,745,514</b>	<b>142,137</b>	<b>1,887,651</b>	<b>13,639</b>
Excess of Revenues Over (Under) Expenses	(45,745)	(71,227)	90,618	(142,137)	(51,519)	19,708
Advances - Out	(105,000)	(105,000)	(105,000)	0	(105,000)	0
Transfers - In	0	594	594		594	0
<b>Net Change in Fund Equity</b>	<b>(150,745)</b>	<b>(175,633)</b>	<b>(13,788)</b>	<b>(142,137)</b>	<b>(155,925)</b>	<b>19,708</b>
Fund Equity at Beginning of Year	505,302	506,677	627,372	(120,695)	506,677	0
Prior Year Encumbrances Carried Over	122,070	120,695	0	120,695	120,695	0
<b>Fund Equity at End of Year</b>	<b>\$476,627</b>	<b>\$451,739</b>	<b>\$613,584</b>	<b>(\$142,137)</b>	<b>\$471,447</b>	<b>\$19,708</b>



**City of Westerville, Ohio**  
Schedule of Revenues, Expenses and Changes in Fund  
Equity - Budget (Non-GAAP Budgetary Basis) and Actual  
**Swimming Pool Enterprise Fund**  
For the Year Ended December 31, 2005

	Budget		Actual		Variance Positive (Negative)	
	Original	Final	Cash Transactions	Encumbrances		Total
<b><u>Revenues:</u></b>						
Charges for Services	\$380,500	\$406,641	\$406,642		\$406,642	\$1
Miscellaneous	0	59	59		59	0
<i>Total Revenues</i>	<u>380,500</u>	<u>406,700</u>	<u>406,701</u>		<u>406,701</u>	<u>1</u>
<b><u>Expenses:</u></b>						
Personal Services						
Swimming Pool	313,587	312,636	300,866	0	300,866	11,770
Supplies and Materials						
Swimming Pool	60,013	59,508	50,930	177	51,107	8,401
Other Services and Charges						
Swimming Pool	63,114	62,412	57,308	4,117	61,425	987
Capital Outlay						
Swimming Pool	38,400	36,400	3,507	10,463	13,970	22,430
<i>Total Expenses</i>	<u>475,114</u>	<u>470,956</u>	<u>412,611</u>	<u>14,757</u>	<u>427,368</u>	<u>43,588</u>
Net Change in Fund Equity	(94,614)	(64,256)	(5,910)	(14,757)	(20,667)	43,589
Fund Equity at Beginning of Year	246,711	250,869	254,339	(3,470)	250,869	0
Prior Year Encumbrances Carried Over	7,628	3,470	0	3,470	3,470	0
Fund Equity at End of Year	<u>\$159,725</u>	<u>\$190,083</u>	<u>\$248,429</u>	<u>(\$14,757)</u>	<u>\$233,672</u>	<u>\$43,589</u>

**City of Westerville, Ohio**  
Schedule of Revenues, Expenses and Changes in Fund  
Balance - Budget (Non-GAAP Budgetary Basis) and Actual  
**Garage Internal Service Fund**  
For the Year Ended December 31, 2005

	Budget		Actual			Variance Positive (Negative)
	Original	Final	Cash Transactions	Encumbrances	Total	
<b><u>Revenues:</u></b>						
Charges for Services	\$735,000	\$755,500	\$713,970		\$713,970	(\$41,530)
Miscellaneous	0	4,814	4,814		4,814	0
<i>Total Revenues</i>	<u>735,000</u>	<u>760,314</u>	<u>718,784</u>		<u>718,784</u>	<u>(41,530)</u>
<b><u>Expenses:</u></b>						
Personal Services						
Garage Operations	328,496	328,496	302,436	0	302,436	26,060
Supplies and Materials						
Garage Operations	377,660	426,293	378,978	20,492	399,470	26,823
Other Services and Charges						
Garage Operations	66,911	69,697	53,249	1,396	54,645	15,052
Capital Outlay						
Garage Operations	18,638	12,591	12,591	0	12,591	0
<i>Total Expenses</i>	<u>791,705</u>	<u>837,077</u>	<u>747,254</u>	<u>21,888</u>	<u>769,142</u>	<u>67,935</u>
Net Change in Fund Balance	(56,705)	(76,763)	(28,470)	(21,888)	(50,358)	26,405
Fund Balance at Beginning of Year	33,088	46,036	78,047	(32,011)	46,036	0
Prior Year Encumbrances Carried Over	44,959	32,011	0	32,011	32,011	0
Fund Balance at End of Year	<u>\$21,342</u>	<u>\$1,284</u>	<u>\$49,577</u>	<u>(\$21,888)</u>	<u>\$27,689</u>	<u>\$26,405</u>

**City of Westerville, Ohio**  
Schedule of Revenues, Expenses and Changes in Fund  
Balance - Budget (Non-GAAP Budgetary Basis) and Actual  
**Self-Insurance Internal Service Fund**  
For the Year Ended December 31, 2005

	Budget		Actual			Variance Positive (Negative)
	Original	Final	Cash Transactions	Encumbrances	Total	
<b><u>Revenues:</u></b>						
Charges for Services	\$250,000	\$250,000	\$250,000		\$250,000	\$0
Other Charges	0	61,772	61,772		61,772	0
Interest	0	14,000	15,970		15,970	1,970
<i>Total Revenues</i>	<u>250,000</u>	<u>325,772</u>	<u>327,742</u>		<u>327,742</u>	<u>1,970</u>
<b><u>Expenses:</u></b>						
Other Services and Charges						
Self-Insurance	49,205	275,038	262,360	12,677	275,037	1
Capital Outlay						
Self-Insurance	0	38,920	38,431	489	38,920	0
<i>Total Expenses</i>	<u>49,205</u>	<u>313,958</u>	<u>300,791</u>	<u>13,166</u>	<u>313,957</u>	<u>1</u>
Net Change in Fund Balance	200,795	11,814	26,951	(13,166)	13,785	1,971
Fund Balance at Beginning of Year	494,241	511,772	543,446	(31,674)	511,772	0
Prior Year Encumbrances Carried Over	49,205	31,674	0	31,674	31,674	0
Fund Balance at End of Year	<u>\$744,241</u>	<u>\$555,260</u>	<u>\$570,397</u>	<u>(\$13,166)</u>	<u>\$557,231</u>	<u>\$1,971</u>

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## Statistical Section

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

*City of Westerville, Ohio*

General Government Expenditures (1) By Function  
Last Ten Years  
TABLE 1

<i>Year</i>	<i>Security Of Persons And Property</i>	<i>Public Health</i>	<i>Leisure Time Activities</i>	<i>Community Development</i>	<i>Basic Utility Services</i>
1996	\$10,374,814	\$18,301	\$1,901,526	\$1,059,743	\$266,707
1997	10,534,866	25,371	3,673,790	1,380,460	491,403
1998	12,167,701	28,278	2,538,639	1,459,063	268,518
1999	11,992,399	66,685	2,626,899	1,945,609	175,710
2000	13,274,945	41,875	3,042,156	1,820,948	172,554
2001	14,576,189	64,476	3,935,183	1,873,543	189,730
2002	16,240,667	43,072	5,225,703	2,037,680	308,077
2003	17,042,390	46,113	5,765,100	2,054,743	257,312
2004	18,492,909	55,412	6,202,645	2,260,454	232,736
2005	19,390,459	49,572	6,491,507	2,332,143	323,997

Source: City Financial Records - GAAP basis financial data

(1) Includes all governmental funds.

<i>Transportation</i>	<i>General Government</i>	<i>Capital Outlay</i>	<i>Debt Service</i>	<i>Total</i>
\$1,437,409	\$4,256,735	\$7,660,831	\$594,030	\$27,570,096
1,227,234	6,971,469	5,630,529	568,900	30,504,022
1,603,619	5,435,131	13,821,921	827,342	38,150,212
1,784,131	5,506,546	22,382,376	2,662,194	49,142,549
1,878,920	5,940,576	15,675,951	2,823,577	44,671,502
2,051,760	6,992,962	17,331,013	2,785,520	49,800,376
1,645,043	7,267,158	6,723,329	2,858,833	42,349,562
1,674,169	8,189,150	8,171,645	2,990,087	46,190,709
2,495,398	9,423,507	12,671,378	3,275,514	55,109,953
3,325,763	8,994,886	8,069,949	3,292,053	52,270,329

**City of Westerville, Ohio**

General Government Revenues (1) By Source  
Last Ten Years  
TABLE 2

<i>Year</i>	<i>Property Taxes (2)</i>	<i>Municipal Income Taxes</i>	<i>Other Local Taxes</i>	<i>Payments In Lieu Of Taxes</i>	<i>Inter-Governmental</i>	<i>Charges For Services</i>
1996	\$6,393,849	\$10,336,759	\$97,591	\$0	\$3,883,376	\$2,016,145
1997	7,188,967	10,842,532	99,625	0	4,361,583	2,310,482
1998	7,014,107	11,768,223	92,278	0	6,166,534	2,452,965
1999	7,117,419	15,054,734	89,536	0	6,368,610	1,901,639
2000	7,573,929	16,293,144	84,260	0	6,740,701	1,570,159
2001	7,933,107	17,010,117	73,650	0	8,251,942	1,873,729
2002	8,006,605	17,044,400	58,460	0	8,549,939	2,750,166
2003	10,430,292	17,779,422	363,723	219,691	10,068,502	2,714,383
2004	10,748,595	18,359,467	362,261	294,277	12,338,083	3,370,392
2005	10,445,069	19,989,848	392,450	419,948	12,771,663	3,219,498

Source: City Financial Records - GAAP basis financial data

(1) Includes all governmental funds.

(2) Includes real estate and personal property taxes.

(3) Net change in fair value of investments was not reported before the implementation of GASB 31 in 1998.



<i>Fees, Licenses and Permits</i>	<i>Fines And Forfeitures</i>	<i>Special Assessments</i>	<i>Interest</i>	<i>Net Increase/ Decrease in Fair Value of Investments (3)</i>	<i>Miscellaneous</i>	<i>Total</i>
\$604,572	\$360,010	\$76,744	\$4,530,745	\$0	\$87,365	\$28,387,156
498,223	439,227	77,348	4,253,994	0	170,086	30,242,067
486,490	331,127	77,597	4,992,406	0	480,157	33,861,884
644,933	475,577	76,395	5,265,192	(1,589,939)	125,322	35,529,418
944,522	362,585	76,935	5,060,136	298,703	641,796	39,646,870
1,004,198	402,814	67,942	4,216,092	2,141,613	202,033	43,177,237
1,169,884	503,779	67,805	3,171,205	(323,124)	264,280	41,263,399
852,988	569,604	0	2,545,711	(997,606)	167,963	44,714,673
867,242	499,091	0	2,153,282	(827,981)	148,019	48,312,728
1,204,137	505,907	0	1,791,483	(333,351)	223,105	50,629,757

*City of Westerville, Ohio*

Government-wide Expenses by Program - Governmental Activities  
Last Three Years  
TABLE 3

<u>Year(1)</u>	<u><i>Security Of Persons And Property</i></u>	<u><i>Public Health</i></u>	<u><i>Leisure Time Activities</i></u>	<u><i>Community Development</i></u>	<u><i>Basic Utility Services</i></u>
2003	\$17,861,792	\$53,158	\$6,393,207	\$2,104,386	\$294,465
2004	18,294,807	64,095	8,241,110	2,311,744	280,901
2005	21,059,425	57,364	8,268,953	2,381,720	395,574

Source: City Financial Records - GAAP basis financial data

(1) 2003 is the first year reported according to *GASB Statement No. 34*.

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<i><u>Transportation</u></i>	<i><u>General Government</u></i>	<i><u>Interest and Fiscal Charges</u></i>	<i><u>Total</u></i>
\$1,698,334	\$8,941,895	\$1,340,456	\$38,687,693
3,193,662	8,482,028	1,446,681	42,315,028
3,097,704	9,484,791	1,371,225	46,116,756

*City of Westerville, Ohio*

Government-wide Revenues by Source - Governmental Activities  
Last Three Years  
TABLE 4

<i>Year(1)</i>	<i>Program Revenues</i>			<i>Property and Other Local Taxes</i>	<i>Municipal Income Taxes</i>
	<i>Charges for Services and Sales</i>	<i>Operating Grants, Contributions and Interest</i>	<i>Capital Grants, Contributions and Interest</i>		
2003	\$4,257,292	\$4,576,376	\$4,433,334	\$10,732,732	\$17,899,709
2004	4,775,210	4,594,674	3,580,626	11,122,848	18,357,352
2005	5,018,933	4,827,917	2,922,366	10,775,973	20,062,773

Source: City Financial Records - GAAP basis financial data

(1) 2003 is the first year reported according to *GASB Statement No. 34* .

<i>General Revenues</i>				
<i>Grants and Entitlements</i>	<i>Unrestricted Investment Earnings</i>	<i>Payments In Lieu of Taxes</i>	<i>Other</i>	<i>Total</i>
\$5,177,486	\$1,549,328	\$219,691	\$45,945	\$48,891,893
4,787,086	1,339,752	294,277	50,642	48,902,467
5,778,664	1,725,206	505,051	75,587	51,692,470

*City of Westerville, Ohio*

Property Tax Levies And Collections  
Last Ten Years  
Table 5

<i>Collection Year</i>	<i>Total Current Tax Levy (1)</i>	<i>Current Tax (1) Collections</i>	<i>Percent of Levy Collected (1)</i>	<i>Delinquent Tax Collections (1)</i>	<i>Tax Collected Delaware County (2)</i>
1996	\$6,277,593	\$6,120,217	97.49%	\$200,837	\$1,037,980
1997	6,650,380	6,520,066	98.04%	203,705	1,232,121
1998	6,421,364	6,295,786	98.04%	119,029	1,385,451
1999	6,502,629	6,299,611	96.88%	139,307	1,448,097
2000	6,449,184	6,306,357	97.79%	139,304	1,556,103
2001	6,846,544	6,575,146	96.04%	167,683	1,677,472
2002	6,750,991	6,408,731	94.93%	141,351	1,726,314
2003	8,846,108	8,404,735	95.01%	210,460	2,289,736
2004	9,320,227	8,908,894	95.59%	226,691	2,654,132
2005	9,159,299	8,801,727	96.10%	191,058	2,806,773

(1) Source: Franklin County Auditor's Office

Total Current Tax Levy includes rollback and homestead exemptions.

(2) Source: Settlement Sheet - Delaware County Auditor's Office.

(3) Comparison of Franklin County only.

(4) Includes current and prior years' delinquencies - Franklin County only.

<i><b>Total Tax Collections</b></i>	<i><b>Percentage of Total Tax Collections To Total Tax Levy (3)</b></i>	<i><b>Outstanding Delinquent Taxes (4)</b></i>	<i><b>Percentage Of Outstanding Delinquent Taxes To Total Tax Levy (3)</b></i>
\$7,359,034	100.69%	\$305,025	4.86%
7,955,892	101.10%	257,347	3.87%
7,800,266	99.90%	259,456	4.04%
7,887,015	99.02%	285,849	4.40%
8,001,764	99.95%	293,721	4.55%
8,420,301	98.49%	271,398	3.96%
8,276,396	97.02%	342,260	5.07%
10,904,931	97.39%	441,373	4.99%
11,789,717	98.02%	411,333	4.41%
11,799,558	98.18%	357,572	3.90%

**City of Westerville, Ohio**  
Property Tax Rates - Direct And Overlapping Governments  
Per \$1,000 Of Assessed Valuation  
Last Ten Years  
**TABLE 6**

<i>Collection Year</i>	<i>City</i>		<i>Outside Ten Mill Limitation</i>		
	<i>Inside Ten Mill Limitation</i>				
	<i>General Fund</i>	<i>Debt Retirement</i>	<i>General Charter</i>	<i>Debt Retirement</i>	<i>Fire Operating</i>
1996	\$2.50	\$0.15	\$0.60	\$0.69	\$10.50
1997	2.50	0.15	0.60	0.62	10.85
1998	2.50	0.15	0.60	0.59	10.85
1999	2.55	0.10	0.60	0.55	10.85
2000	2.55	0.10	0.60	0.47	10.85
2001	2.57	0.08	0.60	0.44	10.85
2002	2.57	0.08	0.60	0.40	10.85
2003	2.58	0.07	0.60	0.35	14.25
2004	2.65	0.00	0.60	0.56	14.25
2005	2.65	0.00	0.60	0.45	14.25

Source: Franklin County Auditor



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<i>Total City</i>	<i>Franklin County</i>	<i>City Schools</i>	<i>Total</i>
\$14.44	\$14.82	\$61.03	\$90.29
14.72	15.12	61.31	91.15
14.69	15.22	61.32	91.23
14.65	17.54	61.15	93.34
14.57	17.64	63.50	95.71
14.54	17.64	63.50	95.68
14.50	17.64	63.40	95.54
17.85	17.64	64.20	99.69
18.06	17.64	64.00	99.70
17.95	18.44	68.81	105.20

**City of Westerville, Ohio**  
 Assessed And Estimated Actual Value Of Taxable Property  
 Last Ten Years  
 TABLE 7

<i>Collection Year</i>	<i>Real Property</i>	<i>Public Utility Real and Personal</i>	<i>Tangible Personal Property</i>	<i>Total</i>	<i>Estimated True Values</i>
1996	\$566,273,200	\$25,826,110	\$68,273,643	\$660,372,953	\$1,920,365,853
1997	613,734,270	25,250,700	69,974,828	708,959,798	2,062,119,775
1998	630,808,440	25,924,830	62,219,839	718,953,109	2,080,649,219
1999	645,665,490	22,504,370	66,114,875	734,284,735	2,134,791,191
2000	730,938,230	23,198,260	77,437,297	831,573,787	2,424,505,790
2001	759,777,270	25,005,670	78,058,573	862,841,513	2,511,442,026
2002	782,946,190	21,627,750	74,734,200	879,308,140	2,560,502,903
2003	883,041,660	20,857,380	46,595,889	950,494,929	2,749,268,561
2004	895,679,530	19,630,910	46,324,344	961,634,784	2,782,802,415
2005	911,969,120	19,697,000	32,567,248	964,233,368	2,776,041,957

Source: Franklin County Auditor's Office and Delaware County Auditor's Office

**City of Westerville, Ohio**  
**Special Assessment Billings**  
**And Collections**  
**Last Ten Years**  
**TABLE 8**

<b><i>Collection Year</i></b>	<b><i>Special Assessment Billings (1)</i></b>	<b><i>Total Assessments Collected (2)</i></b>	<b><i>Percentage Collected</i></b>	<b><i>Total Outstanding Delinquent</i></b>
1996	\$76,744	\$76,744	100.00%	\$841
1997	76,744	77,348	100.79%	237
1998	76,961	77,597	100.83%	207
1999	77,368	76,395	98.74%	973
2000	76,935	76,935	100.00%	0
2001	67,942	67,942	100.00%	0
2002	69,000	69,000	100.00%	0
2003 (3)	0	0	0.00%	0
2004	0	0	0.00%	0
2005	0	0	0.00%	0

Source: Franklin County Auditor

(1) Only governmental fund type assessments in which the City is obligated are included in this table.

(2) Prepayments of future assessments are not included.

(3) The final payment of special assessment debt occurred in 2002, therefore there will be no figures presented after 2002.

**City of Westerville, Ohio**  
**Ratio Of Net General Bonded Debt**  
**To Assessed Value And**  
**Net Bonded Debt Per Capita**  
**Last Ten Years**

TABLE 9

<i>Year</i>	<i>Population</i>	<i>Assessed Value</i>	<i>Gross Bonded Debt (1)</i>	<i>Debt Service Monies Available</i>
1996	34,412	\$659,797,543	\$2,895,000	\$107,521
1997	34,833	708,959,798	2,600,000	54,563
1998	34,948	718,953,109	32,190,000	173,256
1999	35,318	734,284,735	26,784,529	959
2000	35,671	831,573,787	29,635,100	17,229
2001	35,908	862,841,513	28,270,750	34,272
2002	36,018	879,308,140	26,870,005	86,435
2003	36,069	950,494,929	31,921,620	33,638
2004	36,325	961,634,784	30,189,900	89,866
2005	36,517	964,233,368	28,464,845	99,873

Sources: City of Westerville, Department of Finance.  
Franklin County Auditor's Office.  
Mid-Ohio Regional Planning Commission.

(1) Includes only General Obligation Bonded Debt payable from property taxes.

<i>Net Bonded Debt</i>	<i>Ratio of Net Bonded Debt to Assessed Valuation</i>	<i>Net Bonded Debt Per Capita</i>
\$2,787,479	0.42%	\$81.00
2,545,437	0.36%	73.08
32,016,744	4.45%	916.13
26,783,570	3.65%	758.35
29,617,871	3.56%	830.31
28,237,448	3.27%	786.38
26,783,570	3.05%	743.62
31,887,982	3.35%	884.08
30,100,034	3.13%	828.63
28,364,972	2.94%	776.76

*City of Westerville, Ohio*

Legal Debt Margin

December 31, 2005

TABLE 10

Total assessed valuation		\$964,233,368
Overall debt limitation - 10.5% of assessed valuation		101,244,504
Gross indebtedness authorized by council	\$36,577,318	
Less debt outside limitation:	<u>(8,112,473)</u>	
Debt within 10.5% limitation	28,464,845	
Less amount available in debt service fund	<u>(99,873)</u>	
Net debt within 10.5% limitation		<u>28,364,972</u>
Legal debt margin within 10.5% limitation		<u><u>\$72,879,532</u></u>
<hr/> <hr/>		
Unvoted debt limitation - 5.5% of assessed valuation		\$53,032,835
Gross indebtedness authorized by council	\$36,577,318	
Less debt outside limitation:	<u>(8,112,473)</u>	
Debt within 5.5% limitation	28,464,845	
Less: amount available in debt service fund	<u>(99,873)</u>	
Net debt within 5.5% limitation		<u>28,364,972</u>
Legal debt margin within 5.5% limitation		<u><u>\$24,667,863</u></u>

*City of Westerville, Ohio*  
 Computation Of Direct And Overlapping Debt  
 December 31, 2005  
 TABLE 11

<u>Jurisdiction</u>	<u>Net Debt Outstanding (1)</u>	<u>Percentage Applicable To City Of Westerville</u>	<u>Amount Applicable To City Of Westerville</u>
<b><u>Direct</u></b>			
City of Westerville	\$28,364,972	100.00%	<u>\$28,364,972</u>
<b><u>Overlapping</u></b>			
Westerville City Schools	2,486,938,778	43.20%	1,074,357,552
Franklin County	<u>28,168,095,362</u>	3.47%	<u>977,432,909</u>
<i>Total Overlapping</i>	<u>30,655,034,140</u>		<u>2,051,790,461</u>
<i>Total Direct And Overlapping Debt</i>	<u>\$30,683,399,112</u>		<u>\$2,080,155,433</u>

Source: Franklin County Auditor's Office  
 Ohio Municipal Advisory Council

- (1) Net debt outstanding equals the amount of general obligation bonds and notes outstanding minus:
- (a) general obligation bonds issued for water or electric utility purposes which are payable from Water Fund or Electric Fund revenues, and
  - (b) the debt service fund balance available to pay general obligation debt.

*City of Westerville, Ohio*  
Ratio Of Annual Debt Service Expenditures For  
General Bonded Debt To Total General Government Expenditures  
Last Ten Years  
TABLE 12

<i>Year</i>	<i>Principal (1)</i>	<i>Interest And Fiscal Charges</i>	<i>Debt Service On General Obligation Bonded Debt</i>	<i>General Government Expenditures</i>	<i>Ratio</i>
1996	\$295,000	\$226,263	\$521,263	\$27,570,096	1.89%
1997	295,000	205,506	500,506	30,504,022	1.64%
1998	300,000	184,750	484,750	38,150,212	1.27%
1999	1,222,500	1,375,657	2,598,157	49,142,549	5.29%
2000	1,332,400	1,432,125	2,764,525	44,671,502	6.19%
2001	1,363,380	1,377,073	2,740,453	49,800,376	5.50%
2002	1,401,715	1,317,666	2,719,381	42,349,562	6.42%
2003	1,448,385	1,320,351	2,768,736	46,190,709	5.99%
2004	1,731,720	1,439,087	3,170,807	55,109,953	5.75%
2005	1,725,055	1,368,163	3,093,218	52,270,329	5.92%

Source: City of Westerville, Department of Finance

(1) Includes only General Obligation bonded debt payable from property taxes



**City of Westerville, Ohio**  
Demographic Statistics  
Last Ten Years  
TABLE 13

<b>Year</b>	<b>Population (1)</b>	<b>Unemployment Rates (2)</b>		
		<b>Franklin County</b>	<b>Ohio</b>	<b>United States</b>
1996	34,412	3.1%	4.9%	5.4%
1997	34,833	2.7%	4.6%	4.9%
1998	34,948	2.5%	4.3%	4.5%
1999	35,318	2.2%	4.2%	4.1%
2000	35,671	2.1%	4.0%	4.0%
2001	35,908	3.2%	4.8%	5.8%
2002	36,018	4.4%	5.7%	5.8%
2003	36,069	4.9%	6.1%	6.0%
2004	36,325	5.4%	6.1%	5.5%
2005	36,517	5.3%	5.9%	5.1%

(1) Mid-Ohio Regional Planning Commission.

(2) Ohio Department of Jobs and Family Services, Office of Workforce Development.

*City of Westerville, Ohio*  
 Construction Data and  
 Financial Institution Deposits  
 Last Ten Years  
 TABLE 14

<i>Year</i>	<i>Total Permits Issued</i>	<i>Single Family Homes</i>	<i>Total Valuation Single Family Homes (1), (2)</i>	<i>2, 3 and Multi-Family Permits</i>
1996	178	162	\$21,220,059	16
1997	114	111	15,649,154	3
1998	97	86	12,583,134	11
1999	178	140	20,039,804	38
2000	162	156	20,719,272	6
2001	159	142	15,626,259	17
2002	108	80	10,818,294	28
2003	42	35	4,836,500	7
2004	54	43	7,247,687	11
2005	95	64	11,115,540	31

Sources: State of Ohio, Department of Commerce (Banking Division)  
 City of Westerville, Department of Finance.

- (1) Constitutes the construction cost only (no lot price or profit included).
- (2) Does not include alterations or additions.
- (3) The large increase of Bank Deposits from 2003 to 2004 is a result of the merger of Bank One with JP Morgan Chase Bank.

<b><i>Total Valuation 2, 3 and Multi- Family Units (1)</i></b>	<b><i>Total Valuation Industrial and Commercial Including Additions and Alterations</i></b>	<b><i>Total Valuation All Types (1)</i></b>	<b><i>Bank Deposits (in thousands)(3)</i></b>
\$1,000,000	\$22,814,814	\$45,034,873	\$20,786,114
750,000	14,353,179	30,752,333	40,835,093
1,928,000	47,754,907	62,266,041	39,976,199
13,430,000	44,791,935	78,261,739	40,785,421
1,220,000	92,045,986	113,985,258	36,305,554
5,996,000	56,983,986	78,606,245	38,669,548
8,856,000	78,184,686	97,858,980	35,950,798
2,221,712	56,647,424	63,705,636	37,969,996
7,620,000	53,861,693	68,729,380	389,270,086
14,339,900	57,137,059	82,592,499	429,955,663

**City of Westerville, Ohio**  
Principal Property Taxpayers  
December 31, 2005  
TABLE 15

<i>Taxpayer</i>	<i>2005 Assessed Valuation</i>	<i>Percentage of Total Assessed Valuation</i>
<b><u>Public Utilities:</u></b>		
1. Nextel West Corporation	\$7,592,510	0.79%
2. Ohio Bell Telephone Co.	5,931,420	0.62%
<b><u>Real Estate:</u></b>		
1. Banc One Management Corp.	20,994,750	2.18%
2. Partners at Brooksedge	11,886,380	1.23%
3. St. Anns Hospital	7,591,500	0.79%
4. Spectrum Equities LLC	3,412,510	0.35%
5. Westerville Plaza LP	2,971,880	0.31%
6. Westerville Square Inc.	2,884,770	0.30%
7. Columbus Colony Housing	2,693,680	0.28%
8. Health Care & Retirement Corp. of America	2,478,330	0.26%
9. 575 Copeland Mill LLC	2,397,500	0.25%
10. Brooksedge LLC	2,362,510	0.25%
<b><u>Tangible Personal Property:</u></b>		
1. Bank One Corporation	2,936,070	0.30%
2. Roush Equipment Company Inc.	1,928,600	0.20%
3. Time Warner Entertainment Company LP	1,719,600	0.18%
4. West-Camp Press Inc.	1,531,710	0.16%
5. Road Runner Hold Co. LLC	1,369,680	0.14%
6. Robin Enterprises Company	1,224,284	0.13%
7. ACS State & Local Solutions Inc.	776,520	0.08%
8. Mettler Toledo Inc.	766,180	0.08%
9. Kohl's Department Stores Inc.	733,100	0.08%
10. Harrington Benefit Services Inc.	609,490	0.06%
All Others	877,440,394	91.00%
<i>Total Assessed Valuation</i>	<u>\$964,233,368</u>	<u>100.00%</u>

Source: Franklin County Auditor

*City of Westerville, Ohio*

Miscellaneous Statistics

December 31, 2005

TABLE 16

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Date of Incorporation:	1858
Form of Government:	Council - City Manager
Date of Charter Adoption:	May 5, 1964
Area:	12.598 Square Miles
Miles of Streets:	171
Full-time Employees	410
 <b><u>Fire Protection:</u></b>	
Number of Stations	3
Number of Firefighters and Officers (exclusive of part-time firefighters)	82
 <b><u>Police Protection:</u></b>	
Number of Stations	2
Number of Uniformed Police and Officers	72
 <b><u>Municipal Water Department:</u></b>	
Number of Accounts	12,662
Average Daily Billing Collection	3,351,407 gallons
Miles of Water Lines	178 miles
 <b><u>Municipal Electric Department:</u></b>	
Number of Accounts	15,626
Average Daily Billing Collection	1,315,255 KWRS
 <b><u>Sewers:</u></b>	
Sanitary Sewers	153 miles
Storm Sewers	140 miles
 <b><u>Recreation and Culture:</u></b>	
Number of Parks	39 with approximately 500 acres
Swimming Pools	1 outdoor complex with 7 pools, and 1 indoor complex with 2 pools

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**Auditor of State  
Betty Montgomery**

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Facsimile 614-466-4490

**CITY OF WESTERVILLE**

**FRANKLIN COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
JULY 25, 2006**