



Mary Taylor, CPA
Auditor of State

CITY OF WESTERVILLE
FRANKLIN COUNTY

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**CITY OF WESTERVILLE
FRANKLIN COUNTY**

**FEDERAL AWARDS EXPENDITURES SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2006**

| FEDERAL GRANTOR <i>Pass Through Grantor</i> Program Title | Pass Through Entity Number | Federal CFDA Number | Disbursements |
|--|----------------------------------|---------------------------|-------------------------|
| U.S. DEPARTMENT OF JUSTICE | | | |
| Local Law Enforcement Block Grant: Federally Forfeited Property | N/A | 16.592 | <u>\$32,910</u> |
| Bulletproof Vest Partnership Program | N/A | 16.607 | <u>4,074</u> |
| Total U.S. Department of Justice | | | <u>36,984</u> |
| U.S. DEPARTMENT OF TRANSPORTATION <i>Passed Through Ohio Department of Transportation</i> | | | |
| Highway Planning and Construction | 75865 | 20.205 | <u>723,619</u> |
| U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES <i>Passed Through Ohio Department of Health</i> | | | |
| Maternal and Child Health Services Block Grant to the States: Fluoridation Grant | N/A | 93.994 | <u>1,180</u> |
| Total | | | <u>\$761,783</u> |

The accompanying notes are an integral part of this schedule.

**CITY OF WESTERVILLE
FRANKLIN COUNTY**

**NOTES TO THE FEDERAL AWARDS EXPENDITURES SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2006**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Federal Awards Expenditures Schedule (the Schedule) summarizes activity of the City's federal award programs. The schedule has been prepared on the cash basis of accounting.

NOTE B - MATCHING REQUIREMENTS

Certain Federal programs require that the City contribute non-Federal funds (matching funds) to support the Federally-funded programs. The City has complied with the matching requirements. The expenditure of non-Federal matching funds is not included on the Schedule.

NOTE C - REIMBURSEMENT

A portion of the Highway Planning and Construction disbursements reported on the Schedule represent disbursements made by the City in 2006 which will be reimbursed in 2007. Management believes these are allowable disbursements within the grant limits and therefore will be eligible for reimbursement.



Mary Taylor, CPA

Auditor of State

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, 2006, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 22, 2007. 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 as a basis for designing our audit procedures for expressing our opinions on the financial statements, but not to opine on the effectiveness of the City's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the City's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the City's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the City's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

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*.

We intend this report solely for the information and use of the audit committee, management, City Council, and federal awarding agencies and pass-through entities. We intend it for no one other than these specified parties.

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

Mary Taylor, CPA
Auditor of State

June 22, 2007



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE MAJOR FEDERAL PROGRAM, INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND FEDERAL AWARDS EXPENDITURES SCHEDULE

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

To the City Council:

Compliance

We have audited the compliance of the City of Westerville, Franklin County, Ohio, (the City) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that apply to its major federal program for the year ended December 31, 2006. The summary of auditor's results section of the accompanying schedule of findings identifies the City's major federal program. The City's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to the major federal program. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to reasonably assure whether noncompliance occurred with the types of compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing other procedures we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City's compliance with those requirements.

In our opinion, the City of Westerville complied, in all material respects, with the requirements referred to above that apply to its major federal program for the year ended December 31, 2006.

Internal Control Over Compliance

The City's management is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could directly and materially affect a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

35 N. Fourth St. / Second Floor / Columbus, OH 43215-3612
Telephone: (614) 466-3402 (800) 443-9275 Fax: (614) 728-7199
www.auditor.state.oh.us

A *control deficiency* in internal control over compliance exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent or detect noncompliance with a federal program compliance requirement on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the City's ability to administer a federal program such that there is more than a remote likelihood that the entity's internal control will not prevent or detect more-than-inconsequential noncompliance with a federal program compliance requirement.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that the City's internal control will not prevent or detect material noncompliance with a federal program's compliance requirements.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Federal Awards Expenditures Schedule

We have also 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 as of and for the year ended December 31, 2006, and have issued our report thereon dated June 22, 2007. Our audit was performed to form opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying federal awards expenditures schedule provides additional information as required by OMB Circular A-133 and is not a required part of the basic financial statements. We subjected this information 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 intend this report solely for the information and use of the audit committee, management, City Council, federal awarding agencies and pass-through entities. It is not intended for anyone other than these specified parties.



Mary Taylor, CPA
Auditor of State

June 22, 2007

CITY OF WESTERVILLE
FRANKLIN COUNTY

SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2006

1. SUMMARY OF AUDITOR'S RESULTS

| | | |
|---------------------|--|--|
| <i>(d)(1)(i)</i> | Type of Financial Statement Opinion | Unqualified |
| <i>(d)(1)(ii)</i> | Were there any material control weaknesses reported at the financial statement level (GAGAS)? | No |
| <i>(d)(1)(ii)</i> | Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)? | No |
| <i>(d)(1)(iii)</i> | Was there any reported material noncompliance at the financial statement level (GAGAS)? | No |
| <i>(d)(1)(iv)</i> | Were there any material internal control weaknesses reported for major federal programs? | No |
| <i>(d)(1)(iv)</i> | Were there any other significant deficiencies in internal control reported for major federal programs? | No |
| <i>(d)(1)(v)</i> | Type of Major Programs' Compliance Opinion | Unqualified |
| <i>(d)(1)(vi)</i> | Are there any reportable findings under § .510? | No |
| <i>(d)(1)(vii)</i> | Major Programs (list): | Highway Planning and Construction - CFDA # 20.205 |
| <i>(d)(1)(viii)</i> | Dollar Threshold: Type A\B Programs | Type A: > \$ 300,000 Type B: all others |
| <i>(d)(1)(ix)</i> | Low Risk Auditee? | No |

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

City of Westerville, Ohio

Comprehensive Annual Financial Report

For the Year Ended December 31, 2006

Issued by the Department of Finance

John P. Winkel
Director of Finance

Margaret M. Doone, CPA
Assistant Finance Director

City of Westerville, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2006

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June 22, 2007

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, 2006 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).

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 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 year ended December 31, 2006, 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 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, 2006, 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-City 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 Parks and Recreation. The City Manager also appoints and removes, in accordance with civil service requirements, all other officers and employees.

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

The primary government of the City consists of all funds and departments that provide various services including public safety, public service, street maintenance, parks and recreation, a senior center, engineering, and general administrative services. The City 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 attract new employers and quality jobs to the community. These new employers have been attracted to the Westar Center of Business as well as our more mature developments such as Eastwind, Brooksedge, and the Westerville Commerce Center. These new developments, in combination with the expansion of several of our existing companies, have had an enormously positive impact on the City. Westerville continues to strive toward maintaining a delicate balance by attracting businesses across the entire Westerville landscape.

In 2003, Westerville staked its claim to having the largest office deal in central Ohio when Exel Logistics decided to stay in Westerville and moved its headquarters to the Westar Center of Business. The deal not only kept 225 current jobs in Westerville, but provided the opportunity for Exel to expand to a total of 426 employees by the end of 2006.

Other successes to bring new jobs to Westerville include ABB Industries and MacTools, which have brought 148 and 140 new jobs, respectively, to the Westar Center of Business. The ProCentury Corp., parent company of property-casualty insurer Century Insurance Group, moved its corporate headquarters to Westerville in late 2003. The company, located at 465 Cleveland Avenue, expanded last year into the building next door at 505 Cleveland Avenue. The company has a total of 241 employees in both buildings.

Children's Hospital opened a Children's Close to Home facility, which employs 75 medical professionals, in the Westar Center of Business in September 2003. In 2006, Children's Hospital opened the Children's Sports Medicine and Orthopedics Center in a new building next door – one of only four known facilities in the country dedicated to the youth athlete.

Two new speculative office buildings were completed in 2006, 440 Polaris Parkway (145,000 square feet) and 600 Cleveland Avenue (93,500 square feet). When fully occupied, they are expected to employ 432 and 300 people, respectively. Construction of retail in the immediate vicinity to support these new office buildings is expected to occur over the next several years.

In 2006 in the OfficePoint Office Park, inVentiv (formerly known as inChord), located at 500 Olde Worthington Road recently expanded into the building next door at 480 and has grown to over 435 people. Nationwide Mutual Insurance opened its doors in a newly constructed building at 955 County Line Road West and brought 148 jobs to Westerville. The construction of the building's twin at 999 County Line Road West broke ground in 2007 and will be the new home of the Andrew Corporation, an engineering firm that will bring 70 new jobs with an average salary of \$85,000 to the City.

Also in 2007, Ohio Health broke ground for a new 210,000 square foot urgent care, ambulatory service center and medical office building. When it opens in 2008, the facility will bring over 295 employees and a payroll of \$23 million dollars. Within the next five years, a second medical office building is expected to be constructed on the site, adding another 100 or so jobs.

Westerville officials continue to attract companies to well established office areas in the Brooksedge and Eastwind Office Parks in the South State Street area and the Westerville Commerce Center to the north. Some of the new companies attracted to the southern mature office areas include the WODA Group (50 employees), Capital City Millwork (18 employees), Thomas Glass (35 employees), and the Central Ohio Neurological Surgeons (CONS). When renovations to the CONS facility at 955 Eastwind Drive are complete, CONS will provide an urgent care, pain management center, ambulatory service center, and doctor's offices with a total payroll estimated at over \$6 million.

Three companies in the Westerville Commerce Center light industrial/office park have undergone or are undergoing expansion projects. These companies include Cheryl & Co., Zink Marketing, and Progressive Medical. The latter company completed an addition in 2006 which nearly tripled the size of its office space – they currently employ 276 people, with room now to expand to 500.

Development is expected to continue in 2007 and 2008, with the possibility of several more Class A office buildings being constructed in the Westar area. Westerville remains committed to attracting companies and developers with a sharp eye for detail, both in building construction and the quality of employers that will reside in Westerville. These new businesses will supplement city services and provide good employment opportunities for Westerville residents.

One advantage Westerville has is its access to Interstate Routes 71 and 270, which have recently been reconstructed and expanded. The City also has its own electric and water utilities that provide commercial users with lower rates than elsewhere in central Ohio. Employers are also attracted by the highly educated workforce, and other amenities such as our own local St. Ann's Hospital, Otterbein College, and numerous recreational and cultural activities.

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 percent income tax approved by the voters to fund Parks and Recreation. 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

Recreational opportunities continue to expand in Westerville. Aside from the Community Center, our most celebrated recreational initiatives during the past decade have been the expansion of our bike and leisure paths and the addition of new playing fields throughout Westerville. This past year marked the opening of our two newest bike route expansions, one along Sunbury Road and the other just west of State Street and north of Schrock Road along the old railroad right-of-way. Westerville is now home to 22 miles of bike and leisure paths, and our portion of the Alum Creek Leisure Path connects with the City of Columbus path for travel all the way to the Easton area. The central Ohio portion of the Alum Creek path will eventually allow users to head south to Three Creeks Metro Park in southeast Columbus. If that isn't far enough, this path is part of the 453-mile Ohio to Erie Trail which, when complete, will connect Cincinnati along the Ohio River to the Lake Erie waterfront in Cleveland.

Safety will always be an important component of a community's quality of life and Westerville's staff includes more than 170 full-time Police, Fire, Emergency Medical Service, and Communications Dispatcher personnel dedicated to being there for you when you need help the most. To that end, in 2006 the Westerville Fire Division took delivery of new Engine and Medic vehicles. The Fire Division also received the Life Safety Award, signifying no loss of life due to fires in the community.

The Communications (911 Dispatch) Division recently purchased upgraded software that provides opportunities for mass calling to households and businesses, creating another communications tool for use in emergency situations. (Those households with unlisted phone numbers, or those residents who only use cell phones in their homes must call 901-6790 to be included in those emergency call-out lists.) In 2007 this division will move toward answering wireless 9-1-1 cell phone calls for the northeast quadrant of Franklin County, thus decreasing the amount of time it takes for emergency responders to provide assistance to Westerville residents when cell phones are used. Currently, cell phone calls are not automatically routed to Westerville dispatchers but are forwarded from Franklin County or City of Columbus personnel.

FOR THE FUTURE

The last five years have seen dramatic changes to the Westerville State Street Corridor, but the changes aren't anywhere near complete. With the State of Ohio committing to improve various I-270 interchanges in the coming years, and city leaders looking to create new city entryways into Westerville from those interchanges, look for changes to keep coming.

The SR3/I-270 interchange is currently in the Ohio Department of Transportation (ODOT) planning stages, with the City's ideas for changes being communicated to ODOT. The City is exploring different ways to take advantage of the new interchange by possibly creating a new gateway into Westerville, something that tells people that Westerville is a vibrant and fun place to live, work or visit. Conceptual ideas for the gateway could include welcoming entrance portals and fencing of brick and iron, decorative light posts and mast arms, and updated landscaping.

Historic Uptown Westerville continues to flourish with brick sidewalks, street trees, benches, and historic-style light fixtures enhancing its charm. The Westerville Public Library, one of the oldest institutions in Uptown, completed an addition expanding its children's area, creating a new department

for teens, and providing additional space for the local history department (which will soon include Congressman John Kasich's congressional papers). New restaurants in Uptown include the Old Bag of Nails Pub and Tirado's Bakery and Café, both in newly renovated historic brick buildings. An abandoned 1960's gas station made way for CVS, designed and constructed in the Uptown tradition and a fitting entrance to the historic district. The adjacent building, formerly occupied by the Church of the Saviour, provides an additional 4,000 square feet of retail space.

The Electric Division is in the process of constructing a new substation in the Westar Center of Business, close to the Cleveland Avenue/County Line Road intersection. When complete, this substation will play a key role not only for the Westar area, but for all of Westerville, because it will serve as a crucial electric back-up in the event of a substation failure at another Westerville location.

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 year ended December 31, 2005. 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.

Respectfully submitted,

John P. Winkel
Director of Finance

Margaret M. Doone
Assistant Finance Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Westerville
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2005

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



President

Executive Director

City of Westerville, Ohio

Elected and Appointed Officials
As of December 31, 2006

Elected Officials

| | |
|-------------------------|----------------------------|
| 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 |

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Mary Taylor, CPA

Auditor of State

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, 2006, 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, 2006, 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 22, 2007, 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.

35 N. Fourth St. / Second Floor / Columbus, OH 43215-3612
Telephone: (614) 466-3402 (800) 443-9275 Fax: (614) 728-7199
www.auditor.state.oh.us

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 or 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 cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

June 22, 2007

City of Westerville, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2006
(Unaudited)

MANAGEMENT'S DISCUSSION AND ANALYSIS

The City of Westerville's (the City) discussion and analysis of the annual financial report provides a review of the financial performance for the year ended December 31, 2006.

FINANCIAL HIGHLIGHTS

- The City's total net assets increased \$7,163,509 during 2006. Revenues of governmental activities exceeded expenses by \$6,299,746. The City's unrestricted net assets of \$27,410,263 may be used to meet the City's ongoing governmental activities' obligations. Net assets of business-type activities increased by \$863,763. The City's business-type activities had unrestricted net assets of \$27,293,331, which may be used to meet the business-type activities' obligations to citizens and creditors.
- General revenues of governmental activities accounted for \$42,180,851 or 78 percent of all revenues. Program specific revenues in the form of charges for services and sales, grants, contributions and interest accounted for \$12,048,248 or 22 percent of total revenues of \$54,229,099.
- Enterprise funds reflected total operating losses of (\$1,244,827). The Water, Sewer, Electric, Refuse and Swimming Pool Funds reflected operating losses of (\$61,978), (\$80,138), (\$976,024), (\$16,167) and (\$110,520), respectively. The Water and Swimming Pool Funds' losses were a result of a decrease in sales. The Sewer, Electric and Refuse Funds' losses were due to an increase in contractual costs for sanitary sewer treatment, purchased power and solid waste collection and disposal. The operating losses of these funds were anticipated in the budget process when management decided to offset the anticipated losses 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) ensuring 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 \$47,929,353 in expenses related to governmental activities; \$12,048,248 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 \$42,180,851 were more than adequate to provide for these programs. The City had \$43,583,087 in expenses related to business-type activities. These expenses were offset by program specific charges for services and sales, grants, contributions and interest of \$44,344,931 which, along with \$101,919 in general revenues 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'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 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 Director of Finance, 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.

Proprietary Funds – Proprietary funds use the same basis of accounting as business-type activities. When the City charges citizens for the services it provides, with the intent of recapturing operating costs, these services are generally reported in enterprise funds. Internal service funds are used to account for services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis.

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 2006 compared to 2005.

Table 1
Net Assets

| | <i>Governmental Activities</i> | | <i>Business-Type Activities</i> | | <i>Totals</i> | |
|---|------------------------------------|----------------------|-------------------------------------|----------------------|----------------------|----------------------|
| | <i>Restated 2005</i> | <i>2006</i> | <i>Restated 2005</i> | <i>2006</i> | <i>Restated 2005</i> | <i>2006</i> |
| <u>Assets:</u> | | | | | | |
| Current and Other Assets | \$62,598,758 | \$61,799,765 | \$34,951,194 | \$38,283,933 | \$97,549,952 | \$100,083,698 |
| Nondepreciable Capital Assets | 7,250,075 | 8,690,260 | 2,681,677 | 2,674,595 | 9,931,752 | 11,364,855 |
| Depreciable Capital Assets, Net | 81,401,638 | 83,931,882 | 76,468,277 | 79,988,294 | 157,869,915 | 163,920,176 |
| Total Assets | 151,250,471 | 154,421,907 | 114,101,148 | 120,946,822 | 265,351,619 | 275,368,729 |
| <u>Liabilities:</u> | | | | | | |
| Current and Other Liabilities | 15,515,458 | 14,146,830 | 5,755,267 | 12,282,431 | 21,270,725 | 26,429,261 |
| Long-Term Liabilities: | | | | | | |
| Due Within One Year | 3,449,415 | 3,375,287 | 1,015,147 | 987,895 | 4,464,562 | 4,363,182 |
| Due in More Than One Year | 28,743,038 | 27,057,484 | 7,829,964 | 7,311,963 | 36,573,002 | 34,369,447 |
| Total Liabilities | 47,707,911 | 44,579,601 | 14,600,378 | 20,582,289 | 62,308,289 | 65,161,890 |
| <u>Net Assets:</u> | | | | | | |
| Invested in Capital Assets, Net Of Related Debt | 60,621,053 | 66,224,318 | 69,957,465 | 73,071,202 | 130,578,518 | 139,295,520 |
| Restricted for: | | | | | | |
| Debt Service | 33,203 | 106,878 | 0 | 0 | 33,203 | 106,878 |
| Capital Outlay | 2,788,639 | 33,812 | 0 | 0 | 2,788,639 | 33,812 |
| Unclaimed Monies | 55,525 | 65,398 | 0 | 0 | 55,525 | 65,398 |
| Fire Protection | 4,848,112 | 5,559,304 | 0 | 0 | 4,848,112 | 5,559,304 |
| Streets and Transportation | 2,304,289 | 1,993,481 | 0 | 0 | 2,304,289 | 1,993,481 |
| Parks and Recreation | 5,258,349 | 7,412,710 | 0 | 0 | 5,258,349 | 7,412,710 |
| Other Purposes | 2,424,951 | 1,036,142 | 0 | 0 | 2,424,951 | 1,036,142 |
| Unrestricted | 25,208,439 | 27,410,263 | 29,543,305 | 27,293,331 | 54,751,744 | 54,703,594 |
| Total Net Assets | \$103,542,560 | \$109,842,306 | \$99,500,770 | \$100,364,533 | \$203,043,330 | \$210,206,839 |

Total net assets increased \$7,163,509. Net assets of the City's governmental activities increased by \$6,299,746 with unrestricted net assets increasing \$2,201,824. A large amount of the increase in governmental activities net assets can be attributed to capital contributions.

The net assets of the City's business-type activities increased by \$863,763. 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.

Table 2 shows the changes in net assets for the years ended December 31, 2005 and 2006.

Table 2
Changes In Net Assets

| | <i>Governmental Activities</i> | | <i>Business-Type Activities</i> | | <i>Totals</i> | |
|--|--------------------------------|----------------------|---------------------------------|----------------------|----------------------|----------------------|
| | <i>2005</i> | <i>2006</i> | <i>2005</i> | <i>2006</i> | <i>2005</i> | <i>2006</i> |
| <i>Revenues</i> | | | | | | |
| <i>Program Revenues:</i> | | | | | | |
| Charges for Services and Sales | \$5,018,933 | \$4,801,158 | \$39,920,308 | \$42,541,794 | \$44,939,241 | \$47,342,952 |
| Operating Grants, Contributions and Interest | 4,827,917 | 4,703,862 | 0 | 1,180 | 4,827,917 | 4,705,042 |
| Capital Grants, Contributions and Interest | 2,922,366 | 2,543,228 | 1,642,537 | 1,801,957 | 4,564,903 | 4,345,185 |
| <i>Total Program Revenues</i> | 12,769,216 | 12,048,248 | 41,562,845 | 44,344,931 | 54,332,061 | 56,393,179 |
| <i>General Revenues:</i> | | | | | | |
| Property and Other Taxes | 10,775,973 | 11,673,246 | 0 | 0 | 10,775,973 | 11,673,246 |
| Municipal Income Taxes | 20,062,773 | 21,043,451 | 0 | 0 | 20,062,773 | 21,043,451 |
| Grants and Entitlements | 5,778,664 | 4,828,247 | 0 | 0 | 5,778,664 | 4,828,247 |
| Investment Earnings | 1,725,206 | 3,550,908 | 16,338 | 12,812 | 1,741,544 | 3,563,720 |
| Payments in Lieu of Taxes | 505,051 | 990,236 | 0 | 0 | 505,051 | 990,236 |
| Other | 75,587 | 94,763 | 131,072 | 89,107 | 206,659 | 183,870 |
| <i>Total General Revenues</i> | 38,923,254 | 42,180,851 | 147,410 | 101,919 | 39,070,664 | 42,282,770 |
| <i>Total Revenues</i> | 51,692,470 | 54,229,099 | 41,710,255 | 44,446,850 | 93,402,725 | 98,675,949 |
| <i>Program Expenses:</i> | | | | | | |
| Security of Persons and Property | 21,059,425 | 20,547,925 | 0 | 0 | 21,059,425 | 20,547,925 |
| Public Health | 57,364 | 51,609 | 0 | 0 | 57,364 | 51,609 |
| Leisure Time Activities | 8,268,953 | 8,304,966 | 0 | 0 | 8,268,953 | 8,304,966 |
| Community Development | 2,381,720 | 2,290,453 | 0 | 0 | 2,381,720 | 2,290,453 |
| Basic Utility Services | 395,574 | 308,478 | 0 | 0 | 395,574 | 308,478 |
| Transportation | 3,097,704 | 5,402,240 | 0 | 0 | 3,097,704 | 5,402,240 |
| General Government | 9,484,791 | 9,724,111 | 0 | 0 | 9,484,791 | 9,724,111 |
| Interest and Fiscal Charges | 1,371,225 | 1,299,571 | 0 | 0 | 1,371,225 | 1,299,571 |
| Water | 0 | 0 | 3,171,504 | 3,138,646 | 3,171,504 | 3,138,646 |
| Sewer | 0 | 0 | 5,041,390 | 5,641,950 | 5,041,390 | 5,641,950 |
| Electric | 0 | 0 | 31,124,552 | 32,346,965 | 31,124,552 | 32,346,965 |
| Refuse | 0 | 0 | 1,921,206 | 1,941,027 | 1,921,206 | 1,941,027 |
| Swimming Pool | 0 | 0 | 465,973 | 514,499 | 465,973 | 514,499 |
| <i>Total Expenses</i> | 46,116,756 | 47,929,353 | 41,724,625 | 43,583,087 | 87,841,381 | 91,512,440 |
| Increase in Net Assets before | | | | | | |
| Transfers | 5,575,714 | 6,299,746 | (14,370) | 863,763 | 5,561,344 | 7,163,509 |
| Transfers | (15,878) | 0 | 15,878 | 0 | 0 | 0 |
| Increase in Net Assets | 5,559,836 | 6,299,746 | 1,508 | 863,763 | 5,561,344 | 7,163,509 |
| Net Assets at Beginning of Year | 97,982,724 | 103,542,560 | 99,499,262 | 99,500,770 | 197,481,986 | 203,043,330 |
| <i>Net Assets at End of Year</i> | \$103,542,560 | \$109,842,306 | \$99,500,770 | \$100,364,533 | \$203,043,330 | \$210,206,839 |

Governmental Activities

The most significant variances noted between 2005 and 2006 were the changes in municipal income taxes, unrestricted grants and entitlements and investment earnings revenues, and expenses related to transportation. Income taxes increased by \$980,678 due to continued growth of the City's tax base. Grants and entitlements decreased \$950,417 mainly because of less estate tax monies received in 2006. Investment earnings increased over \$1.8 million due to higher interest rates. Transportation expenses increased by over \$2.3 million due to increased street maintenance.

The 1.25 percent income tax is the largest source of revenue for the City. Employee withholding contributed 71.6 percent of the revenue received in 2006, with business earnings contributing 10.3 percent and individuals contributing 18.1 percent. Residents are permitted, as a credit against their City income tax liability, up to a maximum of 0.95 percent of the 1.25 percent income tax of the amount paid as municipal income tax on the same income in another municipal corporation.

Governmental program expenses for 2006 were as follows:

| | |
|----------------------------------|----------------|
| Security of Persons and Property | 42.87% |
| Public Health | 0.11% |
| Leisure Time Activities | 17.33% |
| Community Development | 4.78% |
| Basic Utility Services | 0.64% |
| Transportation | 11.27% |
| General Government | 20.29% |
| Interest and Fiscal Charges | 2.71% |
| | <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 8.85 percent of revenue. Revenues provided by sources other than City residents in the form of operating and capital grants comprise another 13.36 percent. 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 2005 and 2006 were the increases in charges for services and sales revenues and in sewer and electric expenses. Charges for services and sales increased by over \$2.6 million due mainly to an increase in electric and sewer treatment charges and higher rates. Electric expenses increased by over \$1.2 million due to the increased cost of wholesale electric power, and sewer expenses increased by \$600,560 due to an increase in sewer treatment charges.

Water treatment and facility repair services are provided by the City 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 also collects a tap fee each time a new tap to the system is made which funds a portion of system repair and replacement. The City 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 also collects a tap fee each time a new tap to the system is made which funds a portion of system repair and replacement. The City 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 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. The City 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 \$52,507,622 and expenditures of \$52,642,464. The General Fund balance increased by \$2,289,187, due to increases in income tax, property tax and interest receipts.

The Fire Operating Fund balance increased \$665,787, 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 decreased slightly by \$25,166.

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 2006 there were eight revisions to the General Fund budget. The net effect of the revisions was an increase in appropriations of \$2,728,208.

The Director of Finance 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 and other financing sources were \$30,838,199. The final budgeted amount was \$31,268,143. This increase of \$429,944 was due primarily to the net increase in income tax receipts and interest.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

Table 3
Capital Assets
(Net Of Depreciation)

| | <i>Governmental Activities</i> | | <i>Business-Type Activities</i> | | <i>Totals</i> | |
|--------------------------|------------------------------------|---------------------|-------------------------------------|---------------------|----------------------|----------------------|
| | <u>Restated 2005</u> | <u>2006</u> | <u>Restated 2005</u> | <u>2006</u> | <u>Restated 2005</u> | <u>2006</u> |
| Land | \$6,594,343 | \$7,210,365 | \$1,091,107 | \$1,091,107 | 7,685,450 | 8,301,472 |
| Construction in Progress | 655,732 | 1,479,895 | 1,590,570 | 1,583,488 | 2,246,302 | 3,063,383 |
| Land Improvements | 10,791,418 | 10,562,264 | 1,805,716 | 1,660,870 | 12,597,134 | 12,223,134 |
| Buildings | 27,202,497 | 26,306,744 | 3,338,964 | 3,315,598 | 30,541,461 | 29,622,342 |
| Furniture and Equipment | 2,422,943 | 2,309,327 | 5,225,470 | 5,365,863 | 7,648,413 | 7,675,190 |
| Vehicles | 1,220,097 | 1,761,737 | 997,706 | 1,040,541 | 2,217,803 | 2,802,278 |
| Infrastructure | 39,764,684 | 42,991,810 | 0 | 0 | 39,764,684 | 42,991,810 |
| Water Lines | 0 | 0 | 20,869,670 | 22,728,264 | 20,869,670 | 22,728,264 |
| Sewer Lines | 0 | 0 | 12,409,204 | 13,730,807 | 12,409,204 | 13,730,807 |
| Electric System | 0 | 0 | 31,821,547 | 32,146,351 | 31,821,547 | 32,146,351 |
| <i>Totals</i> | <u>\$88,651,714</u> | <u>\$92,622,142</u> | <u>\$79,149,954</u> | <u>\$82,662,889</u> | <u>\$167,801,668</u> | <u>\$175,285,031</u> |

The increase in infrastructure of governmental activities was the result of \$3,227,126 of infrastructure additions, net of depreciation, 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, 2006, the City of Westerville had \$34,223,557 in debt outstanding.

Table 4
Outstanding Debt at Year-end

| | <i>Governmental Activities</i> | | <i>Business-Type Activities</i> | | <i>Totals</i> | |
|--------------------------|------------------------------------|---------------------|-------------------------------------|--------------------|---------------------|---------------------|
| | <u>2005</u> | <u>2006</u> | <u>2005</u> | <u>2006</u> | <u>2005</u> | <u>2006</u> |
| General Obligation Bonds | \$28,429,696 | \$26,648,305 | \$6,284,181 | \$5,750,772 | \$34,713,877 | \$32,399,077 |
| ODNR Debt | 0 | 0 | 1,839,754 | 1,802,455 | 1,839,754 | 1,802,455 |
| Police Pension Liability | 22,564 | 22,025 | 0 | 0 | 22,564 | 22,025 |
| <i>Totals</i> | <u>\$28,452,260</u> | <u>\$26,670,330</u> | <u>\$8,123,935</u> | <u>\$7,553,227</u> | <u>\$36,576,195</u> | <u>\$34,223,557</u> |

All general obligation bond issues will be paid through the Debt Service Fund with property and income 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 \$86,683,408 as of December 31, 2006. The more restrictive unvoted legal debt margin within 5.5 percent was \$32,605,134 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, Director of Finance, City of Westerville, 21 S. State Street, Westerville, Ohio 43081-2119.

Basic Financial Statements

City of Westerville, Ohio
Statement of Net Assets
December 31, 2006

| | Governmental Activities | Business-Type Activities | Totals |
|---|------------------------------------|-------------------------------------|----------------------|
| <u>Assets:</u> | | | |
| Equity in Pooled Cash and Cash Equivalents | \$41,168,979 | \$29,051,227 | \$70,220,206 |
| Cash and Cash Equivalents with Fiscal Agents | 142,105 | 641 | 142,746 |
| Accrued Interest Receivable | 706,802 | 0 | 706,802 |
| Accounts Receivable, Net | 157,142 | 6,602,531 | 6,759,673 |
| Municipal Income Taxes Receivable | 2,906,300 | 0 | 2,906,300 |
| Intergovernmental Receivable | 3,007,611 | 10,769 | 3,018,380 |
| Property and Other Local Taxes Receivable | 11,879,284 | 0 | 11,879,284 |
| Payments in Lieu of Taxes Receivable | 215,200 | 0 | 215,200 |
| Prepaid Items | 289,193 | 0 | 289,193 |
| Materials and Supplies Inventory | 639,401 | 1,022,871 | 1,662,272 |
| Internal Balances | (168,740) | 168,740 | 0 |
| Deferred Charges | 100,230 | 54,623 | 154,853 |
| Land Held for Resale | 756,258 | 0 | 756,258 |
| Water Rights, Net | 0 | 1,372,531 | 1,372,531 |
| Nondepreciable Capital Assets | 8,690,260 | 2,674,595 | 11,364,855 |
| Depreciable Capital Assets, Net | 83,931,882 | 79,988,294 | 163,920,176 |
| Total Assets | 154,421,907 | 120,946,822 | 275,368,729 |
| <u>Liabilities:</u> | | | |
| Accounts Payable | 468,400 | 2,421,998 | 2,890,398 |
| Contracts Payable | 380,037 | 312,830 | 692,867 |
| Accrued Wages | 874,330 | 150,374 | 1,024,704 |
| Retainage Payable | 183,185 | 48,528 | 231,713 |
| Intergovernmental Payable | 614,472 | 1,219,860 | 1,834,332 |
| Accrued Interest Payable | 102,120 | 51,808 | 153,928 |
| Matured Interest Payable | 3,067 | 641 | 3,708 |
| Matured Compensated Absences Payable | 187,701 | 0 | 187,701 |
| Unearned Revenue | 11,333,518 | 11,565 | 11,345,083 |
| Deposits Held and Due to Others | 0 | 139,827 | 139,827 |
| Notes Payable | 0 | 7,925,000 | 7,925,000 |
| Long-Term Liabilities: | | | |
| Due Within One Year | 3,375,287 | 987,895 | 4,363,182 |
| Due in More Than One Year | 27,057,484 | 7,311,963 | 34,369,447 |
| Total Liabilities | 44,579,601 | 20,582,289 | 65,161,890 |
| <u>Net Assets:</u> | | | |
| Invested in Capital Assets, Net of Related Debt | 66,224,318 | 73,071,202 | 139,295,520 |
| Restricted for: | | | |
| Debt Service | 106,878 | 0 | 106,878 |
| Capital Outlay | 33,812 | 0 | 33,812 |
| Unclaimed Monies | 65,398 | 0 | 65,398 |
| Fire Protection | 5,559,304 | 0 | 5,559,304 |
| Streets and Transportation | 1,993,481 | 0 | 1,993,481 |
| Parks and Recreation | 7,412,710 | 0 | 7,412,710 |
| Other Purposes | 1,036,142 | 0 | 1,036,142 |
| Unrestricted | 27,410,263 | 27,293,331 | 54,703,594 |
| Total Net Assets | \$109,842,306 | \$100,364,533 | \$210,206,839 |

See accompanying notes to the basic financial statements

City of Westerville, Ohio
Statement of Activities
For the Year Ended December 31, 2006

| | <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> |
| <u>Governmental Activities:</u> | | | | |
| Security of Persons and Property | \$20,547,925 | \$78,934 | \$2,807,151 | \$0 |
| Public Health | 51,609 | 27,696 | 0 | 0 |
| Leisure Time Activities | 8,304,966 | 2,872,625 | 23,238 | 724,644 |
| Community Development | 2,290,453 | 964,507 | 0 | 0 |
| Basic Utility Services | 308,478 | 0 | 0 | 1,197,366 |
| Transportation | 5,402,240 | 39,600 | 1,873,223 | 621,218 |
| General Government | 9,724,111 | 817,796 | 250 | 0 |
| Interest and Fiscal Charges | 1,299,571 | 0 | 0 | 0 |
| <i>Total Governmental Activities</i> | <u>47,929,353</u> | <u>4,801,158</u> | <u>4,703,862</u> | <u>2,543,228</u> |
| <u>Business-Type Activities:</u> | | | | |
| Water | 3,138,646 | 3,396,837 | 1,180 | 1,015,313 |
| Sewer | 5,641,950 | 5,839,503 | 0 | 786,644 |
| Electric | 32,346,965 | 30,976,955 | 0 | 0 |
| Refuse | 1,941,027 | 1,924,673 | 0 | 0 |
| Swimming Pool | 514,499 | 403,826 | 0 | 0 |
| <i>Total Business-Type Activities</i> | <u>43,583,087</u> | <u>42,541,794</u> | <u>1,180</u> | <u>1,801,957</u> |
| <i>Total Activities</i> | <u>\$91,512,440</u> | <u>\$47,342,952</u> | <u>\$4,705,042</u> | <u>\$4,345,185</u> |

General Revenues:

Property and Other Local 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

Total General Revenues

Change in Net Assets

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

Net Assets at 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> |
|------------------------------------|-------------------------------------|----------------------|
| (\$17,661,840) | \$0 | (\$17,661,840) |
| (23,913) | 0 | (23,913) |
| (4,684,459) | 0 | (4,684,459) |
| (1,325,946) | 0 | (1,325,946) |
| 888,888 | 0 | 888,888 |
| (2,868,199) | 0 | (2,868,199) |
| (8,906,065) | 0 | (8,906,065) |
| (1,299,571) | 0 | (1,299,571) |
| <u>(35,881,105)</u> | <u>0</u> | <u>(35,881,105)</u> |
| 0 | 1,274,684 | 1,274,684 |
| 0 | 984,197 | 984,197 |
| 0 | (1,370,010) | (1,370,010) |
| 0 | (16,354) | (16,354) |
| 0 | (110,673) | (110,673) |
| <u>0</u> | <u>761,844</u> | <u>761,844</u> |
| <u>(35,881,105)</u> | <u>761,844</u> | <u>(35,119,261)</u> |
| 3,633,506 | 0 | 3,633,506 |
| 7,588,375 | 0 | 7,588,375 |
| 451,365 | 0 | 451,365 |
| 17,027,641 | 0 | 17,027,641 |
| 4,015,810 | 0 | 4,015,810 |
| 4,828,247 | 0 | 4,828,247 |
| 3,550,908 | 12,812 | 3,563,720 |
| 990,236 | 0 | 990,236 |
| 94,763 | 89,107 | 183,870 |
| <u>42,180,851</u> | <u>101,919</u> | <u>42,282,770</u> |
| 6,299,746 | 863,763 | 7,163,509 |
| <u>103,542,560</u> | <u>99,500,770</u> | <u>203,043,330</u> |
| <u>\$109,842,306</u> | <u>\$100,364,533</u> | <u>\$210,206,839</u> |

City of Westerville, Ohio
 Balance Sheet
 Governmental Funds
 December 31, 2006

| | <i>General</i> | <i>Fire Operating</i> | <i>Parks and Recreation Operating</i> | <i>Nonmajor Governmental Funds</i> | <i>Total Governmental Funds</i> |
|--|---------------------|---------------------------|---|--|---|
| <u>Assets:</u> | | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$13,994,388 | \$6,921,934 | \$5,539,883 | \$13,916,510 | \$40,372,715 |
| Cash and Cash Equivalents with Fiscal Agents | 0 | 0 | 0 | 142,105 | 142,105 |
| Receivables: | | | | | |
| Property and Other Local Taxes | 3,504,300 | 8,167,900 | 0 | 207,084 | 11,879,284 |
| Municipal Income Taxes | 2,325,040 | 0 | 0 | 581,260 | 2,906,300 |
| Accounts | 142,094 | 0 | 8,469 | 6,579 | 157,142 |
| Payments in Lieu of Taxes | 0 | 0 | 0 | 215,200 | 215,200 |
| Accrued Interest | 617,602 | 77,183 | 0 | 4,666 | 699,451 |
| Intergovernmental Receivable | 1,585,702 | 352,648 | 215,472 | 853,789 | 3,007,611 |
| Prepaid Items | 289,193 | 0 | 0 | 0 | 289,193 |
| Materials and Supplies Inventory | 274,654 | 0 | 129,017 | 195,152 | 598,823 |
| Land Held for Resale | 756,258 | 0 | 0 | 0 | 756,258 |
| Interfund Receivable | 9,722,200 | 0 | 181,904 | 12,937 | 9,917,041 |
| Total Assets | \$33,211,431 | \$15,519,665 | \$6,074,745 | \$16,135,282 | \$70,941,123 |
| <u>Liabilities and Fund Balances:</u> | | | | | |
| <u>Liabilities:</u> | | | | | |
| Accounts Payable | \$135,818 | \$135,578 | \$116,036 | \$78,989 | \$466,421 |
| Contracts Payable | 0 | 0 | 17,988 | 362,049 | 380,037 |
| Retainage Payable | 0 | 0 | 40,876 | 142,309 | 183,185 |
| Accrued Wages | 467,328 | 256,362 | 119,195 | 22,322 | 865,207 |
| Intergovernmental Payable | 327,549 | 178,531 | 82,544 | 20,180 | 608,804 |
| Matured Interest Payable | 0 | 0 | 0 | 3,067 | 3,067 |
| Due To Other Funds | 7,371 | 2,388 | 20,598 | 0 | 30,357 |
| Deferred Revenue | 6,603,825 | 8,520,548 | 219,707 | 1,384,152 | 16,728,232 |
| Matured Compensated Absences Payable | 97,046 | 76,724 | 13,931 | 0 | 187,701 |
| Interfund Payable | 0 | 237,507 | 0 | 9,766,864 | 10,004,371 |
| Total Liabilities | 7,638,937 | 9,407,638 | 630,875 | 11,779,932 | 29,457,382 |
| <u>Fund Balances:</u> | | | | | |
| Reserved for Encumbrances | 258,910 | 75,695 | 324,892 | 2,159,853 | 2,819,350 |
| Reserved for Interfund Receivable | 9,334,974 | 0 | 65,000 | 12,937 | 9,412,911 |
| Reserved for Land Held for Resale | 756,258 | 0 | 0 | 0 | 756,258 |
| Reserved for Unclaimed Monies | 65,398 | 0 | 0 | 0 | 65,398 |
| Unreserved: | | | | | |
| Undesignated (Deficit), Reported in: | | | | | |
| General Fund | 15,156,954 | 0 | 0 | 0 | 15,156,954 |
| Special Revenue Funds | 0 | 6,036,332 | 5,053,978 | 4,185,409 | 15,275,719 |
| Debt Service Fund | 0 | 0 | 0 | 199,513 | 199,513 |
| Capital Projects Funds | 0 | 0 | 0 | (2,202,362) | (2,202,362) |
| Total Fund Balances | 25,572,494 | 6,112,027 | 5,443,870 | 4,355,350 | 41,483,741 |
| Total Liabilities and Fund Balances | \$33,211,431 | \$15,519,665 | \$6,074,745 | \$16,135,282 | \$70,941,123 |

See accompanying notes to the basic financial statements:

City of Westerville, Ohio
 Reconciliation of Total Governmental Fund Balances to
 Net Assets of Governmental Activities
 December 31, 2006

| | |
|---|--|
| <i>Total Governmental Fund Balances</i> | \$41,483,741 |
| Amounts reported for governmental activities in the Statement of Net Assets are different because: | |
| Capital Assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of: | |
| Land | \$7,210,365 |
| Construction In Progress | 1,479,895 |
| Infrastructure | 47,437,713 |
| Other Capital Assets | 60,137,588 |
| Accumulated Depreciation | <u>(23,851,632)</u> |
| | 92,413,929 |
| 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. | |
| | 956,279 |
| An internal balance is recorded in governmental activities to reflect underpayments to the internal service fund by the business-type activities. | |
| | (50,812) |
| Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds: | |
| Municipal Income Taxes | 1,426,341 |
| Property and Other Local Taxes | 539,617 |
| Payments in Lieu of Taxes | 215,200 |
| Intergovernmental | 2,501,272 |
| Accrued Interest Receivable | 592,247 |
| Accounts | <u>120,036</u> |
| | 5,394,713 |
| 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. | |
| | 100,230 |
| 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 | (102,120) |
| General Obligation Bonds | (26,681,455) |
| Discount on Bonds | 33,150 |
| Police Pension | (22,025) |
| Compensated Absences | <u>(3,683,324)</u> |
| | <u>(30,455,774)</u> |
| <i>Net Assets of Governmental Activities</i> | <u><u>\$109,842,306</u></u> |

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, 2006

| | <u>General</u> | <u>Fire Operating</u> | <u>Parks and Recreation Operating</u> | <u>Nonmajor Governmental Funds</u> | <u>Total Governmental Funds</u> |
|---|---------------------|---------------------------|---|--|---|
| <u>Revenues:</u> | | | | | |
| Property Taxes | \$3,198,620 | \$7,564,014 | \$0 | \$464,837 | \$11,227,471 |
| Municipal Income Taxes | 17,179,148 | 0 | 0 | 4,053,687 | 21,232,835 |
| Other Local Taxes | 0 | 0 | 0 | 345,566 | 345,566 |
| Payments in Lieu of Taxes | 0 | 0 | 0 | 860,139 | 860,139 |
| Intergovernmental | 5,656,423 | 2,382,380 | 661,144 | 1,955,395 | 10,655,342 |
| Charges for Services | 695,285 | 4,334 | 2,844,367 | 0 | 3,543,986 |
| Fees, Licenses and Permits | 657,325 | 50 | 19,694 | 39,600 | 716,669 |
| Fines and Forfeitures | 441,785 | 0 | 0 | 73,678 | 515,463 |
| Interest | 2,229,584 | 308,655 | 0 | 100,873 | 2,639,112 |
| Increase in Fair Value of Cash Equivalents | 481,144 | 58,151 | 0 | 2,005 | 541,300 |
| Other | 104,640 | 11,158 | 20,366 | 93,575 | 229,739 |
| <i>Total Revenues</i> | <u>30,643,954</u> | <u>10,328,742</u> | <u>3,545,571</u> | <u>7,989,355</u> | <u>52,507,622</u> |
| <u>Expenditures:</u> | | | | | |
| Current: | | | | | |
| Security of Persons and Property | 10,443,419 | 9,761,448 | 0 | 48,064 | 20,252,931 |
| Public Health | 46,945 | 0 | 0 | 0 | 46,945 |
| Leisure Time Activities | 0 | 0 | 7,466,748 | 0 | 7,466,748 |
| Community Development | 2,252,948 | 0 | 0 | 0 | 2,252,948 |
| Basic Utility Services | 325,564 | 0 | 0 | 0 | 325,564 |
| Transportation | 0 | 0 | 0 | 2,157,229 | 2,157,229 |
| General Government | 8,022,090 | 0 | 0 | 1,448,034 | 9,470,124 |
| Capital Outlay | 0 | 0 | 0 | 7,588,335 | 7,588,335 |
| Debt Service: | | | | | |
| Principal Retirement | 539 | 0 | 0 | 1,783,390 | 1,783,929 |
| Interest and Fiscal Charges | 953 | 0 | 0 | 1,296,758 | 1,297,711 |
| <i>Total Expenditures</i> | <u>21,092,458</u> | <u>9,761,448</u> | <u>7,466,748</u> | <u>14,321,810</u> | <u>52,642,464</u> |
| <i>Excess of Revenues Over (Under) Expenditures</i> | <u>9,551,496</u> | <u>567,294</u> | <u>(3,921,177)</u> | <u>(6,332,455)</u> | <u>(134,842)</u> |
| <u>Other Financing Sources (Uses):</u> | | | | | |
| Proceeds From Sale of Capital Assets | 2,669 | 3,000 | 0 | 0 | 5,669 |
| Transfers - In | 0 | 95,493 | 3,896,011 | 6,832,126 | 10,823,630 |
| Transfers - Out | (7,264,978) | 0 | 0 | (3,558,652) | (10,823,630) |
| <i>Total Other Financing Sources (Uses)</i> | <u>(7,262,309)</u> | <u>98,493</u> | <u>3,896,011</u> | <u>3,273,474</u> | <u>5,669</u> |
| Net Change in Fund Balances | 2,289,187 | 665,787 | (25,166) | (3,058,981) | (129,173) |
| Fund Balances at Beginning of Year - Restated (See Note 3) | <u>23,283,307</u> | <u>5,446,240</u> | <u>5,469,036</u> | <u>7,414,331</u> | <u>41,612,914</u> |
| <i>Fund Balances at End of Year</i> | <u>\$25,572,494</u> | <u>\$6,112,027</u> | <u>\$5,443,870</u> | <u>\$4,355,350</u> | <u>\$41,483,741</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, 2006

| | | |
|---|-------------|---------------------------|
| Net Change in Fund Balances - Total Governmental Funds | | (\$129,173) |
| Amounts reported for governmental activities in the Statement of Activities are different because: | | |
| Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are: | | |
| Capital Outlay | \$7,618,218 | |
| Depreciation | (4,789,642) | |
| Excess of Capital Outlay over Depreciation Expense | | 2,828,576 |
| 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. | | |
| | | 1,197,366 |
| Governmental funds only report the disposal of capital 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 | (5,669) | |
| Loss on Disposal of Assets | (29,640) | |
| | | (35,309) |
| 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. | | |
| | | 182,871 |
| 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 | 1,783,390 | |
| Police Pension Principal Payments | 539 | |
| | | 1,783,929 |
| 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 | 337,898 | |
| Municipal Income Taxes | (189,384) | |
| Property and Other Local Taxes | 230,306 | |
| Intergovernmental | 106,228 | |
| Charges for Services | 20,134 | |
| Fees, Licenses and Permits | (28,067) | |
| Miscellaneous | 8,729 | |
| | | 485,844 |
| 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) | |
| Amortization 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 | | 6,184 |
| 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 | | (12,499) |
| Change in Net Assets of Governmental Activities | | <u><u>\$6,299,746</u></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
General Fund
For the Year Ended December 31, 2006

| | <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> | |
| <u>Revenues:</u> | | | | | |
| Property Taxes | \$2,955,075 | \$3,198,619 | \$3,198,620 | \$3,198,620 | \$1 |
| Municipal Income Taxes | 15,961,032 | 17,132,500 | 17,388,129 | 17,388,129 | 255,629 |
| Intergovernmental | 5,428,467 | 5,954,933 | 5,885,260 | 5,885,260 | (69,673) |
| Charges for Services | 766,625 | 704,061 | 710,147 | 710,147 | 6,086 |
| Fees, Licenses and Permits | 568,350 | 673,729 | 670,517 | 670,517 | (3,212) |
| Fines and Forfeitures | 415,000 | 438,324 | 438,324 | 438,324 | 0 |
| Interest | 1,594,500 | 2,300,000 | 2,293,596 | 2,293,596 | (6,404) |
| Other | 61,150 | 97,000 | 107,239 | 107,239 | 10,239 |
| <i>Total Revenues</i> | <u>27,750,199</u> | <u>30,499,166</u> | <u>30,691,832</u> | <u>30,691,832</u> | <u>192,666</u> |
| <u>Expenditures:</u> | | | | | |
| Current: | | | | | |
| Security of Persons and Property | 12,061,337 | 12,036,507 | 10,472,763 | 83,587 | 1,480,157 |
| Public Health | 58,325 | 58,032 | 47,129 | 6,092 | 4,811 |
| Community Development | 2,574,790 | 2,653,367 | 2,337,719 | 59,075 | 256,573 |
| Basic Utility Services | 439,209 | 434,515 | 318,794 | 16,354 | 99,367 |
| General Government | 9,374,582 | 9,341,830 | 8,183,123 | 257,910 | 900,797 |
| <i>Total Expenditures</i> | <u>24,508,243</u> | <u>24,524,251</u> | <u>21,359,528</u> | <u>423,018</u> | <u>2,741,705</u> |
| Excess of Revenues Over Expenditures | <u>3,241,956</u> | <u>5,974,915</u> | <u>9,332,304</u> | <u>(423,018)</u> | <u>2,934,371</u> |
| <u>Other Financing Sources (Uses):</u> | | | | | |
| Proceeds from Sale of Capital Assets | 0 | 2,669 | 2,669 | 2,669 | 0 |
| Advances - In | 3,088,000 | 766,308 | 766,308 | 766,308 | 0 |
| Advances - Out | 0 | (2,237,200) | (2,237,200) | 0 | 0 |
| Transfers - Out | (6,789,978) | (7,264,978) | (7,264,978) | 0 | 0 |
| <i>Total Other Financing Sources (Uses)</i> | <u>(3,701,978)</u> | <u>(8,733,201)</u> | <u>(8,733,201)</u> | <u>0</u> | <u>0</u> |
| Net Change in Fund Balance | (460,022) | (2,758,286) | 599,103 | (423,018) | 2,934,371 |
| Fund Balance at Beginning of Year | 12,925,695 | 12,994,687 | 13,521,448 | (526,761) | 0 |
| Prior Year Encumbrances Carried Over | 595,754 | 526,761 | 0 | 526,761 | 0 |
| <i>Fund Balance at End of Year</i> | <u>\$13,061,427</u> | <u>\$10,763,162</u> | <u>\$14,120,551</u> | <u>(\$423,018)</u> | <u>\$2,934,371</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, 2006

| | <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> |
| <u>Revenues:</u> | | | | | | |
| Property Taxes | \$7,345,310 | \$7,564,012 | \$7,564,014 | | \$7,564,014 | \$2 |
| Intergovernmental | 2,304,690 | 2,382,378 | 2,382,380 | | 2,382,380 | 2 |
| Charges for Services | 0 | 4,334 | 4,334 | | 4,334 | 0 |
| Fees, Licenses and Permits | 0 | 50 | 50 | | 50 | 0 |
| Interest | 95,000 | 250,000 | 273,362 | | 273,362 | 23,362 |
| Other | 1,500 | 11,157 | 11,158 | | 11,158 | 1 |
| <i>Total Revenues</i> | <u>9,746,500</u> | <u>10,211,931</u> | <u>10,235,298</u> | | <u>10,235,298</u> | <u>23,367</u> |
| <u>Expenditures:</u> | | | | | | |
| Current: | | | | | | |
| Security of Persons and Property | 10,518,907 | 10,493,515 | 9,628,809 | 215,806 | 9,844,615 | 648,900 |
| Excess of Revenues Over Expenditures (Under) Expenditures | (772,407) | (281,584) | 606,489 | (215,806) | 390,683 | 672,267 |
| <u>Other Financing Sources:</u> | | | | | | |
| Proceeds from Sale of Capital Assets | 0 | 3,000 | 3,000 | | 3,000 | 0 |
| Net Change in Fund Balance | (772,407) | (278,584) | 609,489 | (215,806) | 393,683 | 672,267 |
| Fund Balance at Beginning of Year | 6,247,380 | 6,283,222 | 6,332,121 | (48,899) | 6,283,222 | 0 |
| Prior Year Encumbrances Carried Over | 84,739 | 48,899 | 0 | 48,899 | 48,899 | 0 |
| <i>Fund Balance at End of Year</i> | <u>\$5,559,712</u> | <u>\$6,053,537</u> | <u>\$6,941,610</u> | <u>(\$215,806)</u> | <u>\$6,725,804</u> | <u>\$672,267</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, 2006

| | <i>Budget</i> | | <i>Actual</i> | | | <i>Variance Positive (Negative)</i> |
|---|--------------------|--------------------|---------------------|---------------------|--------------------|---|
| | <i>Original</i> | <i>Final</i> | <i>Cash</i> | | <i>Total</i> | |
| | | | <i>Transactions</i> | <i>Encumbrances</i> | | |
| <u>Revenues:</u> | | | | | | |
| Intergovernmental | \$784,792 | \$661,143 | \$661,144 | | \$661,144 | \$1 |
| Charges for Services | 2,696,550 | 2,726,060 | 2,842,445 | | 2,842,445 | 116,385 |
| Fees, Licenses and Permits | 27,000 | 19,693 | 19,694 | | 19,694 | 1 |
| Other | 1,500 | 21,001 | 19,791 | | 19,791 | (1,210) |
| <i>Total Revenues</i> | <u>3,509,842</u> | <u>3,427,897</u> | <u>3,543,074</u> | | <u>3,543,074</u> | <u>115,177</u> |
| <u>Expenditures:</u> | | | | | | |
| Current: | | | | | | |
| Leisure Time Activities | 8,470,310 | 8,522,613 | 7,442,749 | 478,994 | 7,921,743 | 600,870 |
| Excess of Revenues | | | | | | |
| Under Expenditures | (4,960,468) | (5,094,716) | (3,899,675) | (478,994) | (4,378,669) | 716,047 |
| <u>Other Financing Sources (Uses):</u> | | | | | | |
| Advances - Out | 0 | (181,904) | (181,904) | 0 | (181,904) | 0 |
| Transfers - In | 3,896,011 | 3,896,011 | 3,896,011 | | 3,896,011 | 0 |
| <i>Total Other Financing Sources (Uses)</i> | <u>3,896,011</u> | <u>3,714,107</u> | <u>3,714,107</u> | <u>0</u> | <u>3,714,107</u> | <u>0</u> |
| Net Change in Fund Balance | (1,064,457) | (1,380,609) | (185,568) | (478,994) | (664,562) | 716,047 |
| Fund Balance at Beginning of Year | 4,718,970 | 4,800,707 | 5,725,451 | (924,744) | 4,800,707 | 0 |
| Prior Year Encumbrances Carried Over | 1,006,485 | 924,744 | 0 | 924,744 | 924,744 | 0 |
| <i>Fund Balance at End of Year</i> | <u>\$4,660,998</u> | <u>\$4,344,842</u> | <u>\$5,539,883</u> | <u>(\$478,994)</u> | <u>\$5,060,889</u> | <u>\$716,047</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, 2006

| | <i>Business Type Activities --</i> | | |
|---|------------------------------------|---------------------|---------------------|
| | <i>Water</i> | <i>Sewer</i> | <i>Electric</i> |
| <u>Assets:</u> | | | |
| <u>Current Assets:</u> | | | |
| Equity in Pooled Cash and Cash Equivalents | \$7,533,070 | \$3,032,226 | \$17,656,981 |
| Cash and Cash Equivalents with Fiscal Agents | 641 | 0 | 0 |
| Receivables: | | | |
| Accounts, Net | 410,967 | 902,242 | 4,985,111 |
| Intergovernmental | 10,769 | 0 | 0 |
| Accrued Interest | 0 | 0 | 0 |
| Due From Other Funds | 0 | 0 | 44,737 |
| Materials and Supplies Inventory | 119,389 | 8,700 | 894,782 |
| <i>Total Current Assets</i> | <u>8,074,836</u> | <u>3,943,168</u> | <u>23,581,611</u> |
| <u>Non-current Assets:</u> | | | |
| Interfund Receivable | 57,000 | 280,330 | 320,000 |
| Deferred Charges | 0 | 0 | 54,623 |
| Water Rights, Net | 1,372,531 | 0 | 0 |
| Capital Assets: | | | |
| Nondepreciable Capital Assets | 829,670 | 316,567 | 1,448,358 |
| Depreciable Capital Assets, Net | 24,538,419 | 14,281,100 | 39,818,863 |
| <i>Total Non-current Assets</i> | <u>26,797,620</u> | <u>14,877,997</u> | <u>41,641,844</u> |
| <i>Total Assets</i> | <u>34,872,456</u> | <u>18,821,165</u> | <u>65,223,455</u> |
| <u>Liabilities:</u> | | | |
| <u>Current Liabilities:</u> | | | |
| Accounts Payable | 26,878 | 5,099 | 2,251,525 |
| Contracts Payable | 222,272 | 0 | 90,558 |
| Accrued Wages | 36,613 | 11,105 | 98,293 |
| Retainage Payable | 16,235 | 0 | 32,293 |
| Matured Interest Payable | 641 | 0 | 0 |
| Accrued Interest Payable | 36,648 | 0 | 15,160 |
| Intergovernmental Payable | 23,762 | 1,125,049 | 66,138 |
| Due To Other Funds | 11,851 | 1,187 | 0 |
| Unearned Revenue | 0 | 0 | 11,565 |
| Deposits Held and Due to Others | 0 | 0 | 139,827 |
| Notes Payable | 0 | 0 | 7,925,000 |
| Compensated Absences Payable | 102,572 | 31,793 | 249,929 |
| ODNR Loans Payable | 38,501 | 0 | 0 |
| General Obligation Bonds Payable | 350,000 | 0 | 204,940 |
| <i>Total Current Liabilities</i> | <u>865,973</u> | <u>1,174,233</u> | <u>11,085,228</u> |
| <u>Long-Term Liabilities:</u> | | | |
| Interfund Payable | 0 | 0 | 0 |
| Compensated Absences Payable, Net | 127,468 | 17,610 | 195,972 |
| ODNR Loans Payable, Net | 1,763,954 | 0 | 0 |
| General Obligation Bonds Payable, Net | 1,555,000 | 0 | 3,640,832 |
| <i>Total Long-Term Liabilities</i> | <u>3,446,422</u> | <u>17,610</u> | <u>3,836,804</u> |
| <i>Total Liabilities</i> | <u>4,312,395</u> | <u>1,191,843</u> | <u>14,922,032</u> |
| <u>Net Assets:</u> | | | |
| Invested in Capital Assets, Net of Related Debt | 21,660,634 | 14,597,667 | 35,382,989 |
| Unrestricted | 8,899,427 | 3,031,655 | 14,918,434 |
| <i>Total Net Assets</i> | <u>\$30,560,061</u> | <u>\$17,629,322</u> | <u>\$50,301,423</u> |

Adjustment to reflect the consolidation of the Garage Internal Service Fund's activities related to Enterprise Fund
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> |
| \$828,950 | \$29,051,227 | \$796,265 |
| 0 | 641 | 0 |
| 304,211 | 6,602,531 | 0 |
| 0 | 10,769 | 0 |
| 0 | 0 | 7,351 |
| 0 | 44,737 | 0 |
| 0 | 1,022,871 | 40,578 |
| <u>1,133,161</u> | <u>36,732,776</u> | <u>844,194</u> |
| 0 | 657,330 | 0 |
| 0 | 54,623 | 0 |
| 0 | 1,372,531 | 0 |
| 80,000 | 2,674,595 | 0 |
| 1,349,912 | 79,988,294 | 208,213 |
| <u>1,429,912</u> | <u>84,747,373</u> | <u>208,213</u> |
| <u>2,563,073</u> | <u>121,480,149</u> | <u>1,052,407</u> |
| 138,496 | 2,421,998 | 1,979 |
| 0 | 312,830 | 0 |
| 4,363 | 150,374 | 9,123 |
| 0 | 48,528 | 0 |
| 0 | 641 | 0 |
| 0 | 51,808 | 0 |
| 4,911 | 1,219,860 | 5,668 |
| 1,101 | 14,139 | 241 |
| 0 | 11,565 | 0 |
| 0 | 139,827 | 0 |
| 0 | 7,925,000 | 0 |
| 10,160 | 394,454 | 21,100 |
| 0 | 38,501 | 0 |
| 0 | 554,940 | 0 |
| <u>159,031</u> | <u>13,284,465</u> | <u>38,111</u> |
| 570,000 | 570,000 | 0 |
| 11,127 | 352,177 | 58,017 |
| 0 | 1,763,954 | 0 |
| 0 | 5,195,832 | 0 |
| <u>581,127</u> | <u>7,881,963</u> | <u>58,017</u> |
| <u>740,158</u> | <u>21,166,428</u> | <u>96,128</u> |
| 1,429,912 | 73,071,202 | 208,213 |
| 393,003 | 27,242,519 | 748,066 |
| <u>\$1,822,915</u> | <u>100,313,721</u> | <u>\$956,279</u> |
| | <u>50,812</u> | |
| | <u>\$100,364,533</u> | |

City of Westerville, Ohio
Statement of Revenues,
Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended December 31, 2006

| | <i>Business Type Activities -</i> | | |
|---|-----------------------------------|---------------------|---------------------|
| | <i>Water</i> | <i>Sewer</i> | <i>Electric</i> |
| <u>Operating Revenues:</u> | | | |
| Charges for Services | \$2,821,637 | \$5,545,153 | \$30,961,386 |
| Tap-In Fees | 0 | 11,850 | 0 |
| Other Operating Revenues | 42,948 | 4,104 | 41,782 |
| <i>Total Operating Revenues</i> | <u>2,864,585</u> | <u>5,561,107</u> | <u>31,003,168</u> |
| <u>Operating Expenses:</u> | | | |
| Personal Services | 1,250,576 | 479,386 | 2,730,541 |
| Contractual Services | 551,407 | 4,660,262 | 27,099,784 |
| Materials and Supplies | 312,419 | 23,491 | 266,497 |
| Claims | 0 | 0 | 0 |
| Other | 1,660 | 6,251 | 70,101 |
| Depreciation | 810,501 | 471,855 | 1,812,269 |
| <i>Total Operating Expenses</i> | <u>2,926,563</u> | <u>5,641,245</u> | <u>31,979,192</u> |
| <i>Operating Income (Loss)</i> | <u>(61,978)</u> | <u>(80,138)</u> | <u>(976,024)</u> |
| <u>Non-Operating Revenues (Expenses):</u> | | | |
| Interest | 8,112 | 0 | 4,700 |
| Operating Grants | 1,180 | 0 | 0 |
| Underground Line and Capacity Charges | 575,200 | 282,500 | 15,569 |
| Interest and Fiscal Charges | (209,452) | 0 | (188,597) |
| Loss on Disposal of Capital Assets | 0 | 0 | (177,927) |
| Increase in Fair Value of Cash Equivalents | 0 | 0 | 0 |
| <i>Total Non-Operating Revenues (Expenses)</i> | <u>375,040</u> | <u>282,500</u> | <u>(346,255)</u> |
| Income (Loss) Before Capital Contributions | 313,062 | 202,362 | (1,322,279) |
| Capital Contributions | <u>1,015,313</u> | <u>786,644</u> | <u>0</u> |
| Change in Net Assets | 1,328,375 | 989,006 | (1,322,279) |
| Net Assets at Beginning of Year - Restated (See Note 3) | <u>29,231,686</u> | <u>16,640,316</u> | <u>51,623,702</u> |
| <i>Net Assets at End of Year</i> | <u>\$30,560,061</u> | <u>\$17,629,322</u> | <u>\$50,301,423</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> |
| \$2,328,499 | \$41,656,675 | \$1,057,493 |
| 0 | 11,850 | 0 |
| 273 | 89,107 | 24,037 |
| <u>2,328,772</u> | <u>41,757,632</u> | <u>1,081,530</u> |
| 429,107 | 4,889,610 | 328,359 |
| 1,737,975 | 34,049,428 | 49,741 |
| 67,508 | 669,915 | 435,115 |
| 0 | 0 | 87,489 |
| 5,746 | 83,758 | 15,000 |
| 215,123 | 3,309,748 | 20,205 |
| <u>2,455,459</u> | <u>43,002,459</u> | <u>935,909</u> |
| (126,687) | (1,244,827) | 145,621 |
| 0 | 12,812 | 28,083 |
| 0 | 1,180 | 0 |
| 0 | 873,269 | 0 |
| 0 | (398,049) | 0 |
| 0 | (177,927) | 0 |
| 0 | 0 | 4,515 |
| <u>0</u> | <u>311,285</u> | <u>32,598</u> |
| (126,687) | (933,542) | 178,219 |
| 0 | 1,801,957 | 0 |
| (126,687) | 868,415 | 178,219 |
| <u>1,949,602</u> | | <u>778,060</u> |
| <u>\$1,822,915</u> | | <u>\$956,279</u> |
| | (4,652) | |
| | <u>\$863,763</u> | |

City of Westerville, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2006

| | <i>Business-Type Activities --</i> | | |
|---|------------------------------------|---------------------------|----------------------------|
| | <i>Water</i> | <i>Sewer</i> | <i>Electric</i> |
| <u>Increases (Decreases) in Cash and Cash Equivalents:</u> | | | |
| <u>Cash Flows from Operating Activities:</u> | | | |
| Cash Received from Customers | \$2,825,587 | \$5,428,165 | \$30,047,141 |
| Interfund Services Provided | 0 | 0 | 631,685 |
| Cash Payments for Personal Services | (1,284,386) | (493,351) | (2,706,027) |
| Cash Payments for Materials and Supplies | (304,470) | (21,369) | (275,958) |
| Cash Payments for Other Services and Charges | (409,058) | (4,380,335) | (27,202,165) |
| Interfund Services Used | (141,164) | (2,481) | 0 |
| Cash Payments for Claims | 0 | 0 | 0 |
| Cash Received From Operating Portion of Tap-in Fees | 0 | 11,850 | 0 |
| Other Operating Revenues | 44,017 | 3,544 | 39,173 |
| Underground Lines and Capacity Charges | 702,550 | 282,500 | 13,569 |
| Deposits Received | 0 | 0 | 643,679 |
| Deposits Refunded/Applied | 0 | 0 | (619,580) |
| <i>Net Cash Provided by Operating Activities</i> | <u>1,433,076</u> | <u>828,523</u> | <u>571,517</u> |
| <u>Cash Flows from Non-Capital Financing Activities:</u> | | | |
| Operating Grants Received | 1,180 | 0 | 0 |
| Advances to Other Funds | (57,000) | (280,330) | (320,000) |
| <i>Net Cash Used for Non-Capital Financing Activities</i> | <u>(55,820)</u> | <u>(280,330)</u> | <u>(320,000)</u> |
| <u>Cash Flows from Capital and Related Financing Activities:</u> | | | |
| Acquisition and Construction of Capital Assets | (1,361,671) | (904,961) | (3,138,793) |
| Proceeds from the Sale of Assets | 0 | 0 | 2,500 |
| Proceeds from the Sale of Notes | 0 | 0 | 7,925,000 |
| Principal Paid on Notes | 0 | 0 | (1,350,000) |
| Interest Paid on Notes | 0 | 0 | (40,500) |
| Principal Paid on General Obligation Bonds | (335,000) | 0 | (196,610) |
| Interest Paid on General Obligation Bonds | (104,550) | 0 | (189,622) |
| Principal Paid on ODNR Debt | (37,299) | 0 | 0 |
| Interest Paid on ODNR Debt | (59,277) | 0 | 0 |
| Fiscal Charges on Notes | 0 | 0 | (26,498) |
| Premium on Sale of Notes | 0 | 0 | 68,631 |
| <i>Net Cash Provided by (Used for) Capital and Related Financing Activities</i> | <u>(1,897,797)</u> | <u>(904,961)</u> | <u>3,054,108</u> |
| <u>Cash Flows From Investing Activities:</u> | | | |
| Increase in Fair Value of Cash Equivalents | 0 | 0 | 0 |
| Interest | 8,112 | 0 | 4,700 |
| <i>Net Cash Provided by Investing Activities</i> | <u>8,112</u> | <u>0</u> | <u>4,700</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | (512,429) | (356,768) | 3,310,325 |
| Cash and Cash Equivalents at Beginning of Year | <u>8,045,499</u> | <u>3,388,994</u> | <u>14,346,656</u> |
| <i>Cash and Cash Equivalents at End of Year</i> | <u><u>\$7,533,070</u></u> | <u><u>\$3,032,226</u></u> | <u><u>\$17,656,981</u></u> |

| <i>Enterprise Funds</i> | <i>Governmental Activities</i> | |
|----------------------------------|--------------------------------|-------------------------------|
| <i>Nonmajor Enterprise Funds</i> | <i>Totals</i> | <i>Internal Service Funds</i> |
| \$2,315,696 | \$40,616,589 | \$0 |
| 0 | 631,685 | 1,057,493 |
| (421,687) | (4,905,451) | (318,262) |
| (67,508) | (669,305) | (449,879) |
| (1,719,923) | (33,711,481) | (61,136) |
| (19,352) | (162,997) | (3,681) |
| 0 | 0 | (94,580) |
| 0 | 11,850 | 0 |
| 273 | 87,007 | 24,037 |
| 0 | 998,619 | 0 |
| 0 | 643,679 | 0 |
| 0 | (619,580) | 0 |
| 87,499 | 2,920,615 | 153,992 |
| 0 | 1,180 | 0 |
| (105,000) | (762,330) | 0 |
| (105,000) | (761,150) | 0 |
| (15,562) | (5,420,987) | 0 |
| 0 | 2,500 | 0 |
| 0 | 7,925,000 | 0 |
| 0 | (1,350,000) | 0 |
| 0 | (40,500) | 0 |
| 0 | (531,610) | 0 |
| 0 | (294,172) | 0 |
| 0 | (37,299) | 0 |
| 0 | (59,277) | 0 |
| 0 | (26,498) | 0 |
| 0 | 68,631 | 0 |
| (15,562) | 235,788 | 0 |
| 0 | 0 | 4,515 |
| 0 | 12,812 | 24,171 |
| 0 | 12,812 | 28,686 |
| (33,063) | 2,408,065 | 182,678 |
| 862,013 | 26,643,162 | 613,587 |
| \$828,950 | \$29,051,227 | \$796,265 |

(Continued)

City of Westerville, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2006
(Continued)

| | <i>Business-Type Activities --</i> | | |
|--|------------------------------------|------------------|------------------|
| | <i>Water</i> | <i>Sewer</i> | <i>Electric</i> |
| <u>Reconciliation of Operating Income (Loss) to</u> | | | |
| <u>Net Cash Provided by (Used for) Operating Activities:</u> | | | |
| Operating Income (Loss) | (\$61,978) | (\$80,138) | (\$976,024) |
| <u>Adjustments to Reconcile Operating Income (Loss) to</u> | | | |
| <u>Net Cash Provided by (Used for) Operating Activities:</u> | | | |
| Depreciation | 810,501 | 471,855 | 1,812,269 |
| Change in Provision for Uncollectable Accounts Receivable | (71) | 2,839 | 4,922 |
| Underground Lines and Capacity Charges | 702,550 | 282,500 | 13,569 |
| <u>Changes in Assets and Liabilities:</u> | | | |
| (Increase) Decrease in Accounts Receivable | 6,750 | (114,136) | (228,756) |
| Increase in Due from Other Funds | 0 | 0 | (557) |
| (Increase) Decrease in Material and Supplies Inventory | 6,985 | 1,472 | (17,604) |
| Increase (Decrease) in Accounts Payable | 674 | 3,330 | (94,234) |
| Decrease in Claims Payable | 0 | 0 | 0 |
| Increase (Decrease) in Accrued Wages | (22,082) | (1,437) | 559 |
| Increase (Decrease) in Compensated Absences | (5,508) | (10,968) | 33,330 |
| Increase in Due to Other Funds | 1,475 | 745 | 0 |
| Increase (Decrease) in Intergovernmental Payable | (6,220) | 272,461 | (9,379) |
| Increase in Unearned Revenue | 0 | 0 | 2,108 |
| Increase in Deposits Held and Due to Others | 0 | 0 | 31,314 |
| <i>Net Cash Provided by Operating Activities</i> | <u>\$1,433,076</u> | <u>\$828,523</u> | <u>\$571,517</u> |
| <u>Noncash Capital and Related Financing Activities:</u> | | | |
| Trade-In Allowance of Equipment and Vehicles | \$6,000 | \$37,500 | \$11,300 |
| Service Lines Donated by Developers and Capitalized at Fair Market Value | 1,015,313 | 786,644 | 0 |
| <i>Total Noncash Capital and Related Financing Activities</i> | <u>\$1,021,313</u> | <u>\$824,144</u> | <u>\$11,300</u> |

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> | |
| (\$126,687) | (\$1,244,827) | \$145,621 | |
| 215,123 | 3,309,748 | 20,205 | |
| 181 | 7,871 | 0 | |
| 0 | 998,619 | 0 | |
| (7,238) | (343,380) | 0 | |
| 0 | (557) | 0 | |
| 0 | (9,147) | 2,693 | |
| (1,569) | (91,799) | (17,594) | |
| 0 | 0 | (7,091) | |
| (336) | (23,296) | 910 | |
| 8,601 | 25,455 | 9,749 | |
| 269 | 2,489 | 61 | |
| (845) | 256,017 | (562) | |
| 0 | 2,108 | 0 | |
| 0 | 31,314 | 0 | |
| <u>\$87,499</u> | <u>\$2,920,615</u> | <u>\$153,992</u> | |
| \$0 | \$54,800 | \$0 | |
| <u>0</u> | <u>1,801,957</u> | <u>0</u> | |
| <u>\$0</u> | <u>\$1,856,757</u> | <u>\$0</u> | |

City of Westerville, Ohio
Statement of Fiduciary
Assets and Liabilities
Agency Funds
December 31, 2006

| | |
|--|---------------------------|
| <u>Assets:</u> | |
| Equity in Pooled Cash and Cash Equivalents | \$1,124,335 |
| Cash and Cash Equivalents with Fiscal Agents | 8,684 |
| Receivables: | |
| Property and Other Local Taxes | <u>1,269</u> |
| <i>Total Assets</i> | <u><u>\$1,134,288</u></u> |
| | |
| <u>Liabilities:</u> | |
| Accounts Payable | \$1,269 |
| Undistributed Monies | 790,708 |
| Intergovernmental Payable | 155,948 |
| Deposits Held and Due to Others | <u>186,363</u> |
| <i>Total Liabilities</i> | <u><u>\$1,134,288</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, 2006

NOTE 1 – DESCRIPTION OF THE CITY AND REPORTING ENTITY

The City of Westerville (the City) 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)

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 Association (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 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)

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)

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 City 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 ensure 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)

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)

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, payments in lieu of 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 and payments in lieu of 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, 2006, but were levied to finance 2007 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)

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 Director of Finance 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. 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. Amounts reported as the final budgeted amounts represent the final appropriation amounts passed by Council during the year, including all supplemental appropriations.

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 a repurchase agreement, STAROhio, Federal Home Loan Mortgage Corporation Notes, Federal Home Loan Bank Bonds, and Federal National Mortgage Association Notes. 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)

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

The City has invested funds in the State Treasury Asset Reserve of Ohio (STAROhio) during 2006. 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, 2006.

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 2006, the Electric Enterprise Fund also earned interest. All remaining interest is credited to the General Fund. Interest revenue credited to the General Fund during 2006 amounted to \$2,229,584, which includes \$1,715,876 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, 2006, 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 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. The cost of these rights is amortized, on a straight line basis, over the term of the agreement, starting in the tenth year, for the remaining fifty years 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> |
|---------------------------------|--------------|
| Land Improvements | 10-25 |
| Buildings | 5-50 |
| Furniture and Equipment | 5-20 |
| Vehicles | 3-10 |
| Infrastructure | 10-50 |
| Water, Sewer and Electric Lines | 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 report infrastructure acquired since 1980 beginning in 2007.

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)

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 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)

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 2007.

INTERNAL ACTIVITY

Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the Statement of Activities.

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)

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

The government-wide Statement of Net Assets reports \$16,207,725 of restricted net assets, of which \$3,633,832 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 FUND EQUITY

CHANGES IN ACCOUNTING PRINCIPLES

For 2006, the City has implemented *GASB Statement No. 44, "Economic Condition Reporting: The Statistical Section,"* and *GASB Statement No. 47, "Accounting for Termination Benefits"*.

GASB Statement No. 44 establishes and modifies requirements related to the supplementary information presented in the statistical section.

GASB Statement No. 47 establishes accounting and financial reporting standards for termination benefits. This statement clarifies and establishes reporting requirements for those benefits provided by employers to employees as an incentive or settlement for voluntary early termination or as a consequence of the involuntary early termination of services. The implementation of this statement had no effect on the City's financial statements for 2006.

City of Westerville, Ohio

Notes to the Basic Financial Statements
(Continued)

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

RESTATEMENT OF FUND BALANCE/NET ASSETS

During 2006, the City made accounting changes for capital assets, special assessments receivable, and accrued interest receivable. The City also, by Resolution, wrote off a portion of two interfund advances made in prior years. These accounting changes and the adjustment for the write-off resulted in the following change to fund balance/net assets at December 31, 2005:

| | <i>Governmental Activities</i> | <i>Business-Type Activities</i> |
|--|------------------------------------|-------------------------------------|
| Net Assets, December 31, 2005 | \$102,186,892 | \$99,867,719 |
| Accrued Interest Receivable | 0 | (118,559) |
| Special Assessments Receivable | 0 | (287,404) |
| Capital Assets, Net | 1,355,668 | 39,014 |
| Adjusted Net Assets, December 31, 2005 | \$103,542,560 | \$99,500,770 |

| | <i>General Fund</i> | <i>Nonmajor Governmental Funds</i> | <i>Water Fund</i> | <i>Sewer Fund</i> | <i>Electric Fund</i> | <i>Nonmajor Enterprise Funds</i> |
|--|-------------------------|--|-----------------------|-----------------------|--------------------------|--|
| Fund Balance/Net Assets, December 31, 2005 | \$23,679,376 | \$7,018,262 | \$29,459,148 | \$16,818,817 | \$51,550,738 | \$1,983,552 |
| Interfund Receivable/Payable | (396,069) | 396,069 | 0 | 0 | 0 | 0 |
| Accrued Interest Receivable | 0 | 0 | (66,429) | (52,130) | 0 | 0 |
| Special Assessments Receivable | 0 | 0 | (161,033) | (126,371) | 0 | 0 |
| Capital Assets, Net | 0 | 0 | 0 | 0 | 72,964 | (33,950) |
| Adjusted Fund Balance/Net Assets, December 31, 2005 | \$23,283,307 | \$7,414,331 | \$29,231,686 | \$16,640,316 | \$51,623,702 | \$1,949,602 |

NOTE 4 – ACCOUNTABILITY

At December 31, 2006, the Hotel Tax Special Revenue Fund, and the Africa Road Improvement, Spring Road Improvement, Maxtown Road Improvement, Cleveland Avenue Extension Improvement, Northridge Crossing TIF, Northstar/Worthington Road TIF, and Altair TIF Incentive Capital Projects Funds had deficit balances of \$9,131, \$134,952, \$1,543,978, \$2,315,646, \$994,639, \$1,182,319, \$27,727, and \$475,261, 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.

City of Westerville, Ohio

Notes to the Basic Financial Statements (Continued)

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.

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) Unrecorded cash represents amounts received but not included as revenue on the budget basis operating statements. These amounts are included as revenue on the GAAP basis operating statements.
- (e) Investments are reported at fair value (GAAP basis) rather than at cost (budget basis).
- (f) Advances – In and Advances – Out are operating transactions (budget basis) as opposed to balances sheet transactions (GAAP basis).

City of Westerville, Ohio

Notes to the Basic Financial Statements
(Continued)

NOTE 5 – BUDGETARY BASIS OF ACCOUNTING (continued)

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> | | |
|--|---------------------------------------|---------------------------|---|
| | <i>General</i> | <i>Fire Operating</i> | <i>Parks and Recreation Operating</i> |
| | <u> </u> | <u> </u> | <u> </u> |
| GAAP Basis | \$2,289,187 | \$665,787 | (\$25,166) |
| <u>Increases (decreases) Due To:</u> | | | |
| Revenue Accruals | 560,305 | (35,293) | (2,497) |
| Expenditure Accruals | (267,070) | 132,639 | 23,999 |
| Encumbrances Outstanding | | | |
| At Year-end (Budget Basis) | (423,018) | (215,806) | (478,994) |
| Unrecorded Cash | (31,283) | 0 | 0 |
| Change in Fair Value of Investments - 2005 | (638,590) | (77,827) | 0 |
| Change in Fair Value of Investments - 2006 | 157,446 | 19,676 | 0 |
| Transfers | 0 | (95,493) | 0 |
| Advances | (1,470,892) | 0 | (181,904) |
| Budget Basis | <u><u>\$176,085</u></u> | <u><u>\$393,683</u></u> | <u><u>(\$664,562)</u></u> |

NOTE 6 – DEPOSITS AND INVESTMENTS

The investment and deposit of City monies are governed by the Ohio Revised Code and the City's charter. State statutes classify monies held by the City into three categories.

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

Inactive deposits are public deposits that Council has identified as not required for use within the current 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.

City of Westerville, Ohio

Notes to the Basic Financial Statements (Continued)

NOTE 6 – DEPOSITS AND INVESTMENTS *(continued)*

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 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;
6. The State Treasurer's investment pool (STAROhio); and
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred eighty days in an amount not to exceed 25 percent of the interim monies available for investment at any one time.

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. Investments may only be made through specified dealers and institutions.

City of Westerville, Ohio

Notes to the Basic Financial Statements (Continued)

NOTE 6 – DEPOSITS AND INVESTMENTS (continued)

DEPOSITS

Custodial credit risk for deposits is the risk that in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year-end, \$691,400 of the City's bank balance of \$791,400 was exposed to custodial credit risk because it was uninsured and collateralized. Although the balance was collateralized by securities held by the financial institution's trust department in the City's name and all State statutory requirements for the deposit of money had been followed, non-compliance with federal requirements could potentially subject the City to a successful claim by the FDIC.

The City has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the City or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

INVESTMENTS

As of December 31, 2006, 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>3 - 4</i> |
| Repurchase Agreement | \$378,955 | \$378,955 | \$0 | \$0 |
| STAROhio | 7,651,189 | 7,651,189 | 0 | 0 |
| Federal Home Loan | | | | |
| Mortgage Corporation Notes | 23,818,260 | 4,921,150 | 6,906,720 | 11,990,390 |
| Federal Home Loan Bank Bonds | 27,849,400 | 6,961,570 | 8,909,400 | 11,978,430 |
| Federal National Mortgage | | | | |
| Association Notes | 11,918,130 | 2,978,430 | 8,939,700 | 0 |
| | \$71,615,934 | \$22,891,294 | \$24,755,820 | \$23,968,820 |

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.

City of Westerville, Ohio

Notes to the Basic Financial Statements (Continued)

NOTE 6 – DEPOSITS AND INVESTMENTS (continued)

CREDIT RISK

The Repurchase Agreement (Federal Home Loan Mortgage Corporation Note), Federal Home Loan Mortgage Corporation Notes, Federal Home Loan 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, and Federal National Mortgage Association Notes represents .53 percent, 10.68 percent, 33.26 percent, 38.89 percent, and 16.64 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.

NOTE 8 – PROPERTY TAX

Property taxes include amounts levied against all real, public utility, and tangible personal property (used in business) located in the City. Property tax revenue received during 2006 for real and public utility property taxes represents collections of 2005 taxes. Property tax payments received during 2006 for tangible personal property (other than public utility property) are for 2006 taxes.

2006 real property taxes are levied after October 1, 2006 on the assessed value as of January 1, 2006, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2006 real property taxes are collected in and intended to finance 2007.

City of Westerville, Ohio

Notes to the Basic Financial Statements

(Continued)

NOTE 8 – PROPERTY TAX (continued)

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. 2006 public utility property taxes became a lien December 31, 2005, are levied after October 1, 2006, and are collected in 2007 with real property taxes.

Tangible personal property taxes received in 2006 were levied after October 1, 2005, on the value as of December 31, 2005. In prior years, tangible personal property was assessed at 25 percent of true value for capital assets and 23 percent of true value for inventory. The tangible personal property tax is being phased out – the assessment percentage for all property including inventory for 2006 is 18.75 percent. This will be reduced to 12.5 percent for 2007, 6.25 percent for 2008 and zero for 2009.

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

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

The full tax rate for all City operations for the year ended December 31, 2006, was \$17.60 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2006 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 | \$612,774,010 | \$213,647,750 | \$826,421,760 |
| Commercial and Industrial | 154,381,250 | 56,925,120 | 211,306,370 |
| Public Utility Personal | 14,074,790 | 3,950,360 | 18,025,150 |
| General Business Personal | <u>13,316,822</u> | <u>12,495,386</u> | <u>25,812,208</u> |
| <i>Totals</i> | <u>\$794,546,872</u> | <u>\$287,018,616</u> | <u>\$1,081,565,488</u> |

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, 2006, 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 2006 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.

City of Westerville, Ohio

Notes to the Basic Financial Statements
(Continued)

NOTE 9 – RECEIVABLES

Receivables at December 31, 2006 consisted of taxes, payments in lieu 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. A summary of accounts receivable related to business-type services is as follows:

| | <u>Water</u> | <u>Sewer</u> | <u>Electric</u> | <u>Refuse</u> | <u>Totals</u> |
|------------------------------|------------------|------------------|--------------------|------------------|--------------------|
| Accounts Receivable - Gross | \$421,351 | \$924,608 | \$5,111,764 | \$312,012 | \$6,769,735 |
| Allowance for Uncollectibles | (10,384) | (22,366) | (126,653) | (7,801) | (167,204) |
| Net Accounts Receivable | <u>\$410,967</u> | <u>\$902,242</u> | <u>\$4,985,111</u> | <u>\$304,211</u> | <u>\$6,602,531</u> |

A summary of the principal items of intergovernmental receivable follows:

| | <u>Amounts</u> |
|---|--------------------|
| <u>Governmental Activities:</u> | |
| Local Government - Franklin County | \$807,153 |
| Local Government - Delaware County | 126,799 |
| Local Government - State | 153,228 |
| Local Government - Revenue Assistance | 81,528 |
| Liquor Permits | 18,443 |
| Estate Taxes | 183,902 |
| Worthington Road Improvements Reimbursement | 52,781 |
| Westerville City Schools Police Protection | 41,241 |
| Vests Grant | 2,169 |
| Joint Terrorism Task Force Grant | 1,258 |
| Franklin County Drug Task Force Grant | 2,517 |
| Seat Belt Program Grant | 1,514 |
| Otterbein Lake Grant | 4,702 |
| Towers Park Grant | 81,904 |
| Westerville Bikeway Segment I Grant | 215,472 |
| Homestead and Rollbacks | 531,474 |
| Gasoline Tax - Cents Per Gallon | 360,269 |
| Gasoline Tax - Municipal Excise | 204,805 |
| Motor Vehicle License Tax | 121,248 |
| Permissive Motor Vehicle License Tax | 15,204 |
| <i>Total Governmental Activities</i> | <u>3,007,611</u> |
| <u>Business-Type Activities:</u> | |
| OWDA Research and Development Grant | 10,769 |
| <i>Total Intergovernmental Receivable</i> | <u>\$3,018,380</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, 2006, was as follows:

| | <i>Restated Balance At 12/31/2005</i> | <i>Additions</i> | <i>Deletions</i> | <i>Balance At 12/31/2006</i> |
|--|---|--------------------|----------------------|----------------------------------|
| <u>Governmental Activities</u> | | | | |
| <u>Capital Assets, Not Being Depreciated:</u> | | | | |
| Land | \$6,594,343 | \$616,022 | \$0 | \$7,210,365 |
| Construction in Progress | 655,732 | 2,241,816 | (1,417,653) | 1,479,895 |
| <i>Total Capital Assets, Not Being Depreciated</i> | <i>7,250,075</i> | <i>2,857,838</i> | <i>(1,417,653)</i> | <i>8,690,260</i> |
| <u>Depreciable Capital Assets:</u> | | | | |
| Land Improvements | 15,061,298 | 790,109 | 0 | 15,851,407 |
| Buildings | 34,058,956 | 104,261 | (5,024) | 34,158,193 |
| Furniture and Equipment | 6,189,168 | 463,912 | (902,381) | 5,750,699 |
| Vehicles | 4,669,990 | 982,912 | (555,668) | 5,097,234 |
| Infrastructure | 42,403,508 | 5,034,205 * | 0 | 47,437,713 |
| <i>Total Depreciable Capital Assets</i> | <i>102,382,920</i> | <i>7,375,399</i> | <i>(1,463,073)</i> | <i>108,295,246</i> |
| <u>Less Accumulated Depreciation:</u> | | | | |
| Land Improvements | (4,269,880) | (1,019,263) | 0 | (5,289,143) |
| Buildings | (6,856,459) | (995,298) | 308 | (7,851,449) |
| Furniture and Equipment | (3,766,225) | (569,176) | 894,029 | (3,441,372) |
| Vehicles | (3,449,893) | (419,031) | 533,427 | (3,335,497) |
| Infrastructure | (2,638,824) | (1,807,079) | 0 | (4,445,903) |
| <i>Total Accumulated Depreciation</i> | <i>(20,981,281)</i> | <i>(4,809,847)</i> | <i>1,427,764</i> | <i>(24,363,364)</i> |
| <i>Depreciable Capital Assets, Net</i> | <i>81,401,639</i> | <i>2,565,552</i> | <i>(35,309)</i> | <i>83,931,882</i> |
| <i>Governmental Activities Capital Assets, Net</i> | <i>\$88,651,714</i> | <i>\$5,423,390</i> | <i>(\$1,452,962)</i> | <i>\$92,622,142</i> |

* \$1,197,366 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:

| | |
|--|--------------------|
| <u>Governmental activities:</u> | |
| Security of Persons and Property | \$740,769 |
| Public Health | 4,664 |
| Leisure Time Activities | 1,578,095 |
| Community Development | 16,111 |
| Basic Utility Services | 95,144 |
| Transportation | 1,816,094 |
| General Government | 558,970 |
| Total Depreciation Expense | <u>\$4,809,847</u> |

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, 2006, was as follows:

| | <i>Restated Balance At 12/31/2005</i> | <i>Additions</i> | <i>Deletions</i> | <i>Balance At 12/31/2006</i> |
|---|---|------------------|------------------|----------------------------------|
| <u>Business-Type Activities</u> | | | | |
| <u>Capital Assets, Not Being Depreciated:</u> | | | | |
| Land | \$1,091,107 | \$0 | \$0 | \$1,091,107 |
| Construction in Progress | 1,590,570 | 3,217,504 | (3,224,586) | 1,583,488 |
| <i>Total Capital Assets, Not Being Depreciated</i> | 2,681,677 | 3,217,504 | (3,224,586) | 2,674,595 |
| <u>Depreciable Capital Assets:</u> | | | | |
| Land Improvements | 2,936,444 | 71,969 | 0 | 3,008,413 |
| Buildings | 6,532,054 | 132,146 | 0 | 6,664,200 |
| Furniture and Equipment | 8,648,231 | 375,399 | (78,917) | 8,944,713 |
| Vehicles | 1,911,572 | 231,972 | (143,967) | 1,999,577 |
| Infrastructure | | | | |
| Water Lines | 32,523,389 | 2,533,308 | 0 | 35,056,697 |
| Sewer Lines | 22,722,017 | 1,748,404 | 0 | 24,470,421 |
| Electric System | 48,700,041 | 1,916,994 | (382,756) | 50,234,279 |
| <i>Total Depreciable Capital Assets</i> | 123,973,748 | 7,010,192 | (605,640) | 130,378,300 |
| <u>Less Accumulated Depreciation:</u> | | | | |
| Land Improvements | (1,130,728) | (216,815) | 0 | (1,347,543) |
| Buildings | (3,193,090) | (155,512) | 0 | (3,348,602) |
| Furniture and Equipment | (3,422,761) | (255,063) | 98,974 | (3,578,850) |
| Vehicles | (913,866) | (186,575) | 141,405 | (959,036) |
| Infrastructure | | | | |
| Water Lines | (11,653,719) | (674,714) | 0 | (12,328,433) |
| Sewer Lines | (10,312,813) | (426,801) | 0 | (10,739,614) |
| Electric System | (16,878,494) | (1,394,268) | 184,834 | (18,087,928) |
| <i>Total Accumulated Depreciation</i> | (47,505,471) | (3,309,748) | 425,213 | (50,390,006) |
| <i>Depreciable Capital Assets, Net</i> | 76,468,277 | 3,700,444 | (180,427) | 79,988,294 |
| <i>Business-Type Activities Capital Assets, Net</i> | \$79,149,954 | \$6,917,948 | (\$3,405,013) | \$82,662,889 |

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

| | |
|---|-------------|
| <u>Business-Type activities:</u> | |
| Water | \$810,501 |
| Sewer | 471,855 |
| Electric | 1,812,269 |
| Refuse | 162,825 |
| Swimming Pool | 52,298 |
| Total Depreciation Expense | \$3,309,748 |

City of Westerville, Ohio

Notes to the Basic Financial Statements (Continued)

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) 222-5601 or (800) 222-7377.

For the year ended December 31, 2006, the members of all three plans, except those in law enforcement or public safety participating in the traditional plan, were required to contribute 9.0 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 City's contribution rate for pension benefits for 2006 was 9.2 percent, except for those plan members in law enforcement or public safety. For those classifications, the City's pension contributions were 12.43 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, 2006, 2005, and 2004 were \$1,323,525, \$1,300,714 and \$1,302,119 respectively; 97.57 percent has been contributed for 2006 and 100 percent for 2005 and 2004. Contributions to the member-directed plan for 2006 were \$28,674 made by the City and \$18,837 made by the plan members.

City of Westerville, Ohio

Notes to the Basic Financial Statements (Continued)

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 \$621,957 and \$915,971 for the year ended December 31, 2006, \$604,088 and \$921,078 for the year ended December 31, 2005 and \$584,204 and \$839,950 for the year ended December 31, 2004. The full amount has been contributed for 2005 and 2004. 95.02 percent for police officers and 95.45 percent for firefighters has been contributed for 2006.

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 recipients and qualified survivor benefit recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. 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 2006 local government employer contribution rate was 13.70 percent of covered payroll (16.93 percent for public safety and law enforcement); 4.5 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 individual actuarial review performed as of December 31, 2005, include a rate of return on investments of 6.5 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 costs were assumed to increase between .50 to 6.0 percent annually for the next nine years and 4.0 percent annually after nine years.

City of Westerville, Ohio

Notes to the Basic Financial Statements (Continued)

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, not to exceed a 12 percent corridor.

The number of active contributing participants in the traditional and combined plans was 369,214. The number of active contributing participants for both plans used in the December 31, 2005 actuarial valuation was 358,804. Actual City contributions for 2006 which were used to fund postemployment benefits were \$647,376. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2005, (the latest information available) were \$11.1 billion. The actuarially accrued liability and the unfunded actuarially accrued liability were \$31.3 billion and \$20.2 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. To improve the solvency of the Health Care Fund, OPERS created a separate investment pool for health care assets. Member and employer contribution rates increased as of January 1, 2006, and January 1, 2007, 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 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 2006 and 2005. 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 2006 that were used to fund postemployment health care benefits were \$410,227 for police and \$436,847 for firefighters. The OP&F's total health care expense for the year ended December 31, 2005, (the latest information available) was \$108,039,449, which was net of member contributions of \$55,271,881. The number of OP&F participants eligible to receive health care benefits as of December 31, 2005, was 13,922 for police and 10,537 for firefighters

City of Westerville, Ohio

Notes to the Basic Financial Statements (Continued)

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 Plan created in accordance with Internal Revenue Code Section 457. Under these plans, 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 first anniversary date; thereafter, vacation leave accrues on a pro-rated basis each pay period. A maximum of two years' accrual may 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 \$20,500 for all employees.

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, 2006, were as follows:

| <i>Types / Issues</i> | <i>Interest Rates</i> | <i>Balance 12/31/05</i> | <i>Issued</i> | <i>Retired</i> | <i>Balance 12/31/06</i> | <i>Due Within One Year</i> |
|--|-----------------------|-----------------------------|--------------------|--------------------|-----------------------------|--------------------------------|
| <u>Business-Type Activities</u> | | | | | | |
| <u>General Obligation Bonds</u> | | | | | | |
| 1998 Water Works Refunding and Improvement Bonds | 3.10 - 5.25% | \$2,240,000 | \$0 | \$335,000 | \$1,905,000 | \$350,000 |
| 1998 Transportation Improvement Bonds | 3.10 - 5.25% | 1,015,155 | 0 | 56,610 | 958,545 | 59,940 |
| 1999 Electric System Improvement Bonds | 3.80 - 5.55% | 1,740,000 | 0 | 90,000 | 1,650,000 | 95,000 |
| 2004 Electric Capital Facilities Bonds | 2.25 - 5.25% | 1,255,000 | 0 | 50,000 | 1,205,000 | 50,000 |
| Premium on Debt Issue | | 34,026 | 0 | 1,799 | 32,227 | 0 |
| Total General Obligation Bonds | | 6,284,181 | 0 | 533,409 | 5,750,772 | 554,940 |
| <u>Other Long-Term Obligations</u> | | | | | | |
| Compensated Absences | | 721,176 | 547,142 | 521,687 | 746,631 | 394,454 |
| ODNR Debt | | 1,839,754 | 0 | 37,299 | 1,802,455 | 38,501 |
| Total Other Long-Term Obligations | | 2,560,930 | 547,142 | 558,986 | 2,549,086 | 432,955 |
| Total Business-Type Activities | | \$8,845,111 | \$547,142 | \$1,092,395 | \$8,299,858 | \$987,895 |
| <u>Governmental Activities</u> | | | | | | |
| <u>General Obligation Bonds</u> | | | | | | |
| 1986 Municipal Facilities Series A Bonds | 7.375% | \$205,000 | \$0 | \$205,000 | \$0 | \$0 |
| 1986 Municipal Facilities Series B Bonds | 7.375% | 45,000 | 0 | 45,000 | 0 | 0 |
| 1998 Transportation Improvement Bonds | 3.10 - 5.25% | 1,954,845 | 0 | 113,390 | 1,841,455 | 120,060 |
| 1998 Recreation Facilities Bonds | 3.10 - 5.25% | 20,240,000 | 0 | 1,170,000 | 19,070,000 | 1,215,000 |
| 2003 Fire/EMS Improvement Bonds-Voted | 2.00 - 4.65% | 2,385,000 | 0 | 100,000 | 2,285,000 | 100,000 |
| Discount on Debt Issue | | (14,426) | 0 | (820) | (13,606) | 0 |
| 2003 Fire/EMS Improvement Bonds-Blendon | 2.00 - 4.65% | 393,600 | 0 | 16,200 | 377,400 | 16,800 |
| Discount on Debt Issue | | (2,244) | 0 | (128) | (2,116) | 0 |
| 2003 Municipal Facilities Improvement Bonds | 2.00 - 4.65% | 3,241,400 | 0 | 133,800 | 3,107,600 | 138,200 |
| Discount on Debt Issue | | (18,479) | 0 | (1,051) | (17,428) | 0 |
| Total Governmental General Obligation Bonds | | 28,429,696 | 0 | 1,781,391 | 26,648,305 | 1,590,060 |
| <u>Other Long-Term Obligations</u> | | | | | | |
| Compensated Absences | | 3,740,193 | 2,369,372 | 2,347,124 | 3,762,441 | 1,784,665 |
| Police Pension Liability | | 22,564 | 0 | 539 | 22,025 | 562 |
| Total Other Long-Term Obligations | | 3,762,757 | 2,369,372 | 2,347,663 | 3,784,466 | 1,785,227 |
| Total Governmental Activities | | \$32,192,453 | \$2,369,372 | \$4,129,054 | \$30,432,771 | \$3,375,287 |

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, 2006 consisted of the following:

| <u>Bond Issues</u> | <u>Original Issue</u> | <u>Maturity Date</u> | <u>12/31/2006 Balance</u> |
|--|-----------------------|----------------------|-------------------------------|
| 1998 Water Works Refunding and Improvement | \$3,325,000 | December, 2011 | \$1,905,000 |
| 1998 Transportation Improvement | 1,333,320 | December, 2018 | 958,545 |
| 1999 Electric System Improvement | 2,200,000 | December, 2019 | 1,650,000 |
| 2004 Electric Capital Facilities | 1,300,000 | December, 2024 | 1,205,000 |
| 1998 Transportation Improvement | 2,666,680 | December, 2018 | 1,841,455 |
| 1998 Recreation Facilities | 27,250,000 | December, 2018 | 19,070,000 |
| 2003 Fire/EMS Improvement - Voted | 2,575,000 | December, 2023 | 2,285,000 |
| 2003 Fire/EMS Improvement - Blendon | 425,000 | December, 2023 | 377,400 |
| 2003 Municipal Facilities Improvement | 3,500,000 | December, 2023 | 3,107,600 |

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, beginning in the tenth year of the agreement, 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.

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 \$1,030,000 at December 31, 2006 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 \$86,683,408, with an unvoted debt margin of \$32,605,134 at December 31, 2006.

FUTURE DEBT SERVICE REQUIREMENTS

The principal and interest requirements to retire the long-term debt obligations outstanding at December 31, 2006 are:

| <i>Year</i> | <i>Governmental Activities</i> | | | |
|---------------|--------------------------------|--------------------|------------------|-----------------|
| | <i>General</i> | | <i>Police</i> | |
| | <i>Obligation</i> | | <i>Pension</i> | |
| | <i>Bonds</i> | | <i>Bonds</i> | |
| | <i>Principal</i> | <i>Interest</i> | <i>Principal</i> | <i>Interest</i> |
| 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 | 1,878,405 | 926,923 | 665 | 827 |
| 2012-2016 | 10,882,080 | 3,158,666 | 3,778 | 3,682 |
| 2017-2021 | 6,265,715 | 778,846 | 4,662 | 2,798 |
| 2022-2026 | 910,000 | 63,940 | 5,753 | 1,707 |
| 2027-2030 | 0 | 0 | 4,771 | 412 |
| <i>Totals</i> | \$26,681,455 | \$9,430,499 | \$22,025 | \$12,998 |

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> |
| 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 | 420,000 | 22,050 | 236,595 | 144,435 | 43,708 | 52,868 |
| 2012-2016 | 0 | 0 | 1,377,920 | 539,883 | 240,594 | 242,287 |
| 2017-2021 | 0 | 0 | 1,079,285 | 184,390 | 281,934 | 200,947 |
| 2022-2026 | 0 | 0 | 265,000 | 24,075 | 330,377 | 152,504 |
| 2027-2031 | 0 | 0 | 0 | 0 | 387,142 | 95,739 |
| 2032-2035 | 0 | 0 | 0 | 0 | 357,092 | 29,219 |
| <i>Totals</i> | <u>\$1,905,000</u> | <u>\$296,473</u> | <u>\$3,813,545</u> | <u>\$1,568,440</u> | <u>\$1,802,455</u> | <u>\$998,260</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 matured on September 21, 2006 and was retired with a portion of note proceeds from the issuance, on the same date, of a \$7,925,000 note, with a 4.5 percent interest rate. The purpose this note, aside from repaying the 2005 note, was for making electric system improvements. This note will mature on September 20, 2007, and will be retired with revenues from the Electric Enterprise Fund. As of December 31, 2006, \$2,042,931 of the note proceeds have been spent.

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, 2006, the significant outstanding construction commitments are:

| <u>Projects</u> | <u>Contract Amount</u> | <u>Amount Expended</u> | <u>Balance At 12/31/06</u> |
|--|----------------------------|----------------------------|--------------------------------|
| Emergency Generator Project | \$230,000 | \$0 | \$230,000 |
| Knox Street Improvements | 305,055 | 0 | 305,055 |
| Towers Park Improvements | 273,390 | 227,890 | 45,500 |
| 64 East Walnut Playground Improvements | 4,668 | 0 | 4,668 |
| Bikeway - State Route 3 and Schrock Road | 327,573 | 319,189 | 8,384 |
| Hanby Park Improvements | 16,675 | 0 | 16,675 |
| Olde Town Park Improvements | 21,361 | 0 | 21,361 |
| Central College Sewer Extension | 247,000 | 168,354 | 78,646 |
| Annehurst Loop and Cable Replacement - 2006 | 246,272 | 0 | 246,272 |
| Annehurst Village Circuit 13 Overhead Pole Replacement | 402,480 | 201,240 | 201,240 |
| Annehurst Village Loop A-2 & A-3 Underground Cable | 125,694 | 121,694 | 4,000 |
| Heritage Parking Lot and Paths | 30,000 | 26,000 | 4,000 |
| Africa Road Improvements (Street/Water/Sewer) | 1,265,714 | 821,419 | 444,295 |
| Africa Road Improvements (Electric) | 253,497 | 137,184 | 116,313 |
| Altair Development | 501,554 | 459,760 | 41,794 |
| Knox Street Waterline and Sewer Improvements | 74,000 | 0 | 74,000 |
| Maxtown Water Tank | 240,778 | 232,658 | 8,120 |
| Hempstead Road Electric Duct Bank Project | 199,834 | 0 | 199,834 |
| Substation #3 New Construction | 252,000 | 248,490 | 3,510 |
| Westerville Highlands and Hanby Heights Street Lights | 334,104 | 0 | 334,104 |
| <i>Totals</i> | <u>\$5,351,649</u> | <u>\$2,963,878</u> | <u>\$2,387,771</u> |

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 Association 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.

City of Westerville, Ohio

Notes to the Basic Financial Statements
(Continued)

NOTE 17 – RISK MANAGEMENT *(continued)*

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.

As part of participating in CORMA, coverage is provided for up to \$10,000,000 annual umbrella/excess liability for liability claims and \$200,000,000 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 (\$1,900,000/\$2,000,000) and automobile liability (\$900,000). Pool retentions are \$25,000 per loss for property and \$550,000 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, 2005 and 2006 are:

| | <u>Beginning of Year Liability</u> | <u>Current Year Claims and Changes in Estimates</u> | <u>Claims Payments</u> | <u>End of Year Liability</u> |
|------|--|---|----------------------------|----------------------------------|
| 2005 | \$45,574 | \$262,308 | \$300,791 | \$7,091 |
| 2006 | 7,091 | 87,489 | 94,580 | 0 |

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.

City of Westerville, Ohio

Notes to the Basic Financial Statements
(Continued)

NOTE 18 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund balances at December 31, 2006, consist of the following individual fund receivables and payables:

| <i>Receivable</i> | <i>Payable</i> | | | <i>Totals</i> |
|--------------------------------|----------------|------------------|---------------------|---------------|
| | <i>Fire</i> | <i>Nonmajor</i> | | |
| | | <i>Operating</i> | <i>Governmental</i> | |
| | | <i>Funds</i> | <i>Funds</i> | |
| General | \$237,507 | \$8,914,693 | \$570,000 | \$9,722,200 |
| Parks and Recreation Operating | 0 | 181,904 | 0 | 181,904 |
| Nonmajor Governmental Funds | 0 | 12,937 | 0 | 12,937 |
| Water | 0 | 57,000 | 0 | 57,000 |
| Sewer | 0 | 280,330 | 0 | 280,330 |
| Electric | 0 | 320,000 | 0 | 320,000 |
| <i>Totals</i> | \$237,507 | \$9,766,864 | \$570,000 | \$10,574,371 |

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, the original advance of \$333,000 is to be paid from revenues of the Fire Operating Special Revenue Fund. This amount has been reduced by \$95,493, the unexpended, unencumbered balance of the Safety Building Capital Projects Fund, thus leaving a remaining obligation of the Fire Operating Special Revenue Fund of \$237,507. 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 Nonmajor Governmental Funds. Of the total amount due to the General Fund at year-end, \$9,334,974 is not expected to be repaid in 2007.

The amount due to the Parks and Recreation Operating Special Revenue Fund was advanced to the Recreation Capital Improvement Capital Projects Fund, a Nonmajor Governmental Fund, to enable improvement to Towers Park. \$116,904 of this advance is expected to be repaid in 2007.

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 2007.

The amounts payable from the Water, Sewer and Electric Enterprise Funds were advanced to the Northridge Crossing TIF Fund, a Nonmajor Governmental Fund, to provide funding for infrastructure improvements to property along Africa Road between Polaris Parkway and the City's north corporation line. These loans are not expected to be repaid in 2007.

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, 2006 were as follows:

| | | <i>Transfers To</i> | | | <i>Totals</i> |
|-----------------------|--------------------|---------------------------|---|--|---------------------|
| | | <i>Fire Operating</i> | <i>Parks and Recreation Operating</i> | <i>Nonmajor Governmental Funds</i> | |
| <i>Transfers From</i> | General | \$0 | \$2,765,945 | \$4,499,033 | \$7,264,978 |
| | Nonmajor | | | | |
| | Governmental Funds | 95,493 | 1,130,066 | 2,333,093 | 3,558,652 |
| | <i>Totals</i> | <u>\$95,493</u> | <u>\$3,896,011</u> | <u>\$6,832,126</u> | <u>\$10,823,630</u> |

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.

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, 2006 were as follows:

| | | <i>Due to</i> |
|-----------------|--------------------------------|-----------------|
| | | <i>Electric</i> |
| <i>Due From</i> | General | \$7,371 |
| | Fire Operating | 2,388 |
| | Parks and Recreation Operating | 20,598 |
| | Water | 11,851 |
| | Sewer | 1,187 |
| | Nonmajor Enterprise Funds | 1,101 |
| | Internal Service Fund | 241 |
| <i>Total</i> | <u>\$44,737</u> | |

City of Westerville, Ohio

Notes to the Basic Financial Statements (Continued)

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 2006.

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 2006.

NOTE 21 – RISK SHARING POOL

On October 1, 1997, the City established membership in the Central Ohio Risk Management Association (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, 2006, to December 31, 2006, 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.

Combining Statements
And
Individual Fund Schedules

City of Westerville, Ohio

Nonmajor Governmental Fund Descriptions

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.

(continued)

City of Westerville, Ohio

Nonmajor Governmental Fund Descriptions
(continued)

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 receipts restricted for recreation capital improvements.

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

(continued)

City of Westerville, Ohio

Nonmajor Governmental Fund Descriptions
(continued)

Nonmajor Capital Projects Funds (continued)

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.

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.

(continued)

City of Westerville, Ohio

Nonmajor Governmental Fund Descriptions
(continued)

Nonmajor Capital Projects Funds (continued)

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.

Northstar / Worthington Road TIF Fund - To account for service payments in lieu of taxes made by developers and/or owners to fund public infrastructure improvements and acquisition of interests in real estate relating to the TIF area.

Altair TIF Incentive Fund - To account for service payments in lieu of taxes made by developers and/or owners to fund public infrastructure 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, 2006

| | <i>Nonmajor Special Revenue Funds</i> | <i>Nonmajor Debt Service Fund</i> | <i>Nonmajor Capital Projects Funds</i> | <i>Total Nonmajor Governmental Funds</i> |
|--|---|---|--|--|
| <u>Assets:</u> | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$3,593,865 | \$199,513 | \$10,123,132 | \$13,916,510 |
| Cash and Cash Equivalents with Fiscal Agents | 139,038 | 3,067 | 0 | 142,105 |
| Receivables: | | | | |
| Property and Other Local Taxes | 99,571 | 107,513 | 0 | 207,084 |
| Municipal Income Taxes | 581,260 | 0 | 0 | 581,260 |
| Accounts | 1,979 | 0 | 4,600 | 6,579 |
| Payments in Lieu of Taxes | 13,598 | 0 | 201,602 | 215,200 |
| Accrued Interest | 4,383 | 0 | 283 | 4,666 |
| Intergovernmental Receivable | 703,040 | 5,165 | 145,584 | 853,789 |
| Materials and Supplies Inventory | 195,152 | 0 | 0 | 195,152 |
| Interfund Receivable | 12,937 | 0 | 0 | 12,937 |
| <i>Total Assets</i> | <u>\$5,344,823</u> | <u>\$315,258</u> | <u>\$10,475,201</u> | <u>\$16,135,282</u> |
| <u>Liabilities and Fund Balances</u> | | | | |
| <u>Liabilities:</u> | | | | |
| Accounts Payable | \$45,482 | \$0 | \$33,507 | \$78,989 |
| Contracts Payable | 4,080 | 0 | 357,969 | 362,049 |
| Retainage Payable | 0 | 0 | 142,309 | 142,309 |
| Accrued Wages | 22,322 | 0 | 0 | 22,322 |
| Intergovernmental Payable | 16,755 | 0 | 3,425 | 20,180 |
| Matured Interest Payable | 0 | 3,067 | 0 | 3,067 |
| Deferred Revenue | 968,160 | 112,678 | 303,314 | 1,384,152 |
| Interfund Payable | 12,937 | 0 | 9,753,927 | 9,766,864 |
| <i>Total Liabilities</i> | <u>1,069,736</u> | <u>115,745</u> | <u>10,594,451</u> | <u>11,779,932</u> |
| <u>Fund Balances:</u> | | | | |
| Reserved for Encumbrances | 76,741 | 0 | 2,083,112 | 2,159,853 |
| Reserved for Interfund Receivable | 12,937 | 0 | 0 | 12,937 |
| Unreserved: | | | | |
| Undesignated (Deficit), Reported in: | | | | |
| Special Revenue Funds | 4,185,409 | 0 | 0 | 4,185,409 |
| Debt Service Fund | 0 | 199,513 | 0 | 199,513 |
| Capital Projects Funds | 0 | 0 | (2,202,362) | (2,202,362) |
| <i>Total Fund Balances (Deficit)</i> | <u>4,275,087</u> | <u>199,513</u> | <u>(119,250)</u> | <u>4,355,350</u> |
| <i>Total Liabilities and Fund Balances</i> | <u>\$5,344,823</u> | <u>\$315,258</u> | <u>\$10,475,201</u> | <u>\$16,135,282</u> |

City of Westerville, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2006

| | <u>Street Maintenance</u> | <u>State Highway</u> | <u>DARE</u> |
|--|-------------------------------|--------------------------|-----------------|
| <u>Assets:</u> | | | |
| Equity in Pooled Cash and Cash Equivalents | \$937,165 | \$179,664 | \$24,847 |
| Cash and Cash Equivalents with Fiscal Agents | 0 | 0 | 0 |
| Receivables: | | | |
| Property and Other Local Taxes | 0 | 0 | 0 |
| Municipal Income Taxes | 0 | 0 | 0 |
| Accounts | 1,979 | 0 | 0 |
| Payments in Lieu of Taxes | 0 | 0 | 0 |
| Accrued Interest | 0 | 0 | 2,474 |
| Intergovernmental Receivable | 634,847 | 51,475 | 1,514 |
| Materials and Supplies Inventory | 195,152 | 0 | 0 |
| Interfund Receivable | 0 | 0 | 0 |
| <i>Total Assets</i> | <u>\$1,769,143</u> | <u>\$231,139</u> | <u>\$28,835</u> |
| <u>Liabilities and Fund Balances</u> | | | |
| <u>Liabilities:</u> | | | |
| Accounts Payable | \$28,144 | \$0 | \$0 |
| Contracts Payable | 0 | 4,080 | 0 |
| Accrued Wages | 22,322 | 0 | 0 |
| Intergovernmental Payable | 16,755 | 0 | 0 |
| Deferred Revenue | 532,830 | 43,042 | 1,514 |
| Interfund Payable | 0 | 0 | 0 |
| <i>Total Liabilities</i> | <u>600,051</u> | <u>47,122</u> | <u>1,514</u> |
| <u>Fund Balances:</u> | | | |
| Reserved for Encumbrances | 16,941 | 13,898 | 0 |
| Reserved for Interfund Receivable | 0 | 0 | 0 |
| Unreserved: | | | |
| Undesignated (Deficit), Reported in: | | | |
| Special Revenue Funds | 1,152,151 | 170,119 | 27,321 |
| <i>Total Fund Balances (Deficit)</i> | <u>1,169,092</u> | <u>184,017</u> | <u>27,321</u> |
| <i>Total Liabilities and Fund Balances</i> | <u>\$1,769,143</u> | <u>\$231,139</u> | <u>\$28,835</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> | <i>Mayor's Court Computer</i> |
|---|------------------------------|----------------------|---------------------------|--|-----------------------------------|
| \$609 | \$250 | \$0 | \$18,425 | \$3,955 | \$46,497 |
| 139,038 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 3,806 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 13,598 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 15,204 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| <u>\$154,851</u> | <u>\$250</u> | <u>\$3,806</u> | <u>\$18,425</u> | <u>\$17,553</u> | <u>\$46,497</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 | 13,598 | 0 |
| 0 | 0 | 12,937 | 0 | 0 | 0 |
| <u>0</u> | <u>0</u> | <u>12,937</u> | <u>0</u> | <u>13,598</u> | <u>0</u> |
| 0 | 0 | 0 | 0 | 0 | 8,906 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| <u>154,851</u> | <u>250</u> | <u>(9,131)</u> | <u>18,425</u> | <u>3,955</u> | <u>37,591</u> |
| <u>154,851</u> | <u>250</u> | <u>(9,131)</u> | <u>18,425</u> | <u>3,955</u> | <u>46,497</u> |
| <u>\$154,851</u> | <u>\$250</u> | <u>\$3,806</u> | <u>\$18,425</u> | <u>\$17,553</u> | <u>\$46,497</u> |

(continued)

City of Westerville, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2006
(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> |
|--|--|--|------------------------------------|
| <u>Assets:</u> | | | |
| Equity in Pooled Cash and Cash Equivalents | \$609,529 | \$1,540,499 | \$30,880 |
| Cash and Cash Equivalents with Fiscal Agents | 0 | 0 | 0 |
| Receivables: | | | |
| Property and Other Local Taxes | 95,765 | 0 | 0 |
| Municipal Income Taxes | 0 | 581,260 | 0 |
| Accounts | 0 | 0 | 0 |
| Payments in Lieu of Taxes | 0 | 0 | 0 |
| Accrued Interest | 0 | 0 | 283 |
| Intergovernmental Receivable | 0 | 0 | 0 |
| Materials and Supplies Inventory | 0 | 0 | 0 |
| Interfund Receivable | 12,937 | 0 | 0 |
| <i>Total Assets</i> | <u>\$718,231</u> | <u>\$2,121,759</u> | <u>\$31,163</u> |
| <u>Liabilities and Fund Balances</u> | | | |
| <u>Liabilities:</u> | | | |
| Accounts Payable | \$13,502 | \$0 | \$0 |
| Contracts Payable | 0 | 0 | 0 |
| Accrued Wages | 0 | 0 | 0 |
| Intergovernmental Payable | 0 | 0 | 0 |
| Deferred Revenue | 91,908 | 285,268 | 0 |
| Interfund Payable | 0 | 0 | 0 |
| <i>Total Liabilities</i> | <u>105,410</u> | <u>285,268</u> | <u>0</u> |
| <u>Fund Balances:</u> | | | |
| Reserved for Encumbrances | 19,893 | 0 | 0 |
| Reserved for Interfund Receivable | 12,937 | 0 | 0 |
| Unreserved: | | | |
| Undesignated (Deficit), Reported in: | | | |
| Special Revenue Funds | 579,991 | 1,836,491 | 31,163 |
| <i>Total Fund Balances (Deficit)</i> | <u>612,821</u> | <u>1,836,491</u> | <u>31,163</u> |
| <i>Total Liabilities and Fund Balances</i> | <u>\$718,231</u> | <u>\$2,121,759</u> | <u>\$31,163</u> |

| <i>Criminal Activity Forfeiture</i> | <i>McVay Endowment</i> | <i>Total Nonmajor Special Revenue Funds</i> |
|---|----------------------------|---|
| \$160,752 | \$40,793 | \$3,593,865 |
| 0 | 0 | 139,038 |
| 0 | 0 | 99,571 |
| 0 | 0 | 581,260 |
| 0 | 0 | 1,979 |
| 0 | 0 | 13,598 |
| 1,626 | 0 | 4,383 |
| 0 | 0 | 703,040 |
| 0 | 0 | 195,152 |
| 0 | 0 | 12,937 |
| <u>\$162,378</u> | <u>\$40,793</u> | <u>\$5,344,823</u> |
| \$3,836 | \$0 | \$45,482 |
| 0 | 0 | 4,080 |
| 0 | 0 | 22,322 |
| 0 | 0 | 16,755 |
| 0 | 0 | 968,160 |
| 0 | 0 | 12,937 |
| <u>3,836</u> | <u>0</u> | <u>1,069,736</u> |
| 17,103 | 0 | 76,741 |
| 0 | 0 | 12,937 |
| <u>141,439</u> | <u>40,793</u> | <u>4,185,409</u> |
| <u>158,542</u> | <u>40,793</u> | <u>4,275,087</u> |
| <u>\$162,378</u> | <u>\$40,793</u> | <u>\$5,344,823</u> |

City of Westerville, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2006

| | <i>General Capital Improvement</i> | <i>Recreation Improvement</i> | <i>Africa Road Improvement</i> | <i>Dempsey Road Improvement</i> |
|---|--|-----------------------------------|--|---|
| <u>Assets:</u> | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$1,989,110 | \$256,211 | \$48 | \$109,522 |
| Receivables: | | | | |
| Accounts | 0 | 0 | 0 | 0 |
| Payments in Lieu of Taxes | 0 | 0 | 0 | 0 |
| Accrued Interest | 0 | 0 | 0 | 0 |
| Intergovernmental Receivable | 0 | 86,606 | 0 | 0 |
| <i>Total Assets</i> | <u>\$1,989,110</u> | <u>\$342,817</u> | <u>\$48</u> | <u>\$109,522</u> |
| <u>Liabilities and Fund Balances</u> | | | | |
| <u>Liabilities:</u> | | | | |
| Accounts Payable | \$21,417 | \$650 | \$0 | \$0 |
| Contracts Payable | 101,157 | 1,543 | 0 | 0 |
| Retainage Payable | 6,462 | 22,789 | 0 | 0 |
| Intergovernmental Payable | 3,425 | 0 | 0 | 0 |
| Deferred Revenue | 0 | 86,606 | 0 | 0 |
| Interfund Payable | 0 | 181,904 | 135,000 | 0 |
| <i>Total Liabilities</i> | <u>132,461</u> | <u>293,492</u> | <u>135,000</u> | <u>0</u> |
| <u>Fund Balances:</u> | | | | |
| Reserved for Encumbrances | 549,623 | 89,776 | 0 | 3,500 |
| Unreserved: | | | | |
| Undesignated (Deficit), Reported in: | | | | |
| Capital Projects Funds | 1,307,026 | (40,451) | (134,952) | 106,022 |
| <i>Total Fund Balances (Deficit)</i> | <u>1,856,649</u> | <u>49,325</u> | <u>(134,952)</u> | <u>109,522</u> |
| <i>Total Liabilities and Fund Balances</i> | <u>\$1,989,110</u> | <u>\$342,817</u> | <u>\$48</u> | <u>\$109,522</u> |

| <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> | <i>Parks and Recreation Replacement and Reserve</i> | <i>Street Replacement and Reserve</i> |
|--|---|---|---|---|---|---|
| \$178,022 | \$302,525 | \$1,928,031 | \$1,408,608 | \$24,561 | \$676,259 | \$1,358,180 |
| 0 | 4,600 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>\$178,022</u> | <u>\$307,125</u> | <u>\$1,928,031</u> | <u>\$1,408,608</u> | <u>\$24,561</u> | <u>\$676,259</u> | <u>\$1,358,180</u> |
| \$0 | \$0 | \$529 | \$0 | \$0 | \$0 | \$0 |
| 0 | 29,171 | 0 | 0 | 0 | 2,000 | 0 |
| 0 | 0 | 10,000 | 0 | 0 | 2,600 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 4,600 | 0 | 0 | 0 | 0 | 0 |
| 1,722,000 | 2,589,000 | 0 | 1,261,000 | 1,019,200 | 0 | 0 |
| <u>1,722,000</u> | <u>2,622,771</u> | <u>10,529</u> | <u>1,261,000</u> | <u>1,019,200</u> | <u>4,600</u> | <u>0</u> |
| 0 | 198,586 | 35,110 | 0 | 0 | 17,795 | 0 |
| (1,543,978) | (2,514,232) | 1,882,392 | 147,608 | (994,639) | 653,864 | 1,358,180 |
| <u>(1,543,978)</u> | <u>(2,315,646)</u> | <u>1,917,502</u> | <u>147,608</u> | <u>(994,639)</u> | <u>671,659</u> | <u>1,358,180</u> |
| <u>\$178,022</u> | <u>\$307,125</u> | <u>\$1,928,031</u> | <u>\$1,408,608</u> | <u>\$24,561</u> | <u>\$676,259</u> | <u>\$1,358,180</u> |

(continued)

City of Westerville, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2006
(Continued)

| | <i>Tree Replacement</i> | <i>City Buildings Improvement</i> | <i>Safety Building Capital Improvement</i> | <i>Westar/ Olentangy TIF</i> |
|---|-----------------------------|---|--|--------------------------------------|
| <u>Assets:</u> | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$51,988 | \$220,168 | \$95,493 | \$44,259 |
| Receivables: | | | | |
| Accounts | 0 | 0 | 0 | 0 |
| Payments in Lieu of Taxes | 0 | 0 | 0 | 12,826 |
| Accrued Interest | 0 | 0 | 0 | 0 |
| Intergovernmental Receivable | 0 | 0 | 0 | 0 |
| <i>Total Assets</i> | <u>\$51,988</u> | <u>\$220,168</u> | <u>\$95,493</u> | <u>\$57,085</u> |
| <u>Liabilities and Fund Balances</u> | | | | |
| <u>Liabilities:</u> | | | | |
| Accounts Payable | \$0 | \$0 | \$0 | \$0 |
| Contracts Payable | 0 | 0 | 0 | 0 |
| Retainage Payable | 0 | 0 | 0 | 0 |
| Intergovernmental Payable | 0 | 0 | 0 | 0 |
| Deferred Revenue | 0 | 0 | 0 | 12,826 |
| Interfund Payable | 0 | 0 | 95,493 | 0 |
| <i>Total Liabilities</i> | <u>0</u> | <u>0</u> | <u>95,493</u> | <u>12,826</u> |
| <u>Fund Balances:</u> | | | | |
| Reserved for Encumbrances | 0 | 215,843 | 0 | 0 |
| Unreserved: | | | | |
| Undesignated (Deficit), Reported in: | | | | |
| Capital Projects Funds | 51,988 | 4,325 | 0 | 44,259 |
| <i>Total Fund Balances (Deficit)</i> | <u>51,988</u> | <u>220,168</u> | <u>0</u> | <u>44,259</u> |
| <i>Total Liabilities and Fund Balances</i> | <u>\$51,988</u> | <u>\$220,168</u> | <u>\$95,493</u> | <u>\$57,085</u> |

| <i>Northridge Crossing TIF</i> | <i>Northstar/ Worthington Road TIF</i> | <i>Altair TIF Incentive</i> | <i>Perimeter Road Improvement</i> | <i>Recreation Capital Improvement</i> | <i>Total Nonmajor Capital Projects Funds</i> |
|--|--|-------------------------------------|---|---|--|
| \$1,042,062 | \$133,465 | \$176,491 | \$126,830 | \$1,299 | \$10,123,132 |
| 0 | 0 | 0 | 0 | 0 | 4,600 |
| 147,266 | 41,510 | 0 | 0 | 0 | 201,602 |
| 0 | 0 | 0 | 0 | 283 | 283 |
| 0 | 58,978 | 0 | 0 | 0 | 145,584 |
| <u>\$1,189,328</u> | <u>\$233,953</u> | <u>\$176,491</u> | <u>\$126,830</u> | <u>\$1,582</u> | <u>\$10,475,201</u> |
| \$1,247 | \$9,664 | \$0 | \$0 | \$0 | \$33,507 |
| 94,944 | 0 | 129,154 | 0 | 0 | 357,969 |
| 95,860 | 0 | 4,598 | 0 | 0 | 142,309 |
| 0 | 0 | 0 | 0 | 0 | 3,425 |
| 147,266 | 52,016 | 0 | 0 | 0 | 303,314 |
| 2,032,330 | 200,000 | 518,000 | 0 | 0 | 9,753,927 |
| <u>2,371,647</u> | <u>261,680</u> | <u>651,752</u> | <u>0</u> | <u>0</u> | <u>10,594,451</u> |
| 810,635 | 115,853 | 46,391 | 0 | 0 | 2,083,112 |
| (1,992,954) | (143,580) | (521,652) | 126,830 | 1,582 | (2,202,362) |
| (1,182,319) | (27,727) | (475,261) | 126,830 | 1,582 | (119,250) |
| <u>\$1,189,328</u> | <u>\$233,953</u> | <u>\$176,491</u> | <u>\$126,830</u> | <u>\$1,582</u> | <u>\$10,475,201</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, 2006

| | <i>Nonmajor Special Revenue Funds</i> | <i>Nonmajor Debt Service Fund</i> | <i>Nonmajor Capital Projects Funds</i> | <i>Total Nonmajor Governmental Funds</i> |
|---|---|---|--|--|
| <u>Revenues:</u> | | | | |
| Property Taxes | \$0 | \$464,837 | \$0 | \$464,837 |
| Municipal Income Taxes | 4,053,687 | 0 | 0 | 4,053,687 |
| Other Local Taxes | 345,566 | 0 | 0 | 345,566 |
| Payments in Lieu of Taxes | 709,097 | 0 | 151,042 | 860,139 |
| Intergovernmental | 1,825,782 | 81,141 | 48,472 | 1,955,395 |
| Fees, Licenses and Permits | 0 | 0 | 39,600 | 39,600 |
| Fines and Forfeitures | 73,678 | 0 | 0 | 73,678 |
| Interest | 15,285 | 0 | 85,588 | 100,873 |
| Increase in Fair Value of Cash Equivalents | 1,061 | 0 | 944 | 2,005 |
| Other | 21,877 | 134 | 71,564 | 93,575 |
| Total Revenues | 7,046,033 | 546,112 | 397,210 | 7,989,355 |
| <u>Expenditures:</u> | | | | |
| Current: | | | | |
| Security of Persons and Property | 48,064 | 0 | 0 | 48,064 |
| Transportation | 2,157,229 | 0 | 0 | 2,157,229 |
| General Government | 1,448,034 | 0 | 0 | 1,448,034 |
| Capital Outlay | 0 | 0 | 7,588,335 | 7,588,335 |
| Debt Service: | | | | |
| Principal Retirement | 0 | 1,783,390 | 0 | 1,783,390 |
| Interest and Fiscal Charges | 0 | 1,296,758 | 0 | 1,296,758 |
| Total Expenditures | 3,653,327 | 3,080,148 | 7,588,335 | 14,321,810 |
| Excess of Revenues Over (Under) Expenditures | 3,392,706 | (2,534,036) | (7,191,125) | (6,332,455) |
| <u>Other Financing Sources (Uses):</u> | | | | |
| Transfers - In | 357,705 | 2,633,676 | 3,840,745 | 6,832,126 |
| Transfers - Out | (3,397,414) | 0 | (161,238) | (3,558,652) |
| Total Other Financing Sources (Uses) | (3,039,709) | 2,633,676 | 3,679,507 | 3,273,474 |
| Net Change in Fund Balances | 352,997 | 99,640 | (3,511,618) | (3,058,981) |
| Fund Balances at Beginning of Year | 3,922,090 | 99,873 | 3,392,368 | 7,414,331 |
| Fund Balances (Deficit) at End of Year | \$4,275,087 | \$199,513 | (\$119,250) | \$4,355,350 |

City of Westerville, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2006

| | <i>Street Maintenance</i> | <i>State Highway</i> | <i>DARE</i> |
|---|-------------------------------|--------------------------|------------------------|
| <u>Revenues:</u> | | | |
| Municipal Income Taxes | \$0 | \$0 | \$0 |
| Other Local Taxes | 0 | 0 | 0 |
| Payments in Lieu of Taxes | 0 | 0 | 0 |
| Intergovernmental | 1,357,728 | 110,033 | 4,605 |
| Fines and Forfeitures | 0 | 0 | 0 |
| Interest | 229 | 1,256 | 3,943 |
| Increase (Decrease) in Fair Value of Cash Equivalents | 0 | 0 | (413) |
| Other | 3,574 | 0 | 1,195 |
| <i>Total Revenues</i> | <u>1,361,531</u> | <u>111,289</u> | <u>9,330</u> |
| <u>Expenditures:</u> | | | |
| Current: | | | |
| Security of Persons and Property | 0 | 0 | 6,314 |
| Transportation | 1,657,127 | 241,102 | 0 |
| General Government | 0 | 0 | 0 |
| <i>Total Expenditures</i> | <u>1,657,127</u> | <u>241,102</u> | <u>6,314</u> |
| Excess of Revenues Over (Under) Expenditures | <u>(295,596)</u> | <u>(129,813)</u> | <u>3,016</u> |
| <u>Other Financing Sources (Uses):</u> | | | |
| Transfers - In | 0 | 0 | 0 |
| Transfers - Out | 0 | 0 | 0 |
| <i>Total Other Financing Sources (Uses)</i> | <u>0</u> | <u>0</u> | <u>0</u> |
| Net Change in Fund Balances | (295,596) | (129,813) | 3,016 |
| Fund Balances (Deficit) at Beginning of Year | <u>1,464,688</u> | <u>313,830</u> | <u>24,305</u> |
| <i>Fund Balances (Deficit) at End of Year</i> | <u><u>\$1,169,092</u></u> | <u><u>\$184,017</u></u> | <u><u>\$27,321</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 | 59,870 | 0 | 0 |
| 0 | 0 | 0 | 0 | 709,097 |
| 353,416 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 3,362 | 0 |
| 3,025 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 |
| 0 | 250 | 0 | 0 | 0 |
| <u>356,441</u> | <u>250</u> | <u>59,870</u> | <u>3,362</u> | <u>709,097</u> |
| 0 | 0 | 0 | 0 | 0 |
| 259,000 | 0 | 0 | 0 | 0 |
| 0 | 0 | 59,149 | 0 | 1,066,568 |
| <u>259,000</u> | <u>0</u> | <u>59,149</u> | <u>0</u> | <u>1,066,568</u> |
| 97,441 | 250 | 721 | 3,362 | (357,471) |
| 0 | 0 | 0 | 0 | 357,705 |
| 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 357,705 |
| 97,441 | 250 | 721 | 3,362 | 234 |
| 57,410 | 0 | (9,852) | 15,063 | 3,721 |
| <u>\$154,851</u> | <u>\$250</u> | <u>(\$9,131)</u> | <u>\$18,425</u> | <u>\$3,955</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, 2006
(Continued)

| | <i>Mayor's Court Computer</i> | <i>Cable TV Franchise Fee</i> | <i>Parks and Recreation Income Tax Allocation</i> |
|---|-----------------------------------|---------------------------------------|---|
| <u>Revenues:</u> | | | |
| Municipal Income Taxes | \$0 | \$0 | \$4,053,687 |
| Other Local Taxes | 0 | 285,696 | 0 |
| Payments in Lieu of Taxes | 0 | 0 | 0 |
| Intergovernmental | 0 | 0 | 0 |
| Fines and Forfeitures | 16,984 | 0 | 0 |
| Interest | 0 | 0 | 0 |
| Increase (Decrease) in Fair Value of Cash Equivalents | 0 | 0 | 0 |
| Other | 0 | 0 | 0 |
| <i>Total Revenues</i> | <u>16,984</u> | <u>285,696</u> | <u>4,053,687</u> |
| <u>Expenditures:</u> | | | |
| Current: | | | |
| Security of Persons and Property | 0 | 0 | 0 |
| Transportation | 0 | 0 | 0 |
| General Government | 21,691 | 300,626 | 0 |
| <i>Total Expenditures</i> | <u>21,691</u> | <u>300,626</u> | <u>0</u> |
| Excess of Revenues Over (Under) Expenditures | <u>(4,707)</u> | <u>(14,930)</u> | <u>4,053,687</u> |
| <u>Other Financing Sources (Uses):</u> | | | |
| Transfers - In | 0 | 0 | 0 |
| Transfers - Out | 0 | 0 | (3,397,414) |
| <i>Total Other Financing Sources (Uses)</i> | <u>0</u> | <u>0</u> | <u>(3,397,414)</u> |
| Net Change in Fund Balances | (4,707) | (14,930) | 656,273 |
| Fund Balances (Deficit) at Beginning of Year | <u>51,204</u> | <u>627,751</u> | <u>1,180,218</u> |
| <i>Fund Balances (Deficit) at End of Year</i> | <u>\$46,497</u> | <u>\$612,821</u> | <u>\$1,836,491</u> |

| <i>Drug Enforcement</i> | <i>Criminal Activity Forfeiture</i> | <i>McVay Endowment</i> | <i>Total Nonmajor Special Revenue Funds</i> |
|-----------------------------|---|----------------------------|---|
| \$0 | \$0 | \$0 | \$4,053,687 |
| 0 | 0 | 0 | 345,566 |
| 0 | 0 | 0 | 709,097 |
| 0 | 0 | 0 | 1,825,782 |
| 8,256 | 45,076 | 0 | 73,678 |
| 1,145 | 5,687 | 0 | 15,285 |
| 146 | 1,328 | 0 | 1,061 |
| 0 | 0 | 16,858 | 21,877 |
| 9,547 | 52,091 | 16,858 | 7,046,033 |
| 0 | 39,724 | 2,026 | 48,064 |
| 0 | 0 | 0 | 2,157,229 |
| 0 | 0 | 0 | 1,448,034 |
| 0 | 39,724 | 2,026 | 3,653,327 |
| 9,547 | 12,367 | 14,832 | 3,392,706 |
| 0 | 0 | 0 | 357,705 |
| 0 | 0 | 0 | (3,397,414) |
| 0 | 0 | 0 | (3,039,709) |
| 9,547 | 12,367 | 14,832 | 352,997 |
| 21,616 | 146,175 | 25,961 | 3,922,090 |
| \$31,163 | \$158,542 | \$40,793 | \$4,275,087 |

City of Westerville, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2006

| | <i>General Capital Improvement</i> | <i>Recreation Improvement</i> | <i>Africa Road Improvement</i> | <i>Dempsey Road Improvement</i> |
|---|--|-----------------------------------|--|---|
| <u>Revenues:</u> | | | | |
| Payments in Lieu of Taxes | \$0 | \$0 | \$0 | \$0 |
| Intergovernmental | 0 | 0 | 0 | 0 |
| Fees, Licenses and Permits | 0 | 0 | 0 | 0 |
| Interest | 0 | 0 | 0 | 0 |
| Increase in Fair Value of Cash Equivalents | 0 | 0 | 0 | 0 |
| Other | 0 | 56,564 | 0 | 0 |
| <i>Total Revenues</i> | <u>0</u> | <u>56,564</u> | <u>0</u> | <u>0</u> |
| <u>Expenditures:</u> | | | | |
| Capital Outlay | 3,725,326 | 266,623 | 134,952 | 16,478 |
| Excess of Revenues Over (Under) Expenditures | <u>(3,725,326)</u> | <u>(210,059)</u> | <u>(134,952)</u> | <u>(16,478)</u> |
| <u>Other Financing Sources (Uses):</u> | | | | |
| Transfers - In | 3,040,000 | 65,745 | 0 | 0 |
| Transfers - Out | 0 | 0 | 0 | 0 |
| <i>Total Other Financing Sources (Uses)</i> | <u>3,040,000</u> | <u>65,745</u> | <u>0</u> | <u>0</u> |
| Net Change in Fund Balances | (685,326) | (144,314) | (134,952) | (16,478) |
| Fund Balances (Deficit) at Beginning of Year | <u>2,541,975</u> | <u>193,639</u> | <u>0</u> | <u>126,000</u> |
| <i>Fund Balances (Deficit) at End of Year</i> | <u><u>\$1,856,649</u></u> | <u><u>\$49,325</u></u> | <u><u>(\$134,952)</u></u> | <u><u>\$109,522</u></u> |

| <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> | <i>Parks and Recreation Replacement and Reserve</i> |
|--|---|---|---|---|---|
| \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 37,204 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 15,000 | 0 | 0 | 0 |
| <u>0</u> | <u>0</u> | <u>52,204</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| | | | | | |
| 450,061 | 102,386 | 269,068 | 89,654 | 39,287 | 95,841 |
| <u>(450,061)</u> | <u>(102,386)</u> | <u>(216,864)</u> | <u>(89,654)</u> | <u>(39,287)</u> | <u>(95,841)</u> |
| | | | | | |
| 335,000 | 0 | 0 | 0 | 0 | 150,000 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| <u>335,000</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>150,000</u> |
| | | | | | |
| (115,061) | (102,386) | (216,864) | (89,654) | (39,287) | 54,159 |
| <u>(1,428,917)</u> | <u>(2,213,260)</u> | <u>2,134,366</u> | <u>237,262</u> | <u>(955,352)</u> | <u>617,500</u> |
| <u>(\$1,543,978)</u> | <u>(\$2,315,646)</u> | <u>\$1,917,502</u> | <u>\$147,608</u> | <u>(\$994,639)</u> | <u>\$671,659</u> |

(Continued)

City of Westerville, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2006
(Continued)

| | <i>Street Replacement and Reserve</i> | <i>Tree Replacement</i> | <i>City Buildings Improvement</i> | <i>Safety Building Capital Improvement</i> |
|---|---|-----------------------------|---|--|
| <u>Revenues:</u> | | | | |
| Payments in Lieu of Taxes | \$0 | \$0 | \$0 | \$0 |
| Intergovernmental | 0 | 0 | 0 | 0 |
| Fees, Licenses and Permits | 0 | 0 | 0 | 0 |
| Interest | 0 | 0 | 24,452 | 22,596 |
| Increase in Fair Value of Cash Equivalents | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 |
| <i>Total Revenues</i> | <u>0</u> | <u>0</u> | <u>24,452</u> | <u>22,596</u> |
| <u>Expenditures:</u> | | | | |
| Capital Outlay | 0 | 8,748 | 24,698 | 496,507 |
| Excess of Revenues Over (Under) Expenditures | <u>0</u> | <u>(8,748)</u> | <u>(246)</u> | <u>(473,911)</u> |
| <u>Other Financing Sources (Uses):</u> | | | | |
| Transfers - In | 250,000 | 0 | 0 | 0 |
| Transfers - Out | 0 | 0 | 0 | (95,493) |
| <i>Total Other Financing Sources (Uses)</i> | <u>250,000</u> | <u>0</u> | <u>0</u> | <u>(95,493)</u> |
| Net Change in Fund Balances | 250,000 | (8,748) | (246) | (569,404) |
| Fund Balances (Deficit) at Beginning of Year | <u>1,108,180</u> | <u>60,736</u> | <u>220,414</u> | <u>569,404</u> |
| <i>Fund Balances (Deficit) at End of Year</i> | <u><u>\$1,358,180</u></u> | <u><u>\$51,988</u></u> | <u><u>\$220,168</u></u> | <u><u>\$0</u></u> |

| <i>Westar/ Olentangy TIF</i> | <i>Northridge Crossing TIF</i> | <i>Northstar/ Worthington Road TIF</i> | <i>Altair TIF Incentive</i> | <i>Perimeter Road Improvement</i> | <i>Recreation Capital Improvement</i> | <i>Total Nonmajor Capital Projects Funds</i> |
|--------------------------------------|--|--|-------------------------------------|---|---|--|
| \$21,734 | \$129,308 | \$0 | \$0 | \$0 | \$0 | \$151,042 |
| 0 | 0 | 48,472 | 0 | 0 | 0 | 48,472 |
| 0 | 0 | 0 | 0 | 39,600 | 0 | 39,600 |
| 0 | 0 | 0 | 0 | 0 | 1,336 | 85,588 |
| 0 | 0 | 0 | 0 | 0 | 944 | 944 |
| 0 | 0 | 0 | 0 | 0 | 0 | 71,564 |
| <u>21,734</u> | <u>129,308</u> | <u>48,472</u> | <u>0</u> | <u>39,600</u> | <u>2,280</u> | <u>397,210</u> |
| 0 | 1,317,246 | 76,199 | 475,261 | 0 | 0 | 7,588,335 |
| <u>21,734</u> | <u>(1,187,938)</u> | <u>(27,727)</u> | <u>(475,261)</u> | <u>39,600</u> | <u>2,280</u> | <u>(7,191,125)</u> |
| 0 | 0 | 0 | 0 | 0 | 0 | 3,840,745 |
| 0 | 0 | 0 | 0 | 0 | (65,745) | (161,238) |
| 0 | 0 | 0 | 0 | 0 | (65,745) | 3,679,507 |
| <u>21,734</u> | <u>(1,187,938)</u> | <u>(27,727)</u> | <u>(475,261)</u> | <u>39,600</u> | <u>(63,465)</u> | <u>(3,511,618)</u> |
| <u>22,525</u> | <u>5,619</u> | <u>0</u> | <u>0</u> | <u>87,230</u> | <u>65,047</u> | <u>3,392,368</u> |
| <u>\$44,259</u> | <u>(\$1,182,319)</u> | <u>(\$27,727)</u> | <u>(\$475,261)</u> | <u>\$126,830</u> | <u>\$1,582</u> | <u>(\$119,250)</u> |

City of Westerville, Ohio

Nonmajor Enterprise Fund Descriptions

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.

Water System Capital Improvement Fund - To account for water system improvements. This fund is combined with the Water Fund for GAAP reporting purposes. The budgetary schedule is presented directly following the Water Fund's budgetary schedule.

City of Westerville, Ohio
Combining Statement of Fund Net Assets
Nonmajor Enterprise Funds
December 31, 2006

| | <i>Refuse</i> | <i>Swimming Pool</i> | <i>Total Nonmajor Enterprise Funds</i> |
|--|--------------------|--------------------------|--|
| <u>Assets:</u> | | | |
| <i>Current Assets:</i> | | | |
| Equity in Pooled Cash and Cash Equivalents | \$653,923 | \$175,027 | \$828,950 |
| Receivables: | | | |
| Accounts, Net | 304,211 | 0 | 304,211 |
| <i>Total Current Assets</i> | <u>958,134</u> | <u>175,027</u> | <u>1,133,161</u> |
| <i>Non-current Assets:</i> | | | |
| <i>Capital Assets:</i> | | | |
| Nondepreciable Capital Assets | 12,500 | 67,500 | 80,000 |
| Depreciable Capital Assets, Net | 975,768 | 374,144 | 1,349,912 |
| <i>Total Non-current Assets</i> | <u>988,268</u> | <u>441,644</u> | <u>1,429,912</u> |
| <i>Total Assets</i> | <u>1,946,402</u> | <u>616,671</u> | <u>2,563,073</u> |
| <u>Liabilities:</u> | | | |
| <i>Current Liabilities:</i> | | | |
| Accounts Payable | 138,479 | 17 | 138,496 |
| Accrued Wages | 2,010 | 2,353 | 4,363 |
| Intergovernmental Payable | 1,506 | 3,405 | 4,911 |
| Due to Other Funds | 0 | 1,101 | 1,101 |
| Compensated Absences Payable | 7,537 | 2,623 | 10,160 |
| <i>Total Current Liabilities</i> | <u>149,532</u> | <u>9,499</u> | <u>159,031</u> |
| <i>Long-Term Liabilities:</i> | | | |
| Interfund Payable | 570,000 | 0 | 570,000 |
| Compensated Absences Payable | 8,367 | 2,760 | 11,127 |
| <i>Total Long-Term Liabilities</i> | <u>578,367</u> | <u>2,760</u> | <u>581,127</u> |
| <i>Total Liabilities</i> | <u>727,899</u> | <u>12,259</u> | <u>740,158</u> |
| <u>Net Assets:</u> | | | |
| Invested in Capital Assets | 988,268 | 441,644 | 1,429,912 |
| Unrestricted | 230,235 | 162,768 | 393,003 |
| <i>Total Net Assets</i> | <u>\$1,218,503</u> | <u>\$604,412</u> | <u>\$1,822,915</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, 2006

| | <i>Refuse</i> | <i>Swimming Pool</i> | <i>Total Nonmajor Enterprise Funds</i> |
|-----------------------------------|---------------------------|--------------------------|--|
| <u>Operating Revenues:</u> | | | |
| Charges for Services | \$1,924,673 | \$403,826 | \$2,328,499 |
| Other Operating Revenues | 120 | 153 | 273 |
| <i>Total Operating Revenues</i> | <u>1,924,793</u> | <u>403,979</u> | <u>2,328,772</u> |
| <u>Operating Expenses:</u> | | | |
| Personal Services | 87,279 | 341,828 | 429,107 |
| Contractual Services | 1,672,076 | 65,899 | 1,737,975 |
| Materials and Supplies | 13,034 | 54,474 | 67,508 |
| Other | 5,746 | 0 | 5,746 |
| Depreciation | 162,825 | 52,298 | 215,123 |
| <i>Total Operating Expenses</i> | <u>1,940,960</u> | <u>514,499</u> | <u>2,455,459</u> |
| Change in Net Assets | (16,167) | (110,520) | (126,687) |
| Net Assets at Beginning of Year | <u>1,234,670</u> | <u>714,932</u> | <u>1,949,602</u> |
| <i>Net Assets at End of Year</i> | <u><u>\$1,218,503</u></u> | <u><u>\$604,412</u></u> | <u><u>\$1,822,915</u></u> |

City of Westerville, Ohio
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended December 31, 2006

| | <i>Refuse</i> | <i>Swimming Pool</i> | <i>Total Nonmajor Enterprise Funds</i> |
|--|------------------|--------------------------|--|
| <u>Increases (Decreases) in Cash and Cash Equivalents:</u> | | | |
| <u>Cash Flows from Operating Activities:</u> | | | |
| Cash Received from Customers | \$1,911,870 | \$403,826 | \$2,315,696 |
| Cash Payments for Personal Services | (79,788) | (341,899) | (421,687) |
| Cash Payments for Materials and Supplies | (13,034) | (54,474) | (67,508) |
| Cash Payments for Other Services and Charges | (1,673,178) | (46,745) | (1,719,923) |
| Interfund Services Used | (651) | (18,701) | (19,352) |
| Other Operating Revenues | 120 | 153 | 273 |
| <i>Net Cash Provided by (Used for) Operating Activities</i> | 145,339 | (57,840) | 87,499 |
| <u>Cash Flows from Non-Capital Financing Activities:</u> | | | |
| Advances to Other Funds | (105,000) | 0 | (105,000) |
| <u>Cash Flows from Capital and Related Financing Activities:</u> | | | |
| Acquisition and Construction of Capital Assets | 0 | (15,562) | (15,562) |
| Net Increase (Decrease) in Cash and Cash Equivalents | 40,339 | (73,402) | (33,063) |
| Cash and Cash Equivalents at Beginning of Year | 613,584 | 248,429 | 862,013 |
| <i>Cash and Cash Equivalents at End of Year</i> | <u>\$653,923</u> | <u>\$175,027</u> | <u>\$828,950</u> |
| <u>Reconciliation of Operating Loss to Net Cash Provided by (Used for) Operating Activities:</u> | | | |
| Operating Loss | (\$16,167) | (\$110,520) | (\$126,687) |
| <u>Adjustments to Reconcile Operating Loss to Net Cash Provided by (Used for) Operating Activities:</u> | | | |
| Depreciation | 162,825 | 52,298 | 215,123 |
| Change in Provision for Uncollectable Accounts Receivable | 181 | 0 | 181 |
| <u>Changes in Assets and Liabilities:</u> | | | |
| Increase in Accounts Receivable | (7,238) | 0 | (7,238) |
| Increase (Decrease) in Accounts Payable | (1,573) | 4 | (1,569) |
| Increase (Decrease) in Accrued Wages | (442) | 106 | (336) |
| Increase (Decrease) in Compensated Absences | 8,822 | (221) | 8,601 |
| Increase (Decrease) in Due to Other Funds | (180) | 449 | 269 |
| Increase (Decrease) in Intergovernmental Payable | (889) | 44 | (845) |
| <i>Net Cash Provided by (Used for) Operating Activities</i> | <u>\$145,339</u> | <u>(\$57,840)</u> | <u>\$87,499</u> |

City of Westerville, Ohio

Internal Service Fund Descriptions

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, 2006

| | <i>Garage</i> | <i>Self- Insurance</i> | <i>Total Internal Service Funds</i> |
|--|------------------|----------------------------|---|
| <u>Assets</u> | | | |
| <i>Current Assets:</i> | | | |
| Equity in Pooled Cash and Cash Equivalents | \$45,244 | \$751,021 | \$796,265 |
| Receivables: | | | |
| Accrued Interest | 0 | 7,351 | 7,351 |
| Materials and Supplies Inventory | 40,578 | 0 | 40,578 |
| <i>Total Current Assets</i> | <u>85,822</u> | <u>758,372</u> | <u>844,194</u> |
| <i>Non-current Assets:</i> | | | |
| Capital Assets: | | | |
| Depreciable Capital Assets, Net | 208,213 | 0 | 208,213 |
| <i>Total Assets</i> | <u>294,035</u> | <u>758,372</u> | <u>1,052,407</u> |
| <u>Liabilities</u> | | | |
| <i>Current Liabilities:</i> | | | |
| Accounts Payable | 1,979 | 0 | 1,979 |
| Accrued Wages | 9,123 | 0 | 9,123 |
| Intergovernmental Payable | 5,668 | 0 | 5,668 |
| Due to Other Funds | 241 | 0 | 241 |
| Compensated Absences Payable | 21,100 | 0 | 21,100 |
| <i>Total Current Liabilities</i> | <u>38,111</u> | <u>0</u> | <u>38,111</u> |
| <i>Long-Term Liabilities:</i> | | | |
| Compensated Absences Payable | 58,017 | 0 | 58,017 |
| <i>Total Liabilities</i> | <u>96,128</u> | <u>0</u> | <u>96,128</u> |
| <u>Net Assets</u> | | | |
| Invested in Capital Assets | 208,213 | 0 | 208,213 |
| Unrestricted (Deficit) | (10,306) | 758,372 | 748,066 |
| <i>Total Net Assets</i> | <u>\$197,907</u> | <u>\$758,372</u> | <u>\$956,279</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, 2006

| | <i>Garage</i> | <i>Self- Insurance</i> | <i>Total Internal Service Funds</i> |
|--|-------------------------|----------------------------|---|
| <u>Operating Revenues:</u> | | | |
| Charges for Services | \$807,493 | \$250,000 | \$1,057,493 |
| Other Operating Revenues | 6,132 | 17,905 | 24,037 |
| <i>Total Operating Revenues</i> | <u>813,625</u> | <u>267,905</u> | <u>1,081,530</u> |
| <u>Operating Expenses:</u> | | | |
| Personal Services | 328,359 | 0 | 328,359 |
| Contractual Services | 49,741 | 0 | 49,741 |
| Materials and Supplies | 435,115 | 0 | 435,115 |
| Claims | 0 | 87,489 | 87,489 |
| Other | 0 | 15,000 | 15,000 |
| Depreciation | 20,205 | 0 | 20,205 |
| <i>Total Operating Expenses</i> | <u>833,420</u> | <u>102,489</u> | <u>935,909</u> |
| <i>Operating Income (Loss)</i> | <u>(19,795)</u> | <u>165,416</u> | <u>145,621</u> |
| <u>Non-Operating Revenues:</u> | | | |
| Interest | 0 | 28,083 | 28,083 |
| Increase in Fair Value of Cash Equivalents | 0 | 4,515 | 4,515 |
| <i>Total Non-Operating Revenues</i> | <u>0</u> | <u>32,598</u> | <u>32,598</u> |
| Change in Net Assets | (19,795) | 198,014 | 178,219 |
| Net Assets at Beginning of Year | <u>217,702</u> | <u>560,358</u> | <u>778,060</u> |
| <i>Net Assets at End of Year</i> | <u><u>\$197,907</u></u> | <u><u>\$758,372</u></u> | <u><u>\$956,279</u></u> |

City of Westerville, Ohio
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2006

| | <u>Garage</u> | <u>Self- Insurance</u> | <u>Total Internal Service Funds</u> |
|---|-------------------------|----------------------------|---|
| <u>Increases (Decreases) in Cash and Cash Equivalents:</u> | | | |
| <u>Cash Flows from Operating Activities:</u> | | | |
| Internal Services Provided | \$807,493 | \$250,000 | \$1,057,493 |
| Cash Payments for Personal Services | (318,262) | 0 | (318,262) |
| Cash Payments for Materials and Supplies | (449,879) | 0 | (449,879) |
| Cash Payments for Other Services and Charges | (46,136) | (15,000) | (61,136) |
| Internal Services Used | (3,681) | 0 | (3,681) |
| Cash Payments for Claims | 0 | (94,580) | (94,580) |
| Other Operating Revenues | 6,132 | 17,905 | 24,037 |
| <i>Net Cash Provided by (Used for) Operating Activities</i> | <u>(4,333)</u> | <u>158,325</u> | <u>153,992</u> |
| <u>Cash Flows From Investing Activities:</u> | | | |
| Increase in Fair Value of Cash Equivalents | 0 | 4,515 | 4,515 |
| Interest | 0 | 24,171 | 24,171 |
| <i>Net Cash Provided by Investing Activities</i> | <u>0</u> | <u>28,686</u> | <u>28,686</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | (4,333) | 187,011 | 182,678 |
| Cash and Cash Equivalents at Beginning of Year | <u>49,577</u> | <u>564,010</u> | <u>613,587</u> |
| <i>Cash and Cash Equivalents at End of Year</i> | <u><u>\$45,244</u></u> | <u><u>\$751,021</u></u> | <u><u>\$796,265</u></u> |
| <u>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:</u> | | | |
| Operating Income (Loss) | (\$19,795) | \$165,416 | \$145,621 |
| <u>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:</u> | | | |
| Depreciation | 20,205 | 0 | 20,205 |
| <u>Changes in Assets and Liabilities:</u> | | | |
| Decrease in Material and Supplies Inventory | 2,693 | 0 | 2,693 |
| Decrease in Accounts Payable | (17,594) | 0 | (17,594) |
| Decrease in Claims Payable | 0 | (7,091) | (7,091) |
| Increase in Accrued Wages | 910 | 0 | 910 |
| Increase in Compensated Absences | 9,749 | 0 | 9,749 |
| Increase in Due to Other Funds | 61 | 0 | 61 |
| Decrease in Intergovernmental Payable | (562) | 0 | (562) |
| <i>Net Cash Provided by (Used for) Operating Activities</i> | <u><u>(\$4,333)</u></u> | <u><u>\$158,325</u></u> | <u><u>\$153,992</u></u> |

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City of Westerville, Ohio

Fund Descriptions

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, 2006

| | <i>Hotel Tax</i> | <i>Payroll Revolving</i> | <i>Columbus Sewer Capacity</i> |
|---|----------------------|------------------------------|--|
| <u>Assets:</u> | | | |
| Equity in Pooled Cash and Cash Equivalents | \$0 | \$790,708 | \$125,332 |
| Cash and Cash Equivalents with Fiscal Agents | 0 | 0 | 0 |
| Receivables: Property and Other Local Taxes | 1,269 | 0 | 0 |
| <i>Total Assets</i> | \$1,269 | \$790,708 | \$125,332 |
| <u>Liabilities:</u> | | | |
| Accounts Payable | \$1,269 | \$0 | \$0 |
| Undistributed Monies | 0 | 790,708 | 0 |
| Intergovernmental Payable | 0 | 0 | 125,332 |
| Deposits Held and Due to Others | 0 | 0 | 0 |
| <i>Total Liabilities</i> | \$1,269 | \$790,708 | \$125,332 |

| <i>State Building Standards</i> | <i>Performance Bond</i> | <i>Mayor's Court</i> | <i>Public Use Fees</i> | <i>Totals</i> |
|---|-----------------------------|--------------------------|----------------------------|--------------------|
| \$843 | \$183,952 | \$0 | \$23,500 | \$1,124,335 |
| 0 | 0 | 8,684 | 0 | 8,684 |
| 0 | 0 | 0 | 0 | 1,269 |
| <u>\$843</u> | <u>\$183,952</u> | <u>\$8,684</u> | <u>\$23,500</u> | <u>\$1,134,288</u> |
| \$0 | \$0 | \$0 | \$0 | \$1,269 |
| 0 | 0 | 0 | 0 | 790,708 |
| 843 | 0 | 6,273 | 23,500 | 155,948 |
| 0 | 183,952 | 2,411 | 0 | 186,363 |
| <u>\$843</u> | <u>\$183,952</u> | <u>\$8,684</u> | <u>\$23,500</u> | <u>\$1,134,288</u> |

City of Westerville, Ohio
 Combining Statement of Changes in Assets and Liabilities
 Agency Funds

For the Year Ended December 31, 2006

| Hotel Tax | <i>Balance January 1, 2006</i> | <i>Additions</i> | <i>Deductions</i> | <i>Balance December 31, 2006</i> |
|--|--|---------------------|---------------------|--|
| Hotel Tax | | | | |
| <u><i>Assets:</i></u> | | | | |
| Equity In Pooled Cash And Cash Equivalents | \$0 | \$19,716 | \$19,716 | \$0 |
| Receivables: | | | | |
| Property And Other Taxes | 1,028 | 1,269 | 1,028 | 1,269 |
| <i>Total Assets</i> | <u>\$1,028</u> | <u>\$20,985</u> | <u>\$20,744</u> | <u>\$1,269</u> |
| <u><i>Liabilities:</i></u> | | | | |
| Accounts Payable | <u>\$1,028</u> | <u>\$20,985</u> | <u>\$20,744</u> | <u>\$1,269</u> |
| Payroll Revolving Fund | | | | |
| <u><i>Assets:</i></u> | | | | |
| Equity In Pooled Cash And Cash Equivalents | \$740,737 | \$17,335,519 | \$17,285,548 | \$790,708 |
| <u><i>Liabilities:</i></u> | | | | |
| Undistributed Monies | <u>\$740,737</u> | <u>\$17,335,519</u> | <u>\$17,285,548</u> | <u>\$790,708</u> |
| Columbus Sewer Capacity | | | | |
| <u><i>Assets:</i></u> | | | | |
| Equity In Pooled Cash And Cash Equivalents | \$123,404 | \$434,520 | \$432,592 | \$125,332 |
| <u><i>Liabilities:</i></u> | | | | |
| Intergovernmental Payable | <u>\$123,404</u> | <u>\$434,520</u> | <u>\$432,592</u> | <u>\$125,332</u> |
| State Building Standards | | | | |
| <u><i>Assets:</i></u> | | | | |
| Equity In Pooled Cash And Cash Equivalents | \$1,405 | \$11,534 | \$12,096 | \$843 |
| <u><i>Liabilities:</i></u> | | | | |
| Intergovernmental Payable | <u>\$1,405</u> | <u>\$11,534</u> | <u>\$12,096</u> | <u>\$843</u> |
| Performance Bond | | | | |
| <u><i>Assets:</i></u> | | | | |
| Equity In Pooled Cash And Cash Equivalents | \$149,613 | \$321,919 | \$287,580 | \$183,952 |
| <u><i>Liabilities:</i></u> | | | | |
| Deposits Held And Due To Others | <u>\$149,613</u> | <u>\$321,919</u> | <u>\$287,580</u> | <u>\$183,952</u> |

(continued)

City of Westerville, Ohio
Combining Statement of Changes in Assets and Liabilities
Agency Funds
(Continued)
For the Year Ended December 31, 2006

| | <u>Balance</u> <u>January 1,</u> <u>2006</u> | <u>Additions</u> | <u>Deductions</u> | <u>Balance</u> <u>December 31,</u> <u>2006</u> |
|--|--|---------------------|---------------------|--|
| Mayor's Court | | | | |
| <u>Assets:</u> | | | | |
| Cash And Cash Equivalents With Fiscal Agents | \$6,648 | \$8,684 | \$6,648 | \$8,684 |
| <u>Liabilities:</u> | | | | |
| Intergovernmental Payable | \$5,426 | \$6,273 | \$5,426 | \$6,273 |
| Deposits Held And Due To Others | 1,222 | 2,411 | 1,222 | 2,411 |
| Total Liabilities | \$6,648 | \$8,684 | \$6,648 | \$8,684 |
| Public Use Fees | | | | |
| <u>Assets:</u> | | | | |
| Equity In Pooled Cash And Cash Equivalents | \$23,500 | \$0 | \$0 | \$23,500 |
| <u>Liabilities:</u> | | | | |
| Intergovernmental Payable | \$23,500 | \$0 | \$0 | \$23,500 |
| TOTAL - ALL AGENCY FUNDS | | | | |
| <u>Assets:</u> | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$1,038,659 | \$18,123,208 | \$18,037,532 | \$1,124,335 |
| Cash and Cash Equivalents with Fiscal Agents | 6,648 | 8,684 | 6,648 | 8,684 |
| Receivables: | | | | |
| Property and Other Local Taxes | 1,028 | 1,269 | 1,028 | 1,269 |
| Total Assets | \$1,046,335 | \$18,133,161 | \$18,045,208 | \$1,134,288 |
| <u>Liabilities:</u> | | | | |
| Accounts Payable | \$1,028 | \$20,985 | \$20,744 | \$1,269 |
| Undistributed Monies | 740,737 | 17,335,519 | 17,285,548 | 790,708 |
| Intergovernmental Payable | 153,735 | 452,327 | 450,114 | 155,948 |
| Deposits Held and Due to Others | 150,835 | 324,330 | 288,802 | 186,363 |
| Total Liabilities | \$1,046,335 | \$18,133,161 | \$18,045,208 | \$1,134,288 |

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City of Westerville, Ohio

General Governmental Capital Assets

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
December 31, 2006

| <i>Program / Department</i> | <i>Land</i> | <i>Land Improvements</i> | <i>Buildings</i> |
|--|--------------------|------------------------------|---------------------|
| Security of Persons and Property | | | |
| Police | \$0 | \$0 | \$5,154,729 |
| Fire | 110,511 | 0 | 5,331,617 |
| Communications | 0 | 0 | 0 |
| Total Security of Persons and Property | <u>110,511</u> | <u>0</u> | <u>10,486,346</u> |
| Public Health | | | |
| Cemetery Maintenance | 0 | 60,463 | 21,695 |
| Leisure Time Activities | | | |
| Parks and Recreation | 4,586,357 | 15,700,487 | 18,871,114 |
| 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 | 82,814 |
| Traffic Signal Maintenance and Repair | 0 | 0 | 0 |
| Total Transportation | <u>0</u> | <u>56,481</u> | <u>82,814</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 | 1,990,703 | 28,310 | 4,014,041 |
| Total General Government | <u>1,990,703</u> | <u>28,310</u> | <u>4,053,641</u> |
| Total General Capital Assets | 7,210,365 | 15,851,407 | 33,520,965 |
| Less Accumulated Depreciation | 0 | (5,289,143) | (7,403,357) |
| Net General Capital Assets | <u>7,210,365</u> | <u>10,562,264</u> | <u>26,117,608</u> |
| Internal Service Fund Capital Assets | 0 | 0 | 637,228 |
| Less Accumulated Depreciation | 0 | 0 | (448,092) |
| Net Internal Service Fund Capital Assets | <u>0</u> | <u>0</u> | <u>189,136</u> |
| Total Before Construction in Progress | <u>\$7,210,365</u> | <u>\$10,562,264</u> | <u>\$26,306,744</u> |
| Construction in Progress | | | |
| Total Governmental Activities Capital Assets | | | |

| <i>Furniture and Equipment</i> | <i>Vehicles</i> | <i>Infrastructure</i> | <i>Totals</i> |
|--|-----------------|-----------------------|---------------|
| \$467,053 | \$976,320 | \$0 | \$6,598,102 |
| 367,264 | 2,327,521 | 0 | 8,136,913 |
| 1,066,922 | 0 | 0 | 1,066,922 |
| 1,901,239 | 3,303,841 | 0 | 15,801,937 |
| 0 | 0 | 0 | 82,158 |
| 1,119,034 | 731,848 | 0 | 41,008,840 |
| 43,738 | 206,142 | 0 | 255,235 |
| 63,669 | 23,896 | 5,034,547 | 5,650,572 |
| 480,829 | 697,390 | 42,403,166 | 43,720,680 |
| 133,476 | 0 | 0 | 133,476 |
| 614,305 | 697,390 | 42,403,166 | 43,854,156 |
| 49,478 | 0 | 0 | 49,478 |
| 14,623 | 0 | 0 | 14,623 |
| 701,354 | 71,189 | 0 | 772,543 |
| 45,144 | 45,905 | 0 | 91,049 |
| 974,906 | 0 | 0 | 1,014,506 |
| 18,960 | 0 | 0 | 18,960 |
| 74,067 | 0 | 0 | 74,067 |
| 64,488 | 0 | 0 | 6,097,542 |
| 1,943,020 | 117,094 | 0 | 8,132,768 |
| 5,685,005 | 5,080,211 | 47,437,713 | 114,785,666 |
| (3,394,757) | (3,318,474) | (4,445,903) | (23,851,634) |
| 2,290,248 | 1,761,737 | 42,991,810 | 90,934,032 |
| 65,694 | 17,023 | 0 | 719,945 |
| (46,615) | (17,023) | 0 | (511,730) |
| 19,079 | 0 | 0 | 208,215 |
| \$2,309,327 | \$1,761,737 | \$42,991,810 | \$91,142,247 |
| | | | 1,479,895 |
| | | | \$92,622,142 |

City of Westerville, Ohio
Schedule of Changes in Governmental Activities Capital Assets
By Program and Department
For the Year Ended December 31, 2006

| <i>Program / Department</i> | <i>Restated Balance 1/1/2006</i> | <i>Additions</i> | <i>Deletions</i> | <i>Balance 12/31/2006</i> |
|--|--|---------------------------|---------------------------|-------------------------------|
| Security of Persons and Property | | | | |
| Police | \$7,024,553 | \$276,543 | \$702,994 | \$6,598,102 |
| Fire | 7,754,994 | 734,845 | 352,926 | 8,136,913 |
| Communications | 1,240,529 | 0 | 173,607 | 1,066,922 |
| Total Security of Persons and Property | <u>16,020,076</u> | <u>1,011,388</u> | <u>1,229,527</u> | <u>15,801,937</u> |
| Public Health | | | | |
| Cemetery Maintenance | 82,158 | 0 | 0 | 82,158 |
| Leisure Time Activities | | | | |
| Parks and Recreation | 39,509,208 | 1,573,843 | 74,211 | 41,008,840 |
| Community Development | | | | |
| Planning, Engineering and Building | 270,225 | 0 | 14,990 | 255,235 |
| Basic Utility Services | | | | |
| Storm Sewer | 5,050,783 | 599,789 | 0 | 5,650,572 |
| Transportation | | | | |
| Street Maintenance | 39,119,524 | 4,715,531 | 114,375 | 43,720,680 |
| Traffic Signal Maintenance and Repair | 112,131 | 49,645 | 28,300 | 133,476 |
| Total Transportation | <u>39,231,655</u> | <u>4,765,176</u> | <u>142,675</u> | <u>43,854,156</u> |
| General Government | | | | |
| City Manager | 49,478 | 0 | 0 | 49,478 |
| Legislative | 14,623 | 0 | 0 | 14,623 |
| Cable TV Commission | 695,251 | 84,436 | 7,144 | 772,543 |
| Finance | 90,757 | 35,463 | 35,171 | 91,049 |
| Management Information Systems | 968,023 | 46,483 | 0 | 1,014,506 |
| Income Tax | 18,960 | 0 | 0 | 18,960 |
| Mayor's Court | 74,067 | 0 | 0 | 74,067 |
| Lands and Buildings | 6,182,054 | 0 | 84,512 | 6,097,542 |
| Total General Government | <u>8,093,213</u> | <u>166,382</u> | <u>126,827</u> | <u>8,132,768</u> |
| Total General Capital Assets | 108,257,318 | 8,116,578 | 1,588,230 | 114,785,666 |
| Less Accumulated Depreciation | (20,489,756) | (4,789,642) | (1,427,764) | (23,851,634) |
| Total General Capital Assets (Net of Accumulated Depreciation) Allocated To Programs | <u>87,767,562</u> | <u>3,326,936</u> | <u>160,466</u> | <u>90,934,032</u> |
| Internal Service Fund Capital Assets | 719,945 | 0 | 0 | 719,945 |
| Less Accumulated Depreciation | (491,525) | (20,205) | 0 | (511,730) |
| Net Internal Service Fund Capital Assets | <u>228,420</u> | <u>(20,205)</u> | <u>0</u> | <u>208,215</u> |
| Totals Before Transfers Between Departments and Construction in Progress | 87,995,982 | 3,306,731 | 160,466 | 91,142,247 |
| Transfers Between Departments | 0 | (125,157) | (125,157) | 0 |
| Construction in Progress | 655,732 | 2,241,816 | 1,417,653 | 1,479,895 |
| Total Governmental Activities Capital Assets | <u><u>\$88,651,714</u></u> | <u><u>\$5,423,390</u></u> | <u><u>\$1,452,962</u></u> | <u><u>\$92,622,142</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, 2006

| | <i>Budget</i> | | <i>Actuals</i> | | | <i>Variance Positive (Negative)</i> |
|--|--------------------|--------------------|------------------------------|---------------------|--------------------|---|
| | <i>Original</i> | <i>Final</i> | <i>Cash Transactions</i> | <i>Encumbrances</i> | <i>Total</i> | |
| <u>Revenues:</u> | | | | | | |
| Property Taxes | \$2,955,075 | \$3,198,619 | \$3,198,620 | | \$3,198,620 | \$1 |
| Municipal Income Tax | 15,961,032 | 17,132,500 | 17,388,129 | | 17,388,129 | 255,629 |
| Intergovernmental | 5,428,467 | 5,954,933 | 5,885,260 | | 5,885,260 | (69,673) |
| Charges for Services | 766,625 | 704,061 | 710,147 | | 710,147 | 6,086 |
| Fees, Licenses and Permits | 568,350 | 673,729 | 670,517 | | 670,517 | (3,212) |
| Fines and Forfeitures | 415,000 | 438,324 | 438,324 | | 438,324 | 0 |
| Interest | 1,594,500 | 2,300,000 | 2,293,596 | | 2,293,596 | (6,404) |
| Other | 61,150 | 97,000 | 107,239 | | 107,239 | 10,239 |
| Total Revenues | 27,750,199 | 30,499,166 | 30,691,832 | | 30,691,832 | 192,666 |
| <u>Expenditures:</u> | | | | | | |
| Current: | | | | | | |
| Security of Persons and Property | | | | | | |
| Police Department | | | | | | |
| Police Services | | | | | | |
| Personal Services | 9,187,840 | 9,184,711 | 8,173,934 | 0 | 8,173,934 | 1,010,777 |
| Supplies and Materials | 414,079 | 432,128 | 377,961 | 12,015 | 389,976 | 42,152 |
| Other Services and Charges | 632,804 | 604,937 | 452,158 | 42,343 | 494,501 | 110,436 |
| Capital Outlay | 365,979 | 363,277 | 281,334 | 13,803 | 295,137 | 68,140 |
| Other Financing Uses | 1,493 | 1,493 | 1,492 | 0 | 1,492 | 1 |
| Total Police Department | 10,602,195 | 10,586,546 | 9,286,879 | 68,161 | 9,355,040 | 1,231,506 |
| Communications | | | | | | |
| Personal Services | 1,184,115 | 1,184,115 | 976,308 | 0 | 976,308 | 207,807 |
| Supplies and Materials | 27,004 | 26,873 | 19,904 | 523 | 20,427 | 6,446 |
| Other Services and Charges | 167,442 | 162,556 | 145,481 | 3,053 | 148,534 | 14,022 |
| Capital Outlay | 44,550 | 40,450 | 28,600 | 11,850 | 40,450 | 0 |
| Total Communications | 1,423,111 | 1,413,994 | 1,170,293 | 15,426 | 1,185,719 | 228,275 |
| Fire Hydrant Maintenance | | | | | | |
| Supplies and Materials | 9,064 | 9,000 | 3,624 | 0 | 3,624 | 5,376 |
| Capital Outlay | 26,967 | 26,967 | 11,967 | 0 | 11,967 | 15,000 |
| Total Fire Hydrant Maintenance | 36,031 | 35,967 | 15,591 | 0 | 15,591 | 20,376 |
| Total Security of Persons and Property | 12,061,337 | 12,036,507 | 10,472,763 | 83,587 | 10,556,350 | 1,480,157 |
| Public Health | | | | | | |
| Cemetery Maintenance | | | | | | |
| Supplies and Materials | 1,500 | 1,500 | 698 | 0 | 698 | 802 |
| Other Services and Charges | 56,825 | 56,532 | 46,431 | 6,092 | 52,523 | 4,009 |
| Total Public Health | 58,325 | 58,032 | 47,129 | 6,092 | 53,221 | 4,811 |
| Community Development | | | | | | |
| Planning, Engineering, and Building Department | | | | | | |
| Building, Planning and Zoning | | | | | | |
| Personal Services | 2,026,030 | 2,026,030 | 1,890,601 | 0 | 1,890,601 | 135,429 |
| Supplies and Materials | 57,992 | 57,842 | 38,770 | 164 | 38,934 | 18,908 |
| Other Services and Charges | 463,168 | 541,895 | 393,530 | 58,911 | 452,441 | 89,454 |
| Capital Outlay | 26,600 | 26,600 | 14,588 | 0 | 14,588 | 12,012 |
| Other Financing Uses | 1,000 | 1,000 | 230 | 0 | 230 | 770 |
| Total Community Development | \$2,574,790 | \$2,653,367 | \$2,337,719 | \$59,075 | \$2,396,794 | \$256,573 |

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, 2006
(Continued)

| | <i>Budget</i> | | <i>Actuals</i> | | | <i>Variance Positive (Negative)</i> |
|--|-----------------|--------------|------------------------------|---------------------|--------------|---|
| | <i>Original</i> | <i>Final</i> | <i>Cash Transactions</i> | <i>Encumbrances</i> | <i>Total</i> | |
| Basic Utility Services | | | | | | |
| General Public Services | | | | | | |
| Storm Sewer Maintenance and Improvements | | | | | | |
| Personal Services | \$346,202 | \$341,972 | \$267,447 | \$227 | \$267,674 | \$74,298 |
| Supplies and Materials | 39,864 | 39,806 | 23,914 | 2,259 | 26,173 | 13,633 |
| Other Services and Charges | 51,643 | 51,237 | 25,933 | 13,868 | 39,801 | 11,436 |
| Capital Outlay | 1,500 | 1,500 | 1,500 | 0 | 1,500 | 0 |
| Total Basic Utility Services | 439,209 | 434,515 | 318,794 | 16,354 | 335,148 | 99,367 |
| General Government | | | | | | |
| City Manager | | | | | | |
| Administration | | | | | | |
| Personal Services | 961,068 | 961,068 | 948,548 | 0 | 948,548 | 12,520 |
| Supplies and Materials | 12,159 | 12,159 | 10,207 | 0 | 10,207 | 1,952 |
| Other Services and Charges | 1,428,956 | 1,360,298 | 1,200,111 | 18,525 | 1,218,636 | 141,662 |
| Capital Outlay | 9,000 | 9,000 | 7,671 | 0 | 7,671 | 1,329 |
| Total Administration | 2,411,183 | 2,342,525 | 2,166,537 | 18,525 | 2,185,062 | 157,463 |
| Economic Development | | | | | | |
| Personal Services | 83,494 | 83,494 | 82,763 | 0 | 82,763 | 731 |
| Supplies and Materials | 4,376 | 4,201 | 437 | 0 | 437 | 3,764 |
| Other Services and Charges | 118,601 | 117,294 | 103,295 | 12,268 | 115,563 | 1,731 |
| Total Economic Development | 206,471 | 204,989 | 186,495 | 12,268 | 198,763 | 6,226 |
| Total City Manager | 2,617,654 | 2,547,514 | 2,353,032 | 30,793 | 2,383,825 | 163,689 |
| Legislative | | | | | | |
| Personal Services | 126,806 | 126,806 | 124,075 | 0 | 124,075 | 2,731 |
| Supplies and Materials | 12,089 | 12,089 | 8,897 | 350 | 9,247 | 2,842 |
| Other Services and Charges | 82,832 | 82,832 | 62,707 | 19,664 | 82,371 | 461 |
| Total Legislative | 221,727 | 221,727 | 195,679 | 20,014 | 215,693 | 6,034 |
| Management Information Systems | | | | | | |
| Personal Services | 873,195 | 871,519 | 801,872 | 0 | 801,872 | 69,647 |
| Supplies and Materials | 32,637 | 32,260 | 18,968 | 4,196 | 23,164 | 9,096 |
| Other Services and Charges | 512,182 | 503,779 | 320,731 | 51,428 | 372,159 | 131,620 |
| Capital Outlay | 485,966 | 485,607 | 317,648 | 19,632 | 337,280 | 148,327 |
| Total Management Information Systems | 1,903,980 | 1,893,165 | 1,459,219 | 75,256 | 1,534,475 | 358,690 |
| Finance Department | | | | | | |
| Administration and Accounting | | | | | | |
| Personal Services | 746,890 | 713,890 | 678,401 | 0 | 678,401 | 35,489 |
| Supplies and Materials | 30,108 | 29,820 | 19,771 | 5,202 | 24,973 | 4,847 |
| Other Services and Charges | 321,475 | 321,332 | 293,681 | 13,647 | 307,328 | 14,004 |
| Capital Outlay | 4,800 | 4,800 | 4,316 | 0 | 4,316 | 484 |
| Total Administration | 1,103,273 | 1,069,842 | 996,169 | 18,849 | 1,015,018 | 54,824 |
| Income Tax | | | | | | |
| Personal Services | 362,004 | 325,004 | 309,676 | 0 | 309,676 | 15,328 |
| Supplies and Materials | 51,757 | 51,325 | 19,378 | 9,775 | 29,153 | 22,172 |
| Other Services and Charges | 67,351 | 66,701 | 44,907 | 2,904 | 47,811 | 18,890 |
| Other Financing Uses | 725,000 | 795,000 | 774,829 | 0 | 774,829 | 20,171 |
| Total Income Tax | \$1,206,112 | \$1,238,030 | \$1,148,790 | \$12,679 | \$1,161,469 | \$76,561 |

(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, 2006
(Continued)

| | <u>Budget</u> | | <u>Actuals</u> | | | <u>Variance Positive (Negative)</u> |
|---|---------------------|---------------------|------------------------------|---------------------|---------------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Cash Transactions</u> | <u>Encumbrances</u> | <u>Total</u> | |
| Utility Billing Services | | | | | | |
| Personal Services | \$551,539 | \$551,539 | \$491,523 | \$0 | \$491,523 | \$60,016 |
| Supplies and Materials | 27,597 | 27,309 | 21,588 | 600 | 22,188 | 5,121 |
| Other Services and Charges | 59,218 | 57,186 | 49,836 | 2,401 | 52,237 | 4,949 |
| Capital Outlay | 19,050 | 19,050 | 13,983 | 0 | 13,983 | 5,067 |
| Total Utility Billing Services | 657,404 | 655,084 | 576,930 | 3,001 | 579,931 | 75,153 |
| Mayor's Court | | | | | | |
| Personal Services | 292,121 | 292,121 | 264,905 | 0 | 264,905 | 27,216 |
| Supplies and Materials | 13,110 | 13,110 | 7,054 | 4,619 | 11,673 | 1,437 |
| Other Services and Charges | 258,856 | 250,889 | 205,339 | 30,212 | 235,551 | 15,338 |
| Total Mayor's Court | 564,087 | 556,120 | 477,298 | 34,831 | 512,129 | 43,991 |
| Law Administration | | | | | | |
| Personal Services | 77,696 | 77,696 | 77,224 | 0 | 77,224 | 472 |
| Other Services and Charges | 305,300 | 305,300 | 303,122 | 2,156 | 305,278 | 22 |
| Total Law Administration | 382,996 | 382,996 | 380,346 | 2,156 | 382,502 | 494 |
| Buildings and Grounds | | | | | | |
| Personal Services | 388,453 | 388,453 | 342,885 | 0 | 342,885 | 45,568 |
| Supplies and Materials | 58,711 | 46,843 | 20,728 | 975 | 21,703 | 25,140 |
| Other Services and Charges | 270,185 | 267,056 | 232,047 | 26,910 | 258,957 | 8,099 |
| Capital Outlay | 0 | 75,000 | 0 | 32,446 | 32,446 | 42,554 |
| Total Buildings and Grounds | 717,349 | 777,352 | 595,660 | 60,331 | 655,991 | 121,361 |
| Total Finance Department | 4,631,221 | 4,679,424 | 4,175,193 | 131,847 | 4,307,040 | 372,384 |
| Total General Government | 9,374,582 | 9,341,830 | 8,183,123 | 257,910 | 8,441,033 | 900,797 |
| Total Expenditures | 24,508,243 | 24,524,251 | 21,359,528 | 423,018 | 21,782,546 | 2,741,705 |
| Excess of Revenues Over Expenditures | 3,241,956 | 5,974,915 | 9,332,304 | (423,018) | 8,909,286 | 2,934,371 |
| Other Financing Sources (Uses): | | | | | | |
| Proceeds from Sale of Capital Assets | 0 | 2,669 | 2,669 | | 2,669 | 0 |
| Advances - In | 3,088,000 | 766,308 | 766,308 | | 766,308 | 0 |
| Advances - Out | 0 | (2,237,200) | (2,237,200) | 0 | (2,237,200) | 0 |
| Transfers - Out | (6,789,978) | (7,264,978) | (7,264,978) | 0 | (7,264,978) | 0 |
| Total Other Financing Sources (Uses) | (3,701,978) | (8,733,201) | (8,733,201) | 0 | (8,733,201) | 0 |
| Net Change in Fund Balance | (460,022) | (2,758,286) | 599,103 | (423,018) | 176,085 | 2,934,371 |
| Fund Balance at Beginning of Year | 12,925,695 | 12,994,687 | 13,521,448 | (526,761) | 12,994,687 | 0 |
| Prior Year Encumbrances Carried Over | 595,754 | 526,761 | 0 | 526,761 | 526,761 | 0 |
| Fund Balance at End of Year | \$13,061,427 | \$10,763,162 | \$14,120,551 | (\$423,018) | \$13,697,533 | \$2,934,371 |

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, 2006

| | <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> | |
| <u>Revenues:</u> | | | | | | |
| Property Taxes | \$7,345,310 | \$7,564,012 | \$7,564,014 | | \$7,564,014 | \$2 |
| Intergovernmental | 2,304,690 | 2,382,378 | 2,382,380 | | 2,382,380 | 2 |
| Charges for Services | 0 | 4,334 | 4,334 | | 4,334 | 0 |
| Fees, Licenses and Permits | 0 | 50 | 50 | | 50 | 0 |
| Interest | 95,000 | 250,000 | 273,362 | | 273,362 | 23,362 |
| Other | 1,500 | 11,157 | 11,158 | | 11,158 | 1 |
| <i>Total Revenues</i> | <u>9,746,500</u> | <u>10,211,931</u> | <u>10,235,298</u> | | <u>10,235,298</u> | <u>23,367</u> |
| <u>Expenditures:</u> | | | | | | |
| Current: | | | | | | |
| Security of Persons and Property | | | | | | |
| Fire Department | | | | | | |
| Operations | | | | | | |
| Personal Services | 9,106,664 | 9,106,235 | 8,624,432 | 0 | 8,624,432 | 481,803 |
| Supplies and Materials | 323,553 | 325,881 | 256,541 | 19,220 | 275,761 | 50,120 |
| Other Services and Charges | 859,390 | 832,414 | 646,916 | 82,720 | 729,636 | 102,778 |
| Capital Outlay | 229,300 | 228,985 | 100,920 | 113,866 | 214,786 | 14,199 |
| <i>Total Expenditures</i> | <u>10,518,907</u> | <u>10,493,515</u> | <u>9,628,809</u> | <u>215,806</u> | <u>9,844,615</u> | <u>648,900</u> |
| Excess of Revenues Over (Under) | | | | | | |
| Expenditures | (772,407) | (281,584) | 606,489 | (215,806) | 390,683 | 672,267 |
| <u>Other Financing Sources:</u> | | | | | | |
| Proceeds from Sale of Capital Assets | 0 | 3,000 | 3,000 | | 3,000 | 0 |
| Net Change in Fund Balance | (772,407) | (278,584) | 609,489 | (215,806) | 393,683 | 672,267 |
| Fund Balance at Beginning of Year | 6,247,380 | 6,283,222 | 6,332,121 | (48,899) | 6,283,222 | 0 |
| Prior Year Encumbrances Carried Over | 84,739 | 48,899 | 0 | 48,899 | 48,899 | 0 |
| Fund Balance at End of Year | <u>\$5,559,712</u> | <u>\$6,053,537</u> | <u>\$6,941,610</u> | <u>(\$215,806)</u> | <u>\$6,725,804</u> | <u>\$672,267</u> |

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, 2006

| | <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> | |
| <u>Revenues:</u> | | | | | | |
| Intergovernmental | \$784,792 | \$661,143 | \$661,144 | | \$661,144 | \$1 |
| Charges for Services | 2,696,550 | 2,726,060 | 2,842,445 | | 2,842,445 | 116,385 |
| Fees, Licenses and Permits | 27,000 | 19,693 | 19,694 | | 19,694 | 1 |
| Other | 1,500 | 21,001 | 19,791 | | 19,791 | (1,210) |
| <i>Total Revenues</i> | <u>3,509,842</u> | <u>3,427,897</u> | <u>3,543,074</u> | | <u>3,543,074</u> | <u>115,177</u> |
| <u>Expenditures:</u> | | | | | | |
| Current: | | | | | | |
| Leisure Time Activities | | | | | | |
| Parks and Recreation | | | | | | |
| Administration | | | | | | |
| Personal Services | 583,209 | 583,209 | 511,849 | 543 | 512,392 | 70,817 |
| Supplies and Materials | 22,049 | 21,890 | 9,378 | 261 | 9,639 | 12,251 |
| Other Services and Charges | 113,196 | 112,454 | 101,793 | 4,487 | 106,280 | 6,174 |
| Capital Outlay | 6,200 | 6,200 | 2,158 | 0 | 2,158 | 4,042 |
| Other Financing Uses | 12,000 | 12,000 | 6,360 | 0 | 6,360 | 5,640 |
| Total Administration | <u>736,654</u> | <u>735,753</u> | <u>631,538</u> | <u>5,291</u> | <u>636,829</u> | <u>98,924</u> |
| Recreation Services | | | | | | |
| Personal Services | 2,283,974 | 2,279,094 | 2,078,975 | 3,018 | 2,081,993 | 197,101 |
| Supplies and Materials | 198,698 | 210,559 | 168,945 | 24,941 | 193,886 | 16,673 |
| Other Services and Charges | 1,047,308 | 1,032,062 | 952,796 | 68,929 | 1,021,725 | 10,337 |
| Capital Outlay | 114,662 | 114,661 | 72,183 | 16,760 | 88,943 | 25,718 |
| Total Recreation Services | <u>3,644,642</u> | <u>3,636,376</u> | <u>3,272,899</u> | <u>113,648</u> | <u>3,386,547</u> | <u>249,829</u> |
| Parks | | | | | | |
| Personal Services | 1,339,289 | 1,344,118 | 1,292,437 | 0 | 1,292,437 | 51,681 |
| Supplies and Materials | 264,411 | 260,653 | 217,746 | 29,791 | 247,537 | 13,116 |
| Other Services and Charges | 370,851 | 343,425 | 270,149 | 36,406 | 306,555 | 36,870 |
| Capital Outlay | 1,433,413 | 1,513,324 | 1,201,405 | 220,760 | 1,422,165 | 91,159 |
| Total Parks | <u>3,407,964</u> | <u>3,461,520</u> | <u>2,981,737</u> | <u>286,957</u> | <u>3,268,694</u> | <u>192,826</u> |
| Senior Center | | | | | | |
| Personal Services | 461,413 | 461,413 | 435,437 | 755 | 436,192 | 25,221 |
| Supplies and Materials | 34,555 | 34,301 | 31,314 | 1,151 | 32,465 | 1,836 |
| Other Services and Charges | 83,974 | 82,142 | 71,338 | 4,783 | 76,121 | 6,021 |
| Capital Outlay | 101,108 | 111,108 | 18,486 | 66,409 | 84,895 | 26,213 |
| Total Senior Center | <u>681,050</u> | <u>688,964</u> | <u>556,575</u> | <u>73,098</u> | <u>629,673</u> | <u>59,291</u> |
| <i>Total Expenditures</i> | <u>8,470,310</u> | <u>8,522,613</u> | <u>7,442,749</u> | <u>478,994</u> | <u>7,921,743</u> | <u>600,870</u> |
| Excess of Revenues | | | | | | |
| Under Expenditures | (4,960,468) | (5,094,716) | (3,899,675) | (478,994) | (4,378,669) | 716,047 |
| <u>Other Financing Sources (Uses):</u> | | | | | | |
| Advances - Out | 0 | (181,904) | (181,904) | 0 | (181,904) | 0 |
| Transfers - In | 3,896,011 | 3,896,011 | 3,896,011 | | 3,896,011 | 0 |
| <i>Total Other Financing Sources (Uses)</i> | <u>3,896,011</u> | <u>3,714,107</u> | <u>3,714,107</u> | <u>0</u> | <u>3,714,107</u> | <u>0</u> |
| Net Change in Fund Balance | (1,064,457) | (1,380,609) | (185,568) | (478,994) | (664,562) | 716,047 |
| Fund Balance at Beginning of Year | 4,718,970 | 4,800,707 | 5,725,451 | (924,744) | 4,800,707 | 0 |
| Prior Year Encumbrances Carried Over | 1,006,485 | 924,744 | 0 | 924,744 | 924,744 | 0 |
| Fund Balance at End of Year | <u>\$4,660,998</u> | <u>\$4,344,842</u> | <u>\$5,539,883</u> | <u>(\$478,994)</u> | <u>\$5,060,889</u> | <u>\$716,047</u> |

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, 2006

| | <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> | |
| <u>Revenues:</u> | | | | | | |
| Charges for Services | \$2,805,000 | \$2,772,229 | \$2,784,027 | | \$2,784,027 | \$11,798 |
| Capacity Charges | 950,000 | 702,550 | 702,550 | | 702,550 | 0 |
| Proceeds of Bonds | 1,080,000 | 0 | 0 | | 0 | 0 |
| Sale of Meters | 40,000 | 41,560 | 41,560 | | 41,560 | 0 |
| Interest | 0 | 7,500 | 8,112 | | 8,112 | 612 |
| Grants | 0 | 1,180 | 1,180 | | 1,180 | 0 |
| Other | 35,284 | 46,933 | 44,017 | | 44,017 | (2,916) |
| Total Revenues | 4,910,284 | 3,571,952 | 3,581,446 | | 3,581,446 | 9,494 |
| <u>Expenses:</u> | | | | | | |
| Personal Services | | | | | | |
| Water Treatment | 871,185 | 871,185 | 801,745 | 0 | 801,745 | 69,440 |
| System Improvements | 544,835 | 544,835 | 482,641 | 0 | 482,641 | 62,194 |
| Total Personal Services | 1,416,020 | 1,416,020 | 1,284,386 | 0 | 1,284,386 | 131,634 |
| Supplies and Materials | | | | | | |
| Water Treatment | 358,757 | 351,621 | 274,220 | 16,485 | 290,705 | 60,916 |
| System Improvements | 51,059 | 50,326 | 39,955 | 263 | 40,218 | 10,108 |
| Total Supplies and Materials | 409,816 | 401,947 | 314,175 | 16,748 | 330,923 | 71,024 |
| Other Services and Charges | | | | | | |
| Water Treatment | 678,681 | 670,428 | 484,083 | 30,791 | 514,874 | 155,554 |
| System Improvements | 101,804 | 99,952 | 66,139 | 5,290 | 71,429 | 28,523 |
| Total Other Services and Charges | 780,485 | 770,380 | 550,222 | 36,081 | 586,303 | 184,077 |
| Capital Outlay | | | | | | |
| Water Treatment | 989,736 | 963,349 | 479,949 | 376,913 | 856,862 | 106,487 |
| System Improvements | 905,528 | 875,641 | 872,017 | 897 | 872,914 | 2,727 |
| Total Capital Outlay | 1,895,264 | 1,838,990 | 1,351,966 | 377,810 | 1,729,776 | 109,214 |
| Debt Service | | | | | | |
| Principal Retirement | 335,000 | 335,000 | 335,000 | 0 | 335,000 | 0 |
| Interest and Fiscal Charges | 177,061 | 177,061 | 163,827 | 0 | 163,827 | 13,234 |
| ODNR Debt | 37,300 | 37,300 | 37,299 | 0 | 37,299 | 1 |
| Total Debt Service | 549,361 | 549,361 | 536,126 | 0 | 536,126 | 13,235 |
| Total Expenses | 5,050,946 | 4,976,698 | 4,036,875 | 430,639 | 4,467,514 | 509,184 |
| Excess of Revenues | | | | | | |
| Under Expenses | (140,662) | (1,404,746) | (455,429) | (430,639) | (886,068) | 518,678 |
| Advances - Out | 0 | (57,000) | (57,000) | 0 | (57,000) | 0 |
| Transfers - In | 809,032 | 809,032 | 809,033 | | 809,033 | 1 |
| Net Change in Fund Equity | 668,370 | (652,714) | 296,604 | (430,639) | (134,035) | 518,679 |
| Fund Equity at Beginning of Year | 6,504,454 | 6,613,702 | 7,236,466 | (622,764) | 6,613,702 | 0 |
| Prior Year Encumbrances Carried Over | 732,012 | 622,764 | 0 | 622,764 | 622,764 | 0 |
| Fund Equity at End of Year | \$7,904,836 | \$6,583,752 | \$7,533,070 | (\$430,639) | \$7,102,431 | \$518,679 |

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, 2006

| | <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> | |
| <u>Revenues:</u> | \$0 | \$0 | \$0 | | \$0 | \$0 |
| <u>Expenses:</u> | 0 | 0 | 0 | 0 | 0 | 0 |
| Excess of Revenues Over Expenses | 0 | 0 | 0 | 0 | 0 | 0 |
| Transfers - Out | (809,032) | (809,033) | (809,033) | 0 | (809,033) | 0 |
| Net Change in Fund Equity | (809,032) | (809,033) | (809,033) | 0 | (809,033) | 0 |
| Fund Equity at Beginning of Year | 809,033 | 809,033 | 809,033 | 0 | 809,033 | 0 |
| Fund Equity at End of Year | \$1 | \$0 | \$0 | \$0 | \$0 | \$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, 2006

| | <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> | |
| <u>Revenues:</u> | | | | | | |
| Charges for Services | \$5,420,379 | \$5,397,689 | \$5,428,165 | | \$5,428,165 | \$30,476 |
| Tap-In Fees | 260,000 | 11,850 | 11,850 | | 11,850 | 0 |
| Capacity Charges | 300,000 | 282,500 | 282,500 | | 282,500 | 0 |
| Proceeds of Bonds | 2,225,000 | 0 | 0 | | 0 | 0 |
| Other | 0 | 3,542 | 3,544 | | 3,544 | 2 |
| <i>Total Revenues</i> | <u>8,205,379</u> | <u>5,695,581</u> | <u>5,726,059</u> | | <u>5,726,059</u> | <u>30,478</u> |
| <u>Expenses:</u> | | | | | | |
| Personal Services | | | | | | |
| System Improvements | 533,950 | 533,950 | 493,351 | 0 | 493,351 | 40,599 |
| Supplies and Materials | | | | | | |
| System Improvements | 44,383 | 44,180 | 21,369 | 650 | 22,019 | 22,161 |
| Other Services and Charges | | | | | | |
| Sewer Treatment | 5,860,822 | 5,720,698 | 4,363,367 | 1,115,284 | 5,478,651 | 242,047 |
| System Improvements | 121,039 | 120,442 | 49,478 | 15,289 | 64,767 | 55,675 |
| Total Other Services and Charges | <u>5,981,861</u> | <u>5,841,140</u> | <u>4,412,845</u> | <u>1,130,573</u> | <u>5,543,418</u> | <u>297,722</u> |
| Capital Outlay | | | | | | |
| System Improvements | 3,104,978 | 1,112,009 | 874,932 | 171,306 | 1,046,238 | 65,771 |
| Debt Service | | | | | | |
| Principal Retirement | 111,250 | 111,250 | 0 | 0 | 0 | 111,250 |
| Interest and Fiscal Charges | 54,529 | 54,529 | 0 | 0 | 0 | 54,529 |
| Total Debt Service | <u>165,779</u> | <u>165,779</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>165,779</u> |
| <i>Total Expenses</i> | <u>9,830,951</u> | <u>7,697,058</u> | <u>5,802,497</u> | <u>1,302,529</u> | <u>7,105,026</u> | <u>592,032</u> |
| Excess of Revenues Under Expenses | (1,625,572) | (2,001,477) | (76,438) | (1,302,529) | (1,378,967) | 622,510 |
| Advances - Out | 0 | (280,330) | (280,330) | 0 | (280,330) | 0 |
| Net Change in Fund Equity | (1,625,572) | (2,281,807) | (356,768) | (1,302,529) | (1,659,297) | 622,510 |
| Fund Equity at Beginning of Year | 1,571,715 | 1,721,608 | 3,388,994 | (1,667,386) | 1,721,608 | 0 |
| Prior Year Encumbrances Carried Over | 1,817,279 | 1,667,386 | 0 | 1,667,386 | 1,667,386 | 0 |
| Fund Equity at End of Year | <u>\$1,763,422</u> | <u>\$1,107,187</u> | <u>\$3,032,226</u> | <u>(\$1,302,529)</u> | <u>\$1,729,697</u> | <u>\$622,510</u> |

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, 2006

| | <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> | |
| <u>Revenues:</u> | | | | | | |
| Charges for Services | \$31,136,887 | \$30,570,641 | \$30,697,125 | | \$30,697,125 | \$126,484 |
| Underground Line Charge | 40,000 | 13,568 | 13,569 | | 13,569 | 1 |
| Proceeds of Bonds | 8,216,500 | 0 | 0 | | 0 | 0 |
| Proceeds of Notes | 0 | 7,925,000 | 7,925,000 | | 7,925,000 | 0 |
| Sale of Fixed Assets | 0 | 2,500 | 2,500 | | 2,500 | 0 |
| Sale of Meters | 9,000 | 5,800 | 5,800 | | 5,800 | 0 |
| Interest | 0 | 4,300 | 4,700 | | 4,700 | 400 |
| Other | 45,000 | 108,610 | 107,804 | | 107,804 | (806) |
| <i>Total Revenues</i> | <u>39,447,387</u> | <u>38,630,419</u> | <u>38,756,498</u> | | <u>38,756,498</u> | <u>126,079</u> |
| <u>Expenses:</u> | | | | | | |
| Personal Services | | | | | | |
| Electric System Maintenance | 3,750,135 | 3,750,135 | 3,516,093 | 0 | 3,516,093 | 234,042 |
| Supplies and Materials | | | | | | |
| Electric System Maintenance | 583,122 | 698,073 | 608,511 | 58,456 | 666,967 | 31,106 |
| Other Services and Charges | | | | | | |
| Purchased Power | 29,899,614 | 29,227,162 | 26,209,948 | 2,658,081 | 28,868,029 | 359,133 |
| Electric System Maintenance | 1,653,500 | 1,368,712 | 992,217 | 102,637 | 1,094,854 | 273,858 |
| Total Other Services and Charges | <u>31,553,114</u> | <u>30,595,874</u> | <u>27,202,165</u> | <u>2,760,718</u> | <u>29,962,883</u> | <u>632,991</u> |
| Capital Outlay | | | | | | |
| Electric System Maintenance | 9,948,564 | 10,128,332 | 1,996,174 | 2,812,965 | 4,809,139 | 5,319,193 |
| Debt Service | | | | | | |
| Principal Retirement | 308,960 | 1,546,610 | 1,546,610 | 0 | 1,546,610 | 0 |
| Interest and Fiscal Charges | 244,691 | 256,621 | 256,620 | 0 | 256,620 | 1 |
| Total Debt Service | <u>553,651</u> | <u>1,803,231</u> | <u>1,803,230</u> | <u>0</u> | <u>1,803,230</u> | <u>1</u> |
| <i>Total Expenses</i> | <u>46,388,586</u> | <u>46,975,645</u> | <u>35,126,173</u> | <u>5,632,139</u> | <u>40,758,312</u> | <u>6,217,333</u> |
| Excess of Revenues Over (Under) Expenses | (6,941,199) | (8,345,226) | 3,630,325 | (5,632,139) | (2,001,814) | 6,343,412 |
| Advances - Out | 0 | (320,000) | (320,000) | 0 | (320,000) | 0 |
| Net Change in Fund Equity | (6,941,199) | (8,665,226) | 3,310,325 | (5,632,139) | (2,321,814) | 6,343,412 |
| Fund Equity at Beginning of Year | 10,246,383 | 10,908,904 | 14,346,653 | (3,437,749) | 10,908,904 | 0 |
| Prior Year Encumbrances Carried Over | 4,100,270 | 3,437,749 | 0 | 3,437,749 | 3,437,749 | 0 |
| Fund Equity at End of Year | <u>\$7,405,454</u> | <u>\$5,681,427</u> | <u>\$17,656,978</u> | <u>(\$5,632,139)</u> | <u>\$12,024,839</u> | <u>\$6,343,412</u> |

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, 2006

| | <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> | |
| <u>Revenues:</u> | | | | | | |
| Intergovernmental | \$1,534,745 | \$1,362,026 | \$1,362,028 | | \$1,362,028 | \$2 |
| Interest | 0 | 228 | 229 | | 229 | 1 |
| Other | 0 | 3,574 | 3,574 | | 3,574 | 0 |
| <i>Total Revenues</i> | <u>1,534,745</u> | <u>1,365,828</u> | <u>1,365,831</u> | | <u>1,365,831</u> | <u>3</u> |
| <u>Expenditures:</u> | | | | | | |
| Current: | | | | | | |
| Transportation | | | | | | |
| Right of Way Maintenance | | | | | | |
| Personal Services | 1,176,967 | 1,176,967 | 1,038,009 | 725 | 1,038,734 | 138,233 |
| Supplies and Materials | 367,268 | 366,975 | 193,233 | 279 | 193,512 | 173,463 |
| Other Services and Charges | 390,626 | 383,947 | 331,213 | 44,081 | 375,294 | 8,653 |
| Capital Outlay | 211,500 | 211,500 | 128,904 | 0 | 128,904 | 82,596 |
| <i>Total Expenditures</i> | <u>2,146,361</u> | <u>2,139,389</u> | <u>1,691,359</u> | <u>45,085</u> | <u>1,736,444</u> | <u>402,945</u> |
| Net Change in Fund Balance | (611,616) | (773,561) | (325,528) | (45,085) | (370,613) | 402,948 |
| Fund Balance at Beginning of Year | 1,237,363 | 1,244,335 | 1,262,692 | (18,357) | 1,244,335 | 0 |
| Prior Year Encumbrances Carried Over | 25,329 | 18,357 | 0 | 18,357 | 18,357 | 0 |
| Fund Balance at End of Year | <u>\$651,076</u> | <u>\$489,131</u> | <u>\$937,164</u> | <u>(\$45,085)</u> | <u>\$892,079</u> | <u>\$402,948</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, 2006

| | <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> | |
| <u>Revenues:</u> | | | | | | |
| Intergovernmental | \$124,438 | \$110,380 | \$110,381 | | \$110,381 | \$1 |
| Interest | 550 | 1,136 | 1,256 | | 1,256 | 120 |
| <i>Total Revenues</i> | 124,988 | 111,516 | 111,637 | | 111,637 | 121 |
| <u>Expenditures:</u> | | | | | | |
| Current: | | | | | | |
| Transportation | | | | | | |
| Right of Way Maintenance | | | | | | |
| Capital Outlay | 205,000 | 255,000 | 237,022 | 17,978 | 255,000 | 0 |
| Net Change in Fund Balance | (80,012) | (143,484) | (125,385) | (17,978) | (143,363) | 121 |
| Fund Balance at Beginning of Year | 305,048 | 305,048 | 305,048 | 0 | 305,048 | 0 |
| Fund Balance at End of Year | \$225,036 | \$161,564 | \$179,663 | (\$17,978) | \$161,685 | \$121 |

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, 2006

| | <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> | |
| <u>Revenues:</u> | | | | | | |
| Intergovernmental | \$4,605 | \$4,605 | \$4,605 | | \$4,605 | \$0 |
| Interest | 776 | 776 | 1,586 | | 1,586 | 810 |
| Other | 1,195 | 1,195 | 1,195 | | 1,195 | 0 |
| <i>Total Revenues</i> | <u>6,576</u> | <u>6,576</u> | <u>7,386</u> | | <u>7,386</u> | <u>810</u> |
| <u>Expenditures:</u> | | | | | | |
| Current: | | | | | | |
| Security of Persons and Property | | | | | | |
| Police Department | | | | | | |
| Police Services | | | | | | |
| Supplies and Materials | 427 | 6,314 | 6,314 | 0 | 6,314 | 0 |
| Net Change in Fund Balance | 6,149 | 262 | 1,072 | 0 | 1,072 | 810 |
| Fund Balance at Beginning of Year | 23,977 | 24,404 | 24,404 | 0 | 24,404 | 0 |
| Prior Year Encumbrances Carried Over | 427 | 0 | 0 | 0 | 0 | 0 |
| Fund Balance at End of Year | <u>\$30,553</u> | <u>\$24,666</u> | <u>\$25,476</u> | <u>\$0</u> | <u>\$25,476</u> | <u>\$810</u> |

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, 2006

| | <u>Budget</u> | | <u>Actual</u> | | | <u>Variance Positive (Negative)</u> |
|--------------------------------------|-----------------|--------------|------------------------------|---------------------|--------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Cash Transactions</u> | <u>Encumbrances</u> | <u>Total</u> | |
| <u>Revenues:</u> | | | | | | |
| Intergovernmental | \$260,371 | \$246,622 | \$246,622 | | \$246,622 | \$0 |
| Interest | 150 | 2,805 | 3,025 | | 3,025 | 220 |
| <i>Total Revenues</i> | 260,521 | 249,427 | 249,647 | | 249,647 | 220 |
| <u>Expenditures:</u> | | | | | | |
| Current: | | | | | | |
| Transportation | | | | | | |
| Right of Way Maintenance | | | | | | |
| Capital Outlay | 269,692 | 259,000 | 259,000 | 0 | 259,000 | 0 |
| Net Change in Fund Balance | (9,171) | (9,573) | (9,353) | 0 | (9,353) | 220 |
| Fund Balance at Beginning of Year | 270 | 9,962 | 9,962 | 0 | 9,962 | 0 |
| Prior Year Encumbrances Carried Over | 9,692 | 0 | 0 | 0 | 0 | 0 |
| Fund Balance at End of Year | \$791 | \$389 | \$609 | \$0 | \$609 | \$220 |

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, 2006

| | <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> | |
| <u>Revenues:</u> | | | | | | |
| Other | \$250 | \$250 | \$250 | | \$250 | \$0 |
| <u>Expenditures:</u> | 0 | 0 | 0 | 0 | 0 | 0 |
| Net Change in Fund Balance | 250 | 250 | 250 | 0 | 250 | 0 |
| Fund Balance at Beginning of Year | 1 | 1 | 1 | 0 | 1 | 0 |
| Fund Balance at End of Year | \$251 | \$251 | \$251 | \$0 | \$251 | \$0 |

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, 2006

| | <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> | |
| <u>Revenues:</u> | | | | | | |
| Other Local Taxes | \$59,149 | \$59,149 | \$59,149 | | \$59,149 | \$0 |
| <u>Expenditures:</u> | | | | | | |
| Current: | | | | | | |
| General Government | | | | | | |
| Other Government | | | | | | |
| Other Services and Charges | 59,149 | 59,149 | 59,149 | 0 | 59,149 | 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
OMVI Education Special Revenue Fund
For the Year Ended December 31, 2006

| | <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> | |
| <u>Revenues:</u> | | | | | | |
| Fines and Forfeitures | \$3,271 | \$3,271 | \$3,271 | | \$3,271 | \$0 |
| <u>Expenditures:</u> | | | | | | |
| Current: | | | | | | |
| Security of Persons and Property | | | | | | |
| Police Department | | | | | | |
| Police Services | | | | | | |
| Supplies and Materials | 35 | 0 | 0 | 0 | 0 | 0 |
| Net Change in Fund Balance | 3,236 | 3,271 | 3,271 | 0 | 3,271 | 0 |
| Fund Balance at Beginning of Year | 14,843 | 14,878 | 14,878 | 0 | 14,878 | 0 |
| Prior Year Encumbrances Carried Over | 35 | 0 | 0 | 0 | 0 | 0 |
| Fund Balance at End of Year | \$18,114 | \$18,149 | \$18,149 | \$0 | \$18,149 | \$0 |

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, 2006

| | <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> | |
| <u>Revenues:</u> | | | | | | |
| Payments in Lieu of Taxes | \$709,096 | \$709,096 | \$709,097 | | \$709,097 | \$1 |
| <u>Expenditures:</u> | | | | | | |
| Current: | | | | | | |
| General Government | | | | | | |
| Other Government | | | | | | |
| Other Services and Charges | 1,066,570 | 1,066,570 | 1,066,568 | 0 | 1,066,568 | 2 |
| Excess of Revenues | | | | | | |
| Under Expenditures | (357,474) | (357,474) | (357,471) | 0 | (357,471) | 3 |
| <u>Other Financing Sources:</u> | | | | | | |
| Transfers - In | 357,705 | 357,705 | 357,705 | | 357,705 | 0 |
| Net Change in Fund Balance | 231 | 231 | 234 | 0 | 234 | 3 |
| Fund Balance at Beginning of Year | 3,721 | 3,721 | 3,721 | 0 | 3,721 | 0 |
| Fund Balance at End of Year | \$3,952 | \$3,952 | \$3,955 | \$0 | \$3,955 | \$3 |

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, 2006

| | <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> | |
| <u>Revenues:</u> | | | | | | |
| Fines and Forfeitures | \$16,884 | \$16,884 | \$16,884 | | \$16,884 | \$0 |
| <u>Expenditures:</u> | | | | | | |
| Current: | | | | | | |
| General Government | | | | | | |
| Other Government | | | | | | |
| Supplies and Materials | 450 | 450 | 450 | 0 | 450 | 0 |
| Other Services and Charges | 10,045 | 10,045 | 10,044 | 0 | 10,044 | 1 |
| Capital Outlay | 20,103 | 20,103 | 11,197 | 8,906 | 20,103 | 0 |
| <i>Total Expenditures</i> | 30,598 | 30,598 | 21,691 | 8,906 | 30,597 | 1 |
| Net Change in Fund Balance | (13,714) | (13,714) | (4,807) | (8,906) | (13,713) | 1 |
| Fund Balance at Beginning of Year | 50,064 | 50,064 | 50,064 | 0 | 50,064 | 0 |
| Fund Balance at End of Year | \$36,350 | \$36,350 | \$45,257 | (\$8,906) | \$36,351 | \$1 |

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, 2006

| | <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> | |
| <u>Revenues:</u> | | | | | | |
| Other Local Taxes | \$339,825 | \$354,669 | \$354,670 | | \$354,670 | \$1 |
| <u>Expenditures:</u> | | | | | | |
| Current: | | | | | | |
| General Government | | | | | | |
| Other Government | | | | | | |
| Supplies and Materials | 10,650 | 10,650 | 3,734 | 0 | 3,734 | 6,916 |
| Other Services and Charges | 235,965 | 225,630 | 188,922 | 33,395 | 222,317 | 3,313 |
| Capital Outlay | 110,238 | 110,238 | 106,048 | 0 | 106,048 | 4,190 |
| <i>Total Expenditures</i> | <i>356,853</i> | <i>346,518</i> | <i>298,704</i> | <i>33,395</i> | <i>332,099</i> | <i>14,419</i> |
| Net Change in Fund Balance | (17,028) | 8,151 | 55,966 | (33,395) | 22,571 | 14,420 |
| Fund Balance at Beginning of Year | 527,808 | 538,143 | 553,566 | (15,423) | 538,143 | 0 |
| Prior Year Encumbrances Carried Over | 25,758 | 15,423 | 0 | 15,423 | 15,423 | 0 |
| Fund Balance at End of Year | \$536,538 | \$561,717 | \$609,532 | (\$33,395) | \$576,137 | \$14,420 |

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, 2006

| | <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> | |
| <u>Revenues:</u> | | | | | | |
| Income Taxes | \$3,686,443 | \$4,045,000 | \$4,105,932 | | \$4,105,932 | \$60,932 |
| <u>Expenditures:</u> | 0 | 0 | 0 | | 0 | 0 |
| Excess of Revenues | | | | | | |
| Over Expenditures | 3,686,443 | 4,045,000 | 4,105,932 | 0 | 4,105,932 | 60,932 |
| <u>Other Financing Uses:</u> | | | | | | |
| Transfers - Out | (3,397,414) | (3,397,414) | (3,397,414) | 0 | (3,397,414) | 0 |
| Net Change in Fund Balance | 289,029 | 647,586 | 708,518 | 0 | 708,518 | 60,932 |
| Fund Balance at Beginning of Year | 831,981 | 831,981 | 831,981 | 0 | 831,981 | 0 |
| Fund Balance at End of Year | \$1,121,010 | \$1,479,567 | \$1,540,499 | \$0 | \$1,540,499 | \$60,932 |

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, 2006

| | <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> | |
| <u>Revenues:</u> | | | | | | |
| Fines and Forfeitures | \$8,255 | \$8,255 | \$8,256 | | \$8,256 | \$1 |
| Interest | 886 | 886 | 979 | | 979 | 93 |
| <i>Total Revenues</i> | 9,141 | 9,141 | 9,235 | | 9,235 | 94 |
| <u>Expenditures:</u> | 0 | 0 | 0 | | 0 | 0 |
| Net Change in Fund Balance | 9,141 | 9,141 | 9,235 | 0 | 9,235 | 94 |
| Fund Balance at Beginning of Year | 21,718 | 21,718 | 21,718 | 0 | 21,718 | 0 |
| Fund Balance at End of Year | \$30,859 | \$30,859 | \$30,953 | \$0 | \$30,953 | \$94 |

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, 2006

| | <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> | |
| <u>Revenues:</u> | | | | | | |
| Fines and Forfeitures | \$45,075 | \$45,075 | \$45,076 | | \$45,076 | \$1 |
| Interest | 4,507 | 4,507 | 4,999 | | 4,999 | 492 |
| <i>Total Revenues</i> | <u>49,582</u> | <u>49,582</u> | <u>50,075</u> | | <u>50,075</u> | <u>493</u> |
| <u>Expenditures:</u> | | | | | | |
| Current: | | | | | | |
| Security of Persons and Property | | | | | | |
| Police Department | | | | | | |
| Police Services | | | | | | |
| Supplies and Materials | 5,193 | 49,030 | 28,091 | 20,939 | 49,030 | 0 |
| Other Services and Charges | 242 | 6,148 | 6,147 | 0 | 6,147 | 1 |
| Capital Outlay | 5,000 | 3,000 | 3,000 | 0 | 3,000 | 0 |
| <i>Total Expenditures</i> | <u>10,435</u> | <u>58,178</u> | <u>37,238</u> | <u>20,939</u> | <u>58,177</u> | <u>1</u> |
| Net Change in Fund Balance | 39,147 | (8,596) | 12,837 | (20,939) | (8,102) | 494 |
| Fund Balance at Beginning of Year | 137,894 | 146,307 | 148,329 | (2,022) | 146,307 | 0 |
| Prior Year Encumbrances Carried Over | 10,435 | 2,022 | 0 | 2,022 | 2,022 | 0 |
| Fund Balance at End of Year | <u>\$187,476</u> | <u>\$139,733</u> | <u>\$161,166</u> | <u>(\$20,939)</u> | <u>\$140,227</u> | <u>\$494</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, 2006

| | <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> | |
| <u>Revenues:</u> | | | | | | |
| Other | \$16,857 | \$16,857 | \$16,858 | | \$16,858 | \$1 |
| <u>Expenditures:</u> | | | | | | |
| Current: | | | | | | |
| Security of Persons and Property | | | | | | |
| Police Department | | | | | | |
| Police Services | | | | | | |
| Supplies and Materials | 2,026 | 2,026 | 2,026 | 0 | 2,026 | 0 |
| Net Change in Fund Balance | 14,831 | 14,831 | 14,832 | 0 | 14,832 | 1 |
| Fund Balance at Beginning of Year | 25,962 | 25,962 | 25,962 | 0 | 25,962 | 0 |
| Fund Balance at End of Year | \$40,793 | \$40,793 | \$40,794 | \$0 | \$40,794 | \$1 |

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, 2006

| | <i>Budget</i> | | <i>Actuals</i> | | | <i>Variance Positive (Negative)</i> |
|--|------------------|------------------|------------------------------|---------------------|------------------|---|
| | <i>Original</i> | <i>Final</i> | <i>Cash Transactions</i> | <i>Encumbrances</i> | <i>Total</i> | |
| <u>Revenues:</u> | | | | | | |
| Property Taxes | \$367,089 | \$464,836 | \$464,837 | | \$464,837 | \$1 |
| Intergovernmental | 79,385 | 81,141 | 81,141 | | 81,141 | 0 |
| Other | 0 | 134 | 134 | | 134 | 0 |
| <i>Total Revenues</i> | <u>446,474</u> | <u>546,111</u> | <u>546,112</u> | | <u>546,112</u> | <u>1</u> |
| <u>Expenditures:</u> | | | | | | |
| Debt Service | | | | | | |
| Principal Retirement | 1,783,390 | 1,783,390 | 1,783,390 | 0 | 1,783,390 | 0 |
| Interest and Fiscal Charges | 1,296,760 | 1,296,760 | 1,296,758 | 0 | 1,296,758 | 2 |
| <i>Total Expenditures</i> | <u>3,080,150</u> | <u>3,080,150</u> | <u>3,080,148</u> | <u>0</u> | <u>3,080,148</u> | <u>2</u> |
| Excess of Revenues Under Expenditures | (2,633,676) | (2,534,039) | (2,534,036) | 0 | (2,534,036) | 3 |
| <u>Other Financing Sources:</u> | | | | | | |
| Transfers - In | 2,633,676 | 2,633,676 | 2,633,676 | | 2,633,676 | 0 |
| Net Change in Fund Balance | 0 | 99,637 | 99,640 | 0 | 99,640 | 3 |
| Fund Balance at Beginning of Year | 99,874 | 99,874 | 99,874 | 0 | 99,874 | 0 |
| Fund Balance at End of Year | <u>\$99,874</u> | <u>\$199,511</u> | <u>\$199,514</u> | <u>\$0</u> | <u>\$199,514</u> | <u>\$3</u> |

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, 2006

| | <i>Budget</i> | | <i>Actuals</i> | | | <i>Variance Positive (Negative)</i> |
|--|-----------------|--------------|------------------------------|---------------------|--------------|---|
| | <i>Original</i> | <i>Final</i> | <i>Cash Transactions</i> | <i>Encumbrances</i> | <i>Total</i> | |
| <u>Revenues:</u> | \$0 | \$0 | \$0 | | \$0 | \$0 |
| <u>Expenditures:</u> | | | | | | |
| Capital Outlay | 5,362,235 | 5,351,137 | 3,895,924 | 675,622 | 4,571,546 | 779,591 |
| Excess of Revenues Under Expenditures | (5,362,235) | (5,351,137) | (3,895,924) | (675,622) | (4,571,546) | 779,591 |
| <u>Other Financing Sources:</u> | | | | | | |
| Transfers - In | 2,900,000 | 3,040,000 | 3,040,000 | | 3,040,000 | 0 |
| Net Change in Fund Balance | (2,462,235) | (2,311,137) | (855,924) | (675,622) | (1,531,546) | 779,591 |
| Fund Balance at Beginning of Year | 1,973,298 | 2,124,396 | 2,845,033 | (720,637) | 2,124,396 | 0 |
| Prior Year Encumbrances Carried Over | 871,735 | 720,637 | 0 | 720,637 | 720,637 | 0 |
| Fund Balance at End of Year | \$382,798 | \$533,896 | \$1,989,109 | (\$675,622) | \$1,313,487 | \$779,591 |

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, 2006

| | <i>Budget</i> | | <i>Actuals</i> | | | <i>Variance Positive (Negative)</i> |
|--|-----------------|--------------|------------------------------|---------------------|--------------|---|
| | <i>Original</i> | <i>Final</i> | <i>Cash Transactions</i> | <i>Encumbrances</i> | <i>Total</i> | |
| <u>Revenues:</u> | | | | | | |
| Other | \$38,500 | \$46,000 | \$56,564 | | \$56,564 | \$10,564 |
| <u>Expenditures:</u> | | | | | | |
| Capital Outlay | 141,000 | 459,000 | 241,641 | 91,969 | 333,610 | 125,390 |
| Excess of Revenues Under Expenditures | (102,500) | (413,000) | (185,077) | (91,969) | (277,046) | 135,954 |
| <u>Other Financing Sources:</u> | | | | | | |
| Advances - In | 0 | 181,904 | 181,904 | | 181,904 | 0 |
| Operating Transfers - In | 0 | 65,745 | 65,745 | | 65,745 | 0 |
| <i>Total Other Financing Sources</i> | 0 | 247,649 | 247,649 | 0 | 247,649 | 0 |
| Net Change in Fund Balance | (102,500) | (165,351) | 62,572 | (91,969) | (29,397) | 135,954 |
| Fund Balance at Beginning of Year | 193,641 | 193,641 | 193,641 | 0 | 193,641 | 0 |
| Fund Balance at End of Year | \$91,141 | \$28,290 | \$256,213 | (\$91,969) | \$164,244 | \$135,954 |

City of Westerville, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund
Balance - Budget (Non-GAAP Budgetary Basis) and Actual
Africa Road Improvement Capital Projects Fund
For the Year Ended December 31, 2006

| | <i>Budget</i> | | <i>Actuals</i> | | | <i>Variance Positive (Negative)</i> |
|--|-----------------|--------------|------------------------------|---------------------|--------------|---|
| | <i>Original</i> | <i>Final</i> | <i>Cash Transactions</i> | <i>Encumbrances</i> | <i>Total</i> | |
| <u>Revenues:</u> | \$0 | \$0 | \$0 | | \$0 | \$0 |
| <u>Expenditures:</u> | | | | | | |
| Capital Outlay | 135,000 | 135,000 | 134,952 | 0 | 134,952 | 48 |
| Excess of Revenues Under Expenditures | (135,000) | (135,000) | (134,952) | 0 | (134,952) | 48 |
| <u>Other Financing Sources:</u> | | | | | | |
| Advances - In | 135,000 | 135,000 | 135,000 | | 135,000 | 0 |
| Net Change in Fund Balance | 0 | 0 | 48 | 0 | 48 | 48 |
| Fund Balance at Beginning of Year | 0 | 0 | 0 | 0 | 0 | 0 |
| Fund Balance at End of Year | \$0 | \$0 | \$48 | \$0 | \$48 | \$48 |

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, 2006

| | <i>Budget</i> | | <i>Actuals</i> | | | <i>Variance Positive (Negative)</i> |
|---|-----------------|--------------|------------------------------|---------------------|--------------|---|
| | <i>Original</i> | <i>Final</i> | <i>Cash Transactions</i> | <i>Encumbrances</i> | <i>Total</i> | |
| <u>Revenues:</u> | \$0 | \$0 | \$0 | | \$0 | \$0 |
| <u>Expenditures:</u> | 0 | 0 | 0 | 0 | 0 | 0 |
| Excess of Revenues Over Expenditures | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>Other Financing Uses:</u> | | | | | | |
| Advances - Out | 0 | (77,666) | (77,666) | 0 | (77,666) | 0 |
| Net Change in Fund Balance | 0 | (77,666) | (77,666) | 0 | (77,666) | 0 |
| Fund Balance at Beginning of Year | 77,666 | 77,666 | 77,666 | 0 | 77,666 | 0 |
| Fund Balance at End of Year | \$77,666 | \$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
Dempsey Road Improvement Capital Projects Fund
For the Year Ended December 31, 2006

| | <i>Budget</i> | | <i>Actuals</i> | | | <i>Variance Positive (Negative)</i> |
|-----------------------------------|-----------------|--------------|------------------------------|---------------------|--------------|---|
| | <i>Original</i> | <i>Final</i> | <i>Cash Transactions</i> | <i>Encumbrances</i> | <i>Total</i> | |
| <u>Revenues:</u> | \$0 | \$0 | \$0 | | \$0 | \$0 |
| <u>Expenditures:</u> | | | | | | |
| Capital Outlay | 20,000 | 20,000 | 16,478 | 3,500 | 19,978 | 22 |
| Net Change in Fund Balance | (20,000) | (20,000) | (16,478) | (3,500) | (19,978) | 22 |
| Fund Balance at Beginning of Year | 126,000 | 126,000 | 126,000 | 0 | 126,000 | 0 |
| Fund Balance at End of Year | \$106,000 | \$106,000 | \$109,522 | (\$3,500) | \$106,022 | \$22 |

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, 2006

| | <i>Budget</i> | | <i>Actuals</i> | | | <i>Variance Positive (Negative)</i> |
|--|-----------------|--------------|------------------------------|---------------------|--------------|---|
| | <i>Original</i> | <i>Final</i> | <i>Cash Transactions</i> | <i>Encumbrances</i> | <i>Total</i> | |
| <u>Revenues:</u> | \$0 | \$0 | \$0 | | \$0 | \$0 |
| <u>Expenditures:</u> | | | | | | |
| Capital Outlay | 883,496 | 1,213,530 | 1,187,011 | 0 | 1,187,011 | 26,519 |
| Excess of Revenues Under Expenditures | (883,496) | (1,213,530) | (1,187,011) | 0 | (1,187,011) | 26,519 |
| <u>Other Financing Sources:</u> | | | | | | |
| Transfers - In | 0 | 335,000 | 335,000 | | 335,000 | 0 |
| Net Change in Fund Balance | (883,496) | (878,530) | (852,011) | 0 | (852,011) | 26,519 |
| Fund Balance at Beginning of Year | 146,536 | 151,502 | 1,030,032 | (878,530) | 151,502 | 0 |
| Prior Year Encumbrances Carried Over | 883,496 | 878,530 | 0 | 878,530 | 878,530 | 0 |
| Fund Balance at End of Year | \$146,536 | \$151,502 | \$178,021 | \$0 | \$178,021 | \$26,519 |

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, 2006

| | <i>Budget</i> | | <i>Actuals</i> | | | <i>Variance Positive (Negative)</i> |
|--------------------------------------|-----------------|--------------|------------------------------|---------------------|--------------|---|
| | <i>Original</i> | <i>Final</i> | <i>Cash Transactions</i> | <i>Encumbrances</i> | <i>Total</i> | |
| <u>Revenues:</u> | \$0 | \$0 | \$0 | | \$0 | \$0 |
| <u>Expenditures:</u> | | | | | | |
| Capital Outlay | 418,802 | 391,258 | 163,499 | 227,757 | 391,256 | 2 |
| Net Change in Fund Balance | (418,802) | (391,258) | (163,499) | (227,757) | (391,256) | 2 |
| Fund Balance at Beginning of Year | 47,224 | 74,768 | 466,026 | (391,258) | 74,768 | 0 |
| Prior Year Encumbrances Carried Over | 418,802 | 391,258 | 0 | 391,258 | 391,258 | 0 |
| Fund Balance at End of Year | \$47,224 | \$74,768 | \$302,527 | (\$227,757) | \$74,770 | \$2 |

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, 2006

| | <i>Budget</i> | | <i>Actuals</i> | | | <i>Variance Positive (Negative)</i> |
|---------------------------------------|-----------------|--------------|------------------------------|---------------------|--------------|---|
| | <i>Original</i> | <i>Final</i> | <i>Cash Transactions</i> | <i>Encumbrances</i> | <i>Total</i> | |
| <u>Revenues:</u> | | | | | | |
| Interest | \$21,000 | \$35,000 | \$37,204 | | \$37,204 | \$2,204 |
| Other | 0 | 15,000 | 15,000 | | 15,000 | 0 |
| <i>Total Revenues</i> | 21,000 | 50,000 | 52,204 | | 52,204 | 2,204 |
| <u>Expenditures:</u> | | | | | | |
| Capital Outlay | 1,132,000 | 576,328 | 540,685 | 35,639 | 576,324 | 4 |
| Excess of Revenues Under Expenditures | (1,111,000) | (526,328) | (488,481) | (35,639) | (524,120) | 2,208 |
| <u>Other Financing Uses:</u> | | | | | | |
| Advances - Out | 0 | (555,649) | (555,649) | 0 | (555,649) | 0 |
| Net Change in Fund Balance | (1,111,000) | (1,081,977) | (1,044,130) | (35,639) | (1,079,769) | 2,208 |
| Fund Balance at Beginning of Year | 2,426,918 | 2,426,941 | 2,972,161 | (545,220) | 2,426,941 | 0 |
| Prior Year Encumbrances Carried Over | 545,243 | 545,220 | 0 | 545,220 | 545,220 | 0 |
| Fund Balance at End of Year | \$1,861,161 | \$1,890,184 | \$1,928,031 | (\$35,639) | \$1,892,392 | \$2,208 |

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, 2006

| | <i>Budget</i> | | <i>Actuals</i> | | | <i>Variance Positive (Negative)</i> |
|--------------------------------------|--------------------|--------------------|---------------------|---------------------|--------------------|---|
| | <i>Original</i> | <i>Final</i> | <i>Cash</i> | | <i>Total</i> | |
| | | | <i>Transactions</i> | <i>Encumbrances</i> | | |
| <u>Revenues:</u> | \$0 | \$0 | \$0 | | \$0 | \$0 |
| <u>Expenditures:</u> | | | | | | |
| Capital Outlay | 222,990 | 199,311 | 199,309 | 0 | 199,309 | 2 |
| Net Change in Fund Balance | (222,990) | (199,311) | (199,309) | 0 | (199,309) | 2 |
| Fund Balance at Beginning of Year | 1,384,928 | 1,408,607 | 1,607,918 | (199,311) | 1,408,607 | 0 |
| Prior Year Encumbrances Carried Over | 222,990 | 199,311 | 0 | 199,311 | 199,311 | 0 |
| Fund Balance at End of Year | <u>\$1,384,928</u> | <u>\$1,408,607</u> | <u>\$1,408,609</u> | <u>\$0</u> | <u>\$1,408,609</u> | <u>\$2</u> |

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, 2006

| | <i>Budget</i> | | <i>Actuals</i> | | | <i>Variance Positive (Negative)</i> |
|--|-----------------|--------------|------------------------------|---------------------|--------------|---|
| | <i>Original</i> | <i>Final</i> | <i>Cash Transactions</i> | <i>Encumbrances</i> | <i>Total</i> | |
| <u>Revenues:</u> | \$0 | \$0 | \$0 | | \$0 | \$0 |
| <u>Expenditures:</u> | | | | | | |
| Capital Outlay | 53,942 | 49,963 | 40,762 | 0 | 40,762 | 9,201 |
| Excess of Revenues Under Expenditures | (53,942) | (49,963) | (40,762) | 0 | (40,762) | 9,201 |
| <u>Other Financing Sources:</u> | | | | | | |
| Advances - In | 0 | 9,200 | 9,200 | | 9,200 | 0 |
| Net Change in Fund Balance | (53,942) | (40,763) | (31,562) | 0 | (31,562) | 9,201 |
| Fund Balance at Beginning of Year | 2,183 | 15,362 | 56,125 | (40,763) | 15,362 | 0 |
| Prior Year Encumbrances Carried Over | 53,942 | 40,763 | 0 | 40,763 | 40,763 | 0 |
| Fund Balance at End of Year | \$2,183 | \$15,362 | \$24,563 | \$0 | \$24,563 | \$9,201 |

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, 2006

| | <i>Budget</i> | | <i>Actuals</i> | | | <i>Variance Positive (Negative)</i> |
|--|-----------------|--------------|------------------------------|---------------------|--------------|---|
| | <i>Original</i> | <i>Final</i> | <i>Cash Transactions</i> | <i>Encumbrances</i> | <i>Total</i> | |
| <u>Revenues:</u> | \$0 | \$0 | \$0 | | \$0 | \$0 |
| <u>Expenditures:</u> | | | | | | |
| Capital Outlay | 125,205 | 125,205 | 91,241 | 19,795 | 111,036 | 14,169 |
| Excess of Revenues Under Expenditures | (125,205) | (125,205) | (91,241) | (19,795) | (111,036) | 14,169 |
| <u>Other Financing Sources:</u> | | | | | | |
| Transfers - In | 150,000 | 150,000 | 150,000 | | 150,000 | 0 |
| Net Change in Fund Balance | 24,795 | 24,795 | 58,759 | (19,795) | 38,964 | 14,169 |
| Fund Balance at Beginning of Year | 519,695 | 519,695 | 617,500 | (97,805) | 519,695 | 0 |
| Prior Year Encumbrances Carried Over | 97,805 | 97,805 | 0 | 97,805 | 97,805 | 0 |
| Fund Balance at End of Year | \$642,295 | \$642,295 | \$676,259 | (\$19,795) | \$656,464 | \$14,169 |

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, 2006

| | <i>Budget</i> | | <i>Actuals</i> | | | <i>Variance Positive (Negative)</i> |
|---|-----------------|--------------|------------------------------|---------------------|--------------|---|
| | <i>Original</i> | <i>Final</i> | <i>Cash Transactions</i> | <i>Encumbrances</i> | <i>Total</i> | |
| <u>Revenues:</u> | \$0 | \$0 | \$0 | | \$0 | \$0 |
| <u>Expenditures:</u> | 0 | 0 | 0 | 0 | 0 | 0 |
| Excess of Revenues Over Expenditures | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>Other Financing Sources:</u> | | | | | | |
| Transfers - In | 250,000 | 250,000 | 250,000 | | 250,000 | 0 |
| Net Change in Fund Balance | 250,000 | 250,000 | 250,000 | 0 | 250,000 | 0 |
| Fund Balance at Beginning of Year | 1,108,180 | 1,108,180 | 1,108,180 | 0 | 1,108,180 | 0 |
| Fund Balance at End of Year | \$1,358,180 | \$1,358,180 | \$1,358,180 | \$0 | \$1,358,180 | \$0 |

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, 2006

| | <i>Budget</i> | | <i>Actuals</i> | | | <i>Variance Positive (Negative)</i> |
|-----------------------------------|-----------------|--------------|------------------------------|---------------------|--------------|---|
| | <i>Original</i> | <i>Final</i> | <i>Cash Transactions</i> | <i>Encumbrances</i> | <i>Total</i> | |
| <u>Revenues:</u> | \$0 | \$0 | \$0 | | \$0 | \$0 |
| <u>Expenditures:</u> | | | | | | |
| Capital Outlay | 10,000 | 10,000 | 8,748 | 0 | 8,748 | 1,252 |
| Net Change in Fund Balance | (10,000) | (10,000) | (8,748) | 0 | (8,748) | 1,252 |
| Fund Balance at Beginning of Year | 60,736 | 60,736 | 60,736 | 0 | 60,736 | 0 |
| Fund Balance at End of Year | \$50,736 | \$50,736 | \$51,988 | \$0 | \$51,988 | \$1,252 |

City of Westerville, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund
Balance - Budget (Non-GAAP Budgetary Basis) and Actual
City Buildings Improvements Capital Projects Fund
For the Year Ended December 31, 2006

| | <i>Budget</i> | | <i>Actuals</i> | | | <i>Variance Positive (Negative)</i> |
|--------------------------------------|-----------------|--------------|------------------------------|---------------------|--------------|---|
| | <i>Original</i> | <i>Final</i> | <i>Cash Transactions</i> | <i>Encumbrances</i> | <i>Total</i> | |
| <u>Revenues:</u> | | | | | | |
| Interest | \$11,745 | \$22,629 | \$24,452 | | \$24,452 | \$1,823 |
| <u>Expenditures:</u> | | | | | | |
| Capital Outlay | 89,462 | 327,278 | 111,434 | 215,843 | 327,277 | 1 |
| Net Change in Fund Balance | (77,717) | (304,649) | (86,982) | (215,843) | (302,825) | 1,824 |
| Fund Balance at Beginning of Year | 220,413 | 234,915 | 307,149 | (72,234) | 234,915 | 0 |
| Prior Year Encumbrances Carried Over | 86,736 | 72,234 | 0 | 72,234 | 72,234 | 0 |
| Fund Balance at End of Year | \$229,432 | \$2,500 | \$220,167 | (\$215,843) | \$4,324 | \$1,824 |

City of Westerville, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund
Balance - Budget (Non-GAAP Budgetary Basis) and Actual
Safety Building Improvement Capital Projects Fund
For the Year Ended December 31, 2006

| | <i>Budget</i> | | <i>Actuals</i> | | | <i>Variance Positive (Negative)</i> |
|--------------------------------------|-----------------|--------------|------------------------------|---------------------|--------------|---|
| | <i>Original</i> | <i>Final</i> | <i>Cash Transactions</i> | <i>Encumbrances</i> | <i>Total</i> | |
| <u>Revenues:</u> | | | | | | |
| Interest | \$5,000 | \$21,021 | \$22,596 | | \$22,596 | \$1,575 |
| <u>Expenditures:</u> | | | | | | |
| Capital Outlay | 497,056 | 496,507 | 496,507 | 0 | 496,507 | 0 |
| Net Change in Fund Balance | (492,056) | (475,486) | (473,911) | 0 | (473,911) | 1,575 |
| Fund Balance at Beginning of Year | 72,349 | 72,898 | 569,405 | (496,507) | 72,898 | 0 |
| Prior Year Encumbrances Carried Over | 497,056 | 496,507 | 0 | 496,507 | 496,507 | 0 |
| Fund Balance at End of Year | \$77,349 | \$93,919 | \$95,494 | \$0 | \$95,494 | \$1,575 |

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, 2006

| | <i>Budget</i> | | <i>Actuals</i> | | | <i>Variance Positive (Negative)</i> |
|-----------------------------------|-----------------|--------------|------------------------------|---------------------|--------------|---|
| | <i>Original</i> | <i>Final</i> | <i>Cash Transactions</i> | <i>Encumbrances</i> | <i>Total</i> | |
| <u>Revenues:</u> | | | | | | |
| Payments in Lieu of Taxes | \$21,734 | \$21,734 | \$21,734 | | \$21,734 | \$0 |
| <u>Expenditures:</u> | 0 | 0 | 0 | 0 | 0 | 0 |
| Net Change in Fund Balance | 21,734 | 21,734 | 21,734 | 0 | 21,734 | 0 |
| Fund Balance at Beginning of Year | 22,525 | 22,525 | 22,525 | 0 | 22,525 | 0 |
| Fund Balance at End of Year | \$44,259 | \$44,259 | \$44,259 | \$0 | \$44,259 | \$0 |

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, 2006

| | <i>Budget</i> | | <i>Actuals</i> | | | <i>Variance Positive (Negative)</i> |
|--|-----------------|--------------|------------------------------|---------------------|--------------|---|
| | <i>Original</i> | <i>Final</i> | <i>Cash Transactions</i> | <i>Encumbrances</i> | <i>Total</i> | |
| <u>Revenues:</u> | | | | | | |
| Payments in Lieu of Taxes | \$70,410 | \$129,307 | \$129,308 | | \$129,308 | \$1 |
| <u>Expenditures:</u> | | | | | | |
| Capital Outlay | 2,032,330 | 2,032,330 | 1,125,195 | 906,826 | 2,032,021 | 309 |
| Excess of Revenues Under Expenditures | (1,961,920) | (1,903,023) | (995,887) | (906,826) | (1,902,713) | 310 |
| <u>Other Financing Sources:</u> | | | | | | |
| Advances - In | 2,032,330 | 2,032,330 | 2,032,330 | | 2,032,330 | 0 |
| Net Change in Fund Balance | 70,410 | 129,307 | 1,036,443 | (906,826) | 129,617 | 310 |
| Fund Balance at Beginning of Year | 5,619 | 5,619 | 5,619 | 0 | 5,619 | 0 |
| Fund Balance at End of Year | \$76,029 | \$134,926 | \$1,042,062 | (\$906,826) | \$135,236 | \$310 |

City of Westerville, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund
Balance - Budget (Non-GAAP Budgetary Basis) and Actual
Northstar/Worthington Road TIF Capital Projects Fund
For the Year Ended December 31, 2006

| | <i>Budget</i> | | <i>Actuals</i> | | | <i>Variance Positive (Negative)</i> |
|--|-----------------|--------------|------------------------------|---------------------|--------------|---|
| | <i>Original</i> | <i>Final</i> | <i>Cash Transactions</i> | <i>Encumbrances</i> | <i>Total</i> | |
| <u>Revenues:</u> | \$0 | \$0 | \$0 | | \$0 | \$0 |
| <u>Expenditures:</u> | | | | | | |
| Capital Outlay | 200,000 | 200,000 | 66,535 | 125,517 | 192,052 | 7,948 |
| Excess of Revenues Under Expenditures | (200,000) | (200,000) | (66,535) | (125,517) | (192,052) | 7,948 |
| <u>Other Financing Sources:</u> | | | | | | |
| Advances - In | 200,000 | 200,000 | 200,000 | | 200,000 | 0 |
| Net Change in Fund Balance | 0 | 0 | 133,465 | (125,517) | 7,948 | 7,948 |
| Fund Balance at Beginning of Year | 0 | 0 | 0 | 0 | 0 | 0 |
| Fund Balance at End of Year | \$0 | \$0 | \$133,465 | (\$125,517) | \$7,948 | \$7,948 |

City of Westerville, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund
Balance - Budget (Non-GAAP Budgetary Basis) and Actual
Altair TIF Incentive Capital Projects Fund
For the Year Ended December 31, 2006

| | <i>Budget</i> | | <i>Actuals</i> | | | <i>Variance Positive (Negative)</i> |
|--|-----------------|--------------|------------------------------|---------------------|--------------|---|
| | <i>Original</i> | <i>Final</i> | <i>Cash Transactions</i> | <i>Encumbrances</i> | <i>Total</i> | |
| <u>Revenues:</u> | \$0 | \$0 | \$0 | | \$0 | \$0 |
| <u>Expenditures:</u> | | | | | | |
| Capital Outlay | 518,000 | 518,000 | 341,509 | 175,545 | 517,054 | 946 |
| Excess of Revenues Under Expenditures | (518,000) | (518,000) | (341,509) | (175,545) | (517,054) | 946 |
| <u>Other Financing Sources:</u> | | | | | | |
| Advances - In | 518,000 | 518,000 | 518,000 | | 518,000 | 0 |
| Net Change in Fund Balance | 0 | 0 | 176,491 | (175,545) | 946 | 946 |
| Fund Balance at Beginning of Year | 0 | 0 | 0 | 0 | 0 | 0 |
| Fund Balance at End of Year | \$0 | \$0 | \$176,491 | (\$175,545) | \$946 | \$946 |

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, 2006

| | <i>Budget</i> | | <i>Actuals</i> | | | <i>Variance Positive (Negative)</i> |
|-----------------------------------|-----------------|--------------|------------------------------|---------------------|--------------|---|
| | <i>Original</i> | <i>Final</i> | <i>Cash Transactions</i> | <i>Encumbrances</i> | <i>Total</i> | |
| <u>Revenues:</u> | | | | | | |
| Fees, Licenses and Permits | \$39,600 | \$39,600 | \$39,600 | | \$39,600 | \$0 |
| <u>Expenditures:</u> | 0 | 0 | 0 | 0 | 0 | 0 |
| Net Change in Fund Balance | 39,600 | 39,600 | 39,600 | 0 | 39,600 | 0 |
| Fund Balance at Beginning of Year | 87,232 | 87,232 | 87,232 | 0 | 87,232 | 0 |
| Fund Balance at End of Year | \$126,832 | \$126,832 | \$126,832 | \$0 | \$126,832 | \$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, 2006

| | <i>Budget</i> | | <i>Actuals</i> | | | <i>Variance Positive (Negative)</i> |
|--------------------------------------|-----------------|--------------|------------------------------|---------------------|--------------|---|
| | <i>Original</i> | <i>Final</i> | <i>Cash Transactions</i> | <i>Encumbrances</i> | <i>Total</i> | |
| <u>Revenues:</u> | | | | | | |
| Interest | \$1,000 | \$1,520 | \$1,600 | | \$1,600 | \$80 |
| <u>Expenditures:</u> | 0 | 0 | 0 | 0 | 0 | 0 |
| Excess of Revenues Over Expenditures | 1,000 | 1,520 | 1,600 | 0 | 1,600 | 80 |
| <u>Other Financing Uses:</u> | | | | | | |
| Advances - Out | (27,994) | (27,994) | (27,993) | 0 | (27,993) | 1 |
| Operating Transfers - Out | (65,745) | (65,745) | (65,745) | 0 | (65,745) | 0 |
| <i>Total Other Financing Uses</i> | (93,739) | (93,739) | (93,738) | 0 | (93,738) | 1 |
| Net Change in Fund Balance | (92,739) | (92,219) | (92,138) | 0 | (92,138) | 81 |
| Fund Balance at Beginning of Year | 93,508 | 93,508 | 93,508 | 0 | 93,508 | 0 |
| Fund Balance at End of Year | \$769 | \$1,289 | \$1,370 | \$0 | \$1,370 | \$81 |

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, 2006

| | <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> | |
| <u>Revenues:</u> | | | | | | |
| Charges for Services | \$1,912,929 | \$1,900,000 | \$1,911,870 | | \$1,911,870 | \$11,870 |
| Other | 100 | 119 | 120 | | 120 | 1 |
| <i>Total Revenues</i> | <u>1,913,029</u> | <u>1,900,119</u> | <u>1,911,990</u> | | <u>1,911,990</u> | <u>11,871</u> |
| <u>Expenses:</u> | | | | | | |
| Personal Services | | | | | | |
| Refuse Operations | 110,846 | 110,846 | 79,788 | 0 | 79,788 | 31,058 |
| Supplies and Materials | | | | | | |
| Refuse Operations | 3,768 | 3,750 | 3,321 | 0 | 3,321 | 429 |
| Other Services and Charges | | | | | | |
| Refuse Operations and Disposal | 1,832,132 | 1,830,245 | 1,673,829 | 138,970 | 1,812,799 | 17,446 |
| Capital Outlay | | | | | | |
| Refuse Operations | 12,000 | 12,000 | 9,713 | 0 | 9,713 | 2,287 |
| <i>Total Expenses</i> | <u>1,958,746</u> | <u>1,956,841</u> | <u>1,766,651</u> | <u>138,970</u> | <u>1,905,621</u> | <u>51,220</u> |
| Excess of Revenues Over (Under) Expenses | (45,717) | (56,722) | 145,339 | (138,970) | 6,369 | 63,091 |
| Advances - Out | (105,000) | (105,000) | (105,000) | 0 | (105,000) | 0 |
| Net Change in Fund Equity | <u>(150,717)</u> | <u>(161,722)</u> | <u>40,339</u> | <u>(138,970)</u> | <u>(98,631)</u> | <u>63,091</u> |
| Fund Equity at Beginning of Year | 471,447 | 473,352 | 613,584 | (140,232) | 473,352 | 0 |
| Prior Year Encumbrances Carried Over | 142,137 | 140,232 | 0 | 140,232 | 140,232 | 0 |
| Fund Equity at End of Year | <u>\$462,867</u> | <u>\$451,862</u> | <u>\$653,923</u> | <u>(\$138,970)</u> | <u>\$514,953</u> | <u>\$63,091</u> |

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, 2006

| | <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> | |
| <u>Revenues:</u> | | | | | | |
| Charges for Services | \$393,500 | \$403,825 | \$403,826 | | \$403,826 | \$1 |
| Other | 0 | 152 | 153 | | 153 | 1 |
| <i>Total Revenues</i> | <u>393,500</u> | <u>403,977</u> | <u>403,979</u> | | <u>403,979</u> | <u>2</u> |
| <u>Expenses:</u> | | | | | | |
| Personal Services | | | | | | |
| Swimming Pool | 323,843 | 348,727 | 341,899 | 0 | 341,899 | 6,828 |
| Supplies and Materials | | | | | | |
| Swimming Pool | 60,127 | 50,952 | 50,158 | 6 | 50,164 | 788 |
| Other Services and Charges | | | | | | |
| Swimming Pool | 64,687 | 66,649 | 65,446 | 1,198 | 66,644 | 5 |
| Capital Outlay | | | | | | |
| Swimming Pool | 41,263 | 19,879 | 19,878 | 0 | 19,878 | 1 |
| <i>Total Expenses</i> | <u>489,920</u> | <u>486,207</u> | <u>477,381</u> | <u>1,204</u> | <u>478,585</u> | <u>7,622</u> |
| Net Change in Fund Equity | (96,420) | (82,230) | (73,402) | (1,204) | (74,606) | 7,624 |
| Fund Equity at Beginning of Year | 233,673 | 237,386 | 248,430 | (11,044) | 237,386 | 0 |
| Prior Year Encumbrances Carried Over | 14,757 | 11,044 | 0 | 11,044 | 11,044 | 0 |
| Fund Equity at End of Year | <u>\$152,010</u> | <u>\$166,200</u> | <u>\$175,028</u> | <u>(\$1,204)</u> | <u>\$173,824</u> | <u>\$7,624</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, 2006

| | <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> | |
| <u>Revenues:</u> | | | | | | |
| Charges for Services | \$971,500 | \$819,645 | \$807,493 | | \$807,493 | (\$12,152) |
| Other | 3,500 | 6,131 | 6,132 | | 6,132 | 1 |
| <i>Total Revenues</i> | <u>975,000</u> | <u>825,776</u> | <u>813,625</u> | | <u>813,625</u> | <u>(12,151)</u> |
| <u>Expenses:</u> | | | | | | |
| Personal Services | | | | | | |
| Garage Operations | 350,886 | 350,886 | 318,262 | 0 | 318,262 | 32,624 |
| Supplies and Materials | | | | | | |
| Garage Operations | 574,892 | 455,370 | 445,101 | 2,595 | 447,696 | 7,674 |
| Other Services and Charges | | | | | | |
| Garage Operations | 64,391 | 63,897 | 49,817 | 3,214 | 53,031 | 10,866 |
| Capital Outlay | | | | | | |
| Garage Operations | 5,200 | 5,200 | 4,778 | 0 | 4,778 | 422 |
| <i>Total Expenses</i> | <u>995,369</u> | <u>875,353</u> | <u>817,958</u> | <u>5,809</u> | <u>823,767</u> | <u>51,586</u> |
| Net Change in Fund Balance | (20,369) | (49,577) | (4,333) | (5,809) | (10,142) | 39,435 |
| Fund Balance at Beginning of Year | 27,689 | 28,705 | 49,577 | (20,872) | 28,705 | 0 |
| Prior Year Encumbrances Carried Over | 21,888 | 20,872 | 0 | 20,872 | 20,872 | 0 |
| Fund Balance at End of Year | <u>\$29,208</u> | <u>\$0</u> | <u>\$45,244</u> | <u>(\$5,809)</u> | <u>\$39,435</u> | <u>\$39,435</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, 2006

| | <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> | |
| <u>Revenues:</u> | | | | | | |
| Charges for Services | \$250,000 | \$250,000 | \$250,000 | | \$250,000 | \$0 |
| Other Charges | 0 | 17,905 | 17,905 | | 17,905 | 0 |
| Interest | 0 | 22,000 | 24,171 | | 24,171 | 2,171 |
| <i>Total Revenues</i> | <u>250,000</u> | <u>289,905</u> | <u>292,076</u> | | <u>292,076</u> | <u>2,171</u> |
| <u>Expenses:</u> | | | | | | |
| Other Services and Charges | | | | | | |
| Self-Insurance | 12,677 | 107,037 | 94,192 | 12,843 | 107,035 | 2 |
| Capital Outlay | | | | | | |
| Self-Insurance | 489 | 389 | 388 | 0 | 388 | 1 |
| Other | | | | | | |
| Self Insurance | 0 | 15,000 | 15,000 | 0 | 15,000 | 0 |
| <i>Total Expenses</i> | <u>13,166</u> | <u>122,426</u> | <u>109,580</u> | <u>12,843</u> | <u>122,423</u> | <u>3</u> |
| Net Change in Fund Balance | 236,834 | 167,479 | 182,496 | (12,843) | 169,653 | 2,174 |
| Fund Balance at Beginning of Year | 557,231 | 566,687 | 570,397 | (3,710) | 566,687 | 0 |
| Prior Year Encumbrances Carried Over | 13,166 | 3,710 | 0 | 3,710 | 3,710 | 0 |
| Fund Balance at End of Year | <u>\$807,231</u> | <u>\$737,876</u> | <u>\$752,893</u> | <u>(\$12,843)</u> | <u>\$740,050</u> | <u>\$2,174</u> |

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City of Westerville, Ohio

Statistical Tables

This part of the City of Westerville’s comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City’s overall financial health.

| <u>Contents</u> | <u>Pages</u> |
|--|--------------|
| <u>Financial Trends</u> | 163-169 |
| These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time. | |
| <u>Revenue Capacity</u> | 170-183 |
| These schedules contain information to help the reader assess the City’s most significant local revenue sources, municipal income taxes and property taxes. | |
| <u>Debt Capacity</u> | 184-189 |
| These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future. | |
| <u>Demographic and Economic Information</u> | 190-191 |
| These schedules offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place. | |
| <u>Operating information</u> | 192-197 |
| These schedules contain service and infrastructure data to help the reader understand how the information in the City’s financial report relates to the services the City provides and the activities it performs. | |

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented *GASB Statement No. 34* in 2003. Schedules presenting government-wide information include information beginning in that year.

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City of Westerville, Ohio
Net Assets by Component
Last Four Years
(accrual basis of accounting)

| | <u>2003</u> | <u>2004</u> | <u>2005</u> | <u>2006</u> |
|---|----------------------|----------------------|----------------------|----------------------|
| Governmental Activities: | | | | |
| Invested in Capital Assets, Net of Related Debt | \$43,583,753 | \$53,450,973 | \$60,621,053 | \$66,224,318 |
| Restricted | 23,469,787 | 22,014,550 | 17,713,068 | 16,207,725 |
| Unrestricted | <u>24,341,745</u> | <u>22,517,201</u> | <u>25,208,439</u> | <u>27,410,263</u> |
| <i>Total Governmental Activities Net Assets</i> | <u>91,395,285</u> | <u>97,982,724</u> | <u>103,542,560</u> | <u>109,842,306</u> |
| Business-Type Activities: | | | | |
| Invested in Capital Assets, Net of Related Debt | 66,100,531 | 66,883,895 | 69,957,465 | 73,071,202 |
| Unrestricted | <u>36,087,428</u> | <u>32,615,367</u> | <u>29,543,305</u> | <u>27,293,331</u> |
| <i>Total Business-Type Activities:</i> | <u>102,187,959</u> | <u>99,499,262</u> | <u>99,500,770</u> | <u>100,364,533</u> |
| Primary Government: | | | | |
| Invested in Capital Assets, Net of Related Debt | 109,684,284 | 120,334,868 | 130,578,518 | 139,295,520 |
| Restricted | 23,469,787 | 22,014,550 | 17,713,068 | 16,207,725 |
| Unrestricted | <u>60,429,173</u> | <u>55,132,568</u> | <u>54,751,744</u> | <u>54,703,594</u> |
| <i>Total Primary Government Net Assets</i> | <u>\$193,583,244</u> | <u>\$197,481,986</u> | <u>\$203,043,330</u> | <u>\$210,206,839</u> |

City of Westerville, Ohio

Changes in Net Assets

Last Four Years

(accrual basis of accounting)

| | <u>2003</u> | <u>2004</u> | <u>2005</u> | <u>2006</u> |
|--|---------------------|---------------------|---------------------|---------------------|
| Program Revenues: | | | | |
| Governmental Activities: | | | | |
| Charges for Services and Sales: | | | | |
| Security of Persons and Property | \$120,874 | \$233,947 | \$121,914 | \$78,934 |
| Public Health | 41,681 | 35,246 | 37,320 | 27,696 |
| Leisure Time Activities | 2,657,185 | 2,733,907 | 3,015,018 | 2,872,625 |
| Community Development | 687,798 | 884,132 | 839,071 | 964,507 |
| Transportation | 27,840 | 524 | 84,625 | 39,600 |
| General Government | 721,914 | 887,454 | 920,985 | 817,796 |
| Operating Grants, Contributions and Interest | 4,576,376 | 4,594,674 | 4,827,917 | 4,703,862 |
| Capital Grants, Contributions and Interest | 4,433,334 | 3,580,626 | 2,922,366 | 2,543,228 |
| <i>Total Governmental Activities Program Revenues</i> | <u>13,267,002</u> | <u>12,950,510</u> | <u>12,769,216</u> | <u>12,048,248</u> |
| Business-Type Activities: | | | | |
| Charges for Services: | | | | |
| Water | 3,417,030 | 3,447,858 | 3,847,391 | 3,394,398 |
| Sewer | 3,919,162 | 4,636,563 | 5,333,784 | 5,837,587 |
| Electric | 21,308,910 | 23,758,104 | 28,482,231 | 30,976,955 |
| Refuse | 1,678,786 | 1,716,930 | 1,850,321 | 1,924,673 |
| Swimming Pool | 379,970 | 330,189 | 406,581 | 403,826 |
| Operating Grants, Contributions and Interest | 29,433 | 897,426 | 0 | 1,180 |
| Capital Grants, Contributions and Interest | 620,769 | 2,796,036 | 1,642,537 | 1,806,312 |
| <i>Total Business-Type Activities Program Revenues</i> | <u>31,354,060</u> | <u>37,583,106</u> | <u>41,562,845</u> | <u>44,344,931</u> |
| <i>Total Primary Government Program Revenues</i> | <u>44,621,062</u> | <u>50,533,616</u> | <u>54,332,061</u> | <u>56,393,179</u> |
| Expenses: | | | | |
| Governmental Activities: | | | | |
| Current: | | | | |
| Security of Persons and Property | 17,861,792 | 18,294,807 | 21,059,425 | 20,547,925 |
| Public Health | 53,158 | 64,095 | 57,364 | 51,609 |
| Leisure Time Activities | 6,393,207 | 8,241,110 | 8,268,953 | 8,304,966 |
| Community Development | 2,104,386 | 2,311,744 | 2,381,720 | 2,290,453 |
| Basic Utility Services | 294,465 | 280,901 | 395,574 | 308,478 |
| Transportation | 1,698,334 | 3,193,662 | 3,097,704 | 5,402,240 |
| General Government | 8,941,895 | 8,482,028 | 9,484,791 | 9,724,111 |
| Interest and Fiscal Charges | 1,340,456 | 1,446,681 | 1,371,225 | 1,299,571 |
| <i>Total Governmental Activities Expenses</i> | <u>38,687,693</u> | <u>42,315,028</u> | <u>46,116,756</u> | <u>47,929,353</u> |
| Business Type Activities: | | | | |
| Water | 2,328,572 | 4,060,430 | 3,171,504 | 3,138,646 |
| Sewer | 4,612,333 | 4,789,093 | 5,041,390 | 5,641,950 |
| Electric | 19,205,055 | 29,445,916 | 31,124,552 | 32,346,965 |
| Refuse | 1,689,437 | 1,711,896 | 1,921,206 | 1,941,027 |
| Swimming Pool | 419,286 | 438,847 | 465,973 | 514,499 |
| <i>Total Business-Type Activities Expenses</i> | <u>28,254,683</u> | <u>40,446,182</u> | <u>41,724,625</u> | <u>43,583,087</u> |
| <i>Total Primary Government Expenses</i> | <u>\$66,942,376</u> | <u>\$82,761,210</u> | <u>\$87,841,381</u> | <u>\$91,512,440</u> |

(Continued)

City of Westerville, Ohio
Changes in Net Assets
Last Four Years
 (accrual basis of accounting)
 (Continued)

| | <u>2003</u> | <u>2004</u> | <u>2005</u> | <u>2006</u> |
|---|---------------------|---------------------|---------------------|---------------------|
| Net (Expense) / Revenue: | | | | |
| Governmental Activities | (\$25,420,691) | (\$29,364,518) | (\$33,347,540) | (\$35,881,105) |
| Business-Type Activities | <u>3,099,377</u> | <u>(2,863,076)</u> | <u>(161,780)</u> | <u>761,844</u> |
| <i>Total Primary Government Net Assets</i> | <u>(22,321,314)</u> | <u>(32,227,594)</u> | <u>(33,509,320)</u> | <u>(35,119,261)</u> |
| General Revenues and Transfers: | | | | |
| Governmental Activities: | | | | |
| Property and Other Local Taxes Levied for: | | | | |
| General Purposes | 3,064,515 | 3,158,862 | 3,133,506 | 3,633,506 |
| Fire | 7,321,671 | 7,485,143 | 7,260,582 | 7,588,375 |
| Debt Service | 346,546 | 478,843 | 381,885 | 451,365 |
| Municipal Income Taxes Levied for: | | | | |
| General Purposes | 14,507,687 | 14,879,559 | 16,208,734 | 17,027,641 |
| Parks and Recreation | 3,392,022 | 3,477,793 | 3,854,039 | 4,015,810 |
| Grants and Entitlements not Restricted to Specific Programs | 5,177,486 | 4,787,086 | 5,778,664 | 4,828,247 |
| Unrestricted Contributions | 0 | 0 | 0 | 0 |
| Unrestricted Investment Earnings | 1,549,328 | 1,339,752 | 1,725,206 | 3,550,908 |
| Payments in Lieu of Taxes | 219,691 | 294,277 | 505,051 | 990,236 |
| Other | 45,945 | 50,642 | 75,587 | 94,763 |
| Transfers | <u>(6,702)</u> | <u>0</u> | <u>(15,878)</u> | <u>0</u> |
| <i>Total Governmental Activities</i> | <u>35,618,189</u> | <u>35,951,957</u> | <u>38,907,376</u> | <u>42,180,851</u> |
| Business-Type Activities: | | | | |
| Unrestricted Investment Earnings | 68,536 | 47,236 | 16,338 | 12,812 |
| Other | 101,583 | 127,143 | 131,072 | 89,107 |
| Transfers | <u>6,702</u> | <u>0</u> | <u>15,878</u> | <u>0</u> |
| <i>Total Business-Type Activities</i> | <u>176,821</u> | <u>174,379</u> | <u>163,288</u> | <u>101,919</u> |
| Change in Net Assets: | | | | |
| Governmental Activities | 10,197,498 | 6,587,439 | 5,559,836 | 6,299,746 |
| Business-Type Activities | <u>3,276,198</u> | <u>(2,688,697)</u> | <u>1,508</u> | <u>863,763</u> |
| <i>Total Primary Government</i> | <u>\$13,473,696</u> | <u>\$3,898,742</u> | <u>\$5,561,344</u> | <u>\$7,163,509</u> |

City of Westerville, Ohio
Fund Balances - Governmental Funds
Last Ten Years
(modified accrual basis of accounting)

| | <u>1997</u> | <u>1998</u> | <u>1999</u> | <u>2000</u> | <u>2001</u> |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
| General Fund | | | | | |
| Reserved | \$2,148,200 | \$1,725,867 | \$1,744,357 | \$2,849,000 | \$3,739,839 |
| Unreserved | 9,089,247 | 9,823,053 | 13,031,337 | 15,785,641 | 20,826,043 |
| <i>Total General Fund</i> | <u>11,237,447</u> | <u>11,548,920</u> | <u>14,775,694</u> | <u>18,634,641</u> | <u>24,565,882</u> |
| All Other Governmental Funds | | | | | |
| Reserved | 1,658,329 | 19,977,908 | 7,402,480 | 16,058,633 | 5,113,628 |
| Unreserved, Undesignated (Deficit) | | | | | |
| Reported in: | | | | | |
| Special Revenue Funds | 5,143,123 | 6,368,954 | 7,813,995 | 10,138,859 | 10,145,548 |
| Debt Service Funds | 3,663 | 132,423 | (26,024) | 9,621 | 51,031 |
| Capital Projects Funds | 30,631,260 | 33,356,954 | 25,179,112 | 5,938,922 | 5,297,984 |
| <i>Total All Other Governmental Funds</i> | <u>37,436,375</u> | <u>59,836,239</u> | <u>40,369,563</u> | <u>32,146,035</u> | <u>20,608,191</u> |
| <i>Total Governmental Funds</i> | <u>\$48,673,822</u> | <u>\$71,385,159</u> | <u>\$55,145,257</u> | <u>\$50,780,676</u> | <u>\$45,174,073</u> |

| <u>2002</u> | <u>2003</u> | <u>2004</u> | <u>2005</u> | <u>2006</u> |
|---------------------|---------------------|---------------------|---------------------|---------------------|
| \$4,281,968 | \$4,224,161 | \$6,945,451 | \$5,520,107 | \$10,415,540 |
| <u>20,102,695</u> | <u>18,928,266</u> | <u>14,339,936</u> | <u>17,763,200</u> | <u>15,156,954</u> |
| <u>24,384,663</u> | <u>23,152,427</u> | <u>21,285,387</u> | <u>23,283,307</u> | <u>25,572,494</u> |
| 2,654,691 | 8,706,933 | 4,562,592 | 3,300,041 | 2,638,377 |
| 10,453,257 | 13,357,816 | 14,130,666 | 13,863,104 | 15,275,719 |
| 86,435 | 33,638 | 89,866 | 99,873 | 199,513 |
| <u>7,438,290</u> | <u>4,659,444</u> | <u>3,045,822</u> | <u>1,066,589</u> | <u>(2,202,362)</u> |
| <u>20,632,673</u> | <u>26,757,831</u> | <u>21,828,946</u> | <u>18,329,607</u> | <u>15,911,247</u> |
| <u>\$45,017,336</u> | <u>\$49,910,258</u> | <u>\$43,114,333</u> | <u>\$41,612,914</u> | <u>\$41,483,741</u> |

City of Westerville, Ohio
 Changes in Fund Balances - Governmental Funds
 Last Ten Years
 (modified accrual basis of accounting)

| | <u>1997</u> | <u>1998</u> | <u>1999</u> | <u>2000</u> | <u>2001</u> |
|--|-------------------|---------------------|-----------------------|----------------------|----------------------|
| Revenues: | | | | | |
| Property Taxes | \$7,188,967 | \$7,014,107 | \$7,117,419 | \$7,573,929 | \$7,933,107 |
| Municipal Income Taxes | 10,842,532 | 11,768,223 | 15,054,734 | 16,293,144 | 17,010,117 |
| Other Local Taxes | 99,625 | 92,278 | 89,536 | 84,260 | 73,650 |
| Payments in Lieu of Taxes | 0 | 0 | 0 | 0 | 0 |
| Intergovernmental | 4,361,583 | 6,166,534 | 6,368,610 | 6,740,701 | 8,251,942 |
| Charges for Services | 2,310,482 | 2,452,965 | 1,901,639 | 1,570,159 | 1,873,729 |
| Fees, Licenses and Permits | 498,223 | 486,490 | 644,933 | 944,522 | 1,004,198 |
| Fines and Forfeitures | 439,227 | 331,127 | 475,577 | 362,585 | 402,814 |
| Special Assessments | 77,348 | 77,597 | 76,395 | 76,935 | 67,942 |
| Interest | 4,253,994 | 4,992,406 | 5,265,192 | 5,060,136 | 4,216,092 |
| Net Change in Fair Value of Investments | 0 | 0 | (1,589,939) | 298,703 | 2,141,613 |
| Other | 170,086 | 480,157 | 125,322 | 641,796 | 202,033 |
| <i>Total Revenues</i> | <u>30,242,067</u> | <u>33,861,884</u> | <u>35,529,418</u> | <u>39,646,870</u> | <u>43,177,237</u> |
| Expenditures: | | | | | |
| Current: | | | | | |
| Security of Persons and Property | 10,534,866 | 12,167,701 | 11,992,399 | 13,274,945 | 14,576,189 |
| Public Health | 25,371 | 28,278 | 66,685 | 41,875 | 64,476 |
| Leisure Time Activities | 3,673,790 | 2,538,639 | 2,626,899 | 3,042,156 | 3,935,183 |
| Community Development | 1,380,460 | 1,459,063 | 1,945,609 | 1,820,948 | 1,873,543 |
| Basic Utility Services | 491,403 | 268,518 | 175,710 | 172,554 | 189,730 |
| Transportation | 1,227,234 | 1,603,619 | 1,784,131 | 1,878,920 | 2,051,760 |
| General Government | 6,971,469 | 5,435,131 | 5,506,546 | 5,940,576 | 6,992,962 |
| Capital Outlay | 5,630,529 | 13,821,921 | 22,382,376 | 15,675,951 | 17,331,013 |
| Debt Service: | | | | | |
| Principal Retirement | 334,369 | 344,385 | 1,266,901 | 1,376,819 | 1,398,817 |
| Interest and Fiscal Charges | 234,531 | 482,957 | 1,395,293 | 1,446,758 | 1,386,703 |
| Issuance Costs | 0 | 0 | 0 | 0 | 0 |
| <i>Total Expenditures</i> | <u>30,504,022</u> | <u>38,150,212</u> | <u>49,142,549</u> | <u>44,671,502</u> | <u>49,800,376</u> |
| <i>Excess of Revenues Under Expenditures</i> | <u>(261,955)</u> | <u>(4,288,328)</u> | <u>(13,613,131)</u> | <u>(5,024,632)</u> | <u>(6,623,139)</u> |
| Other Financing Sources (Uses): | | | | | |
| Proceeds from Sale of Capital Assets | 774,802 | 174,932 | 332,775 | 501,475 | 144,878 |
| General Obligation Bonds Issued | 0 | 29,890,000 | 0 | 0 | 0 |
| Premium on Debt Issued | 0 | 170,985 | 0 | 0 | 0 |
| Discount on Debt Issued | 0 | 0 | 0 | 0 | 0 |
| Transfers - In | 11,436,043 | 25,507,171 | 7,622,514 | 8,729,025 | 7,671,378 |
| Transfers - Out | (11,436,043) | (27,976,171) | (10,678,514) | (8,729,025) | (7,921,378) |
| <i>Total Other Financing Sources (Uses)</i> | <u>774,802</u> | <u>27,766,917</u> | <u>(2,723,225)</u> | <u>501,475</u> | <u>(105,122)</u> |
| <i>Prior Period Adjustments</i> | <u>0</u> | <u>(767,252)</u> | <u>96,454</u> | <u>158,576</u> | <u>1,121,658</u> |
| <i>Net Change in Fund Balances</i> | <u>\$512,847</u> | <u>\$22,711,337</u> | <u>(\$16,239,902)</u> | <u>(\$4,364,581)</u> | <u>(\$5,606,603)</u> |
| <i>Debt Service as a Percentage of Noncapital Expenditures</i> | 2.3% | 3.4% | 9.9% | 9.7% | 8.6% |

| 2002 | 2003 | 2004 | 2005 | 2006 |
|--------------|--------------|---------------|---------------|--------------|
| \$8,006,605 | \$10,430,292 | \$10,748,595 | \$10,445,069 | \$11,227,471 |
| 17,044,400 | 17,779,422 | 18,359,467 | 19,989,848 | 21,232,835 |
| 58,460 | 363,723 | 362,261 | 392,450 | 345,566 |
| 0 | 219,691 | 294,277 | 419,948 | 860,139 |
| 8,549,939 | 10,068,502 | 12,338,083 | 12,771,663 | 10,655,342 |
| 2,750,166 | 2,714,383 | 3,370,392 | 3,219,498 | 3,543,986 |
| 1,169,884 | 852,988 | 867,242 | 1,204,137 | 716,669 |
| 503,779 | 569,604 | 499,091 | 505,907 | 515,463 |
| 67,805 | 0 | 0 | 0 | 0 |
| 3,171,205 | 2,545,711 | 2,153,282 | 1,791,483 | 2,639,112 |
| (323,124) | (997,606) | (827,981) | (333,350) | 541,300 |
| 264,280 | 167,963 | 148,019 | 223,105 | 229,739 |
| 41,263,399 | 44,714,673 | 48,312,728 | 50,629,758 | 52,507,622 |
| 16,240,667 | 17,042,390 | 18,492,909 | 19,390,459 | 20,252,931 |
| 43,072 | 46,113 | 55,412 | 49,572 | 46,945 |
| 5,225,703 | 5,765,100 | 6,202,645 | 6,491,507 | 7,466,748 |
| 2,037,680 | 2,054,743 | 2,260,454 | 2,332,143 | 2,252,948 |
| 308,077 | 257,312 | 232,736 | 323,997 | 325,564 |
| 1,645,043 | 1,674,169 | 2,495,398 | 3,325,763 | 2,157,229 |
| 7,267,158 | 8,189,150 | 9,423,507 | 8,994,886 | 9,470,124 |
| 6,723,329 | 8,171,645 | 12,671,378 | 8,069,949 | 7,588,335 |
| 1,535,842 | 1,547,532 | 1,830,887 | 1,922,915 | 1,783,929 |
| 1,322,991 | 1,321,680 | 1,444,627 | 1,369,138 | 1,297,711 |
| 0 | 120,875 | 0 | 0 | 0 |
| 42,349,562 | 46,190,709 | 55,109,953 | 52,270,329 | 52,642,464 |
| (1,086,163) | (1,476,036) | (6,797,225) | (1,640,571) | (134,842) |
| 13,696 | 0 | 1,300 | 155,030 | 5,669 |
| 0 | 6,500,000 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 |
| 0 | (39,984) | 0 | 0 | 0 |
| 11,238,364 | 13,428,670 | 10,686,542 | 9,800,829 | 10,823,630 |
| (11,438,364) | (13,435,372) | (10,686,542) | (9,816,707) | (10,823,630) |
| (186,304) | 6,453,314 | 1,300 | 139,152 | 5,669 |
| 1,115,730 | (84,356) | 0 | 0 | 0 |
| (\$156,737) | \$4,892,922 | (\$6,795,925) | (\$1,501,419) | (\$129,173) |
| 8.0% | 7.9% | 7.7% | 7.4% | 6.8% |

City of Westerville, Ohio
Income Tax Revenue by Payer Type (1)
Last Ten Years
(cash basis of accounting)

| <i>Year</i> | <i>Individual</i> | | | | <i>Total Individual</i> | <i>Percentage of Total</i> |
|-------------|--------------------|----------------------------|------------------------|----------------------------|-------------------------|----------------------------|
| | <i>Withholding</i> | <i>Percentage of Total</i> | <i>Non-Withholding</i> | <i>Percentage of Total</i> | | |
| 1997 | \$7,674,598 | 71% | \$2,571,512 | 24% | \$10,246,110 | 94% |
| 1998 | 8,191,948 | 70 | 2,855,277 | 24 | 11,047,225 | 94 |
| 1999 | 10,783,448 | 72 | 3,111,261 | 21 | 13,894,709 | 93 |
| 2000 | 11,485,497 | 70 | 3,576,688 | 22 | 15,062,185 | 92 |
| 2001 | 11,668,108 | 70 | 3,700,367 | 22 | 15,368,476 | 92 |
| 2002 | 12,107,459 | 71 | 3,633,923 | 21 | 15,741,381 | 92 |
| 2003 | 12,701,957 | 71 | 3,733,943 | 21 | 16,435,900 | 92 |
| 2004 | 13,086,987 | 73 | 3,694,537 | 20 | 16,781,524 | 93 |
| 2005 | 14,169,776 | 73 | 3,636,007 | 19 | 17,805,783 | 91 |
| 2006 | 15,401,321 | 72 | 3,878,839 | 18 | 19,280,161 | 90 |

Source: City Income Tax Department

(1) These amounts are reported gross and do not take into account tax refunds.

The City levies a municipal income tax of 1.25 percent which became

| <i>Business Accounts</i> | | |
|------------------------------|--------------------------------|--------------|
| <i>Business Accounts</i> | <i>Percentage of Total</i> | <i>Total</i> |
| \$622,225 | 6% | \$10,868,335 |
| 648,671 | 6 | 11,695,896 |
| 1,029,294 | 7 | 14,924,003 |
| 1,250,295 | 8 | 16,312,480 |
| 1,292,198 | 8 | 16,660,674 |
| 1,288,482 | 8 | 17,029,863 |
| 1,415,124 | 8 | 17,851,024 |
| 1,251,854 | 7 | 18,033,377 |
| 1,727,688 | 9 | 19,533,471 |
| 2,213,900 | 10 | 21,494,060 |

City of Westerville, Ohio
Income Tax Revenue Fund Distribution (1)
Last Ten Years
(modified accrual basis of accounting)

| <i>Year</i> | <i>General Fund</i> | <i>Parks and Recreation Income Tax Allocation Fund</i> | <i>Total</i> | <i>Percentage Increase</i> |
|-------------|-------------------------|--|--------------|--------------------------------|
| 1997 | \$10,842,532 | \$0 | \$10,842,532 | 4.89% |
| 1998 | 11,768,223 | 0 | 11,768,223 | 8.54 |
| 1999 | 12,407,839 | 2,646,895 | 15,054,734 | 27.93 |
| 2000 | 13,194,892 | 3,098,252 | 16,293,144 | 8.23 |
| 2001 | 13,755,742 | 3,254,375 | 17,010,117 | 4.40 |
| 2002 | 13,784,049 | 3,260,351 | 17,044,400 | 0.20 |
| 2003 | 14,411,457 | 3,367,965 | 17,779,422 | 4.31 |
| 2004 | 14,881,251 | 3,478,216 | 18,359,467 | 3.26 |
| 2005 | 16,150,394 | 3,839,454 | 19,989,848 | 8.88 |
| 2006 | 17,179,148 | 4,053,687 | 21,232,835 | 6.22 |

(1) These amounts are reported gross and do not take into account tax refunds.

City of Westerville, Ohio
Principal Income Taxpayers - Withholding Accounts
2006 and 1997

| <i>Range of Withholding Amount</i> | <i>2006</i> | | <i>1997</i> | |
|------------------------------------|---------------------------------------|--|---------------------------------------|--|
| | <i>Number of Withholding Accounts</i> | <i>Percentage of Total Withholding Revenue</i> | <i>Number of Withholding Accounts</i> | <i>Percentage of Total Withholding Revenue</i> |
| \$500,001 and higher | 4 | 27.1% | 1 | 24.9% |
| \$300,001 - 500,000 | 2 | 5.4% | 1 | 6.3% |
| \$100,001 - 300,000 | 12 | 13.8% | 8 | 15.1% |
| \$55,001 - 100,000 | 17 | 7.9% | 7 | 6.7% |
| Total | 35 | 50.8% | 17 | 52.9% |
| All Others | 3,326 | 49.2% | 2,458 | 47.1% |
| Total Withholding Accounts | 3,361 | 100.00% | 2,475 | 100.00% |

Source: City Income Tax Department

Note: Due to confidentiality issues, the names of the ten largest revenue payers are not available. The categories presented are intended to provide alternative information regarding the sources of the City's revenue.

City of Westerville, Ohio
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Years

| Collection Year | Real Property | | | Tangible | |
|--------------------|------------------------------|------------------------------|---------------------------|-------------------|---------------------------|
| | Residential/ Agricultural | Commercial/ Industrial/PU | Estimated Actual Value | Public | Utility |
| | Assessed Value | Assessed Value | | Assessed Value | Estimated Actual Value |
| 1997 | \$486,833,750 | \$126,900,520 | \$1,753,526,486 | \$25,250,700 | \$28,693,977 |
| 1998 | 498,853,940 | 131,954,500 | 1,802,309,829 | 25,924,830 | 29,460,034 |
| 1999 | 510,267,370 | 135,398,120 | 1,844,758,543 | 22,504,370 | 25,573,148 |
| 2000 | 579,887,060 | 151,051,170 | 2,088,394,943 | 23,198,260 | 26,361,659 |
| 2001 | 589,883,390 | 169,893,880 | 2,170,792,200 | 25,005,670 | 28,415,534 |
| 2002 | 603,244,580 | 179,701,610 | 2,236,989,114 | 21,627,750 | 24,576,989 |
| 2003 | 683,824,380 | 199,217,280 | 2,522,976,171 | 20,857,380 | 23,701,568 |
| 2004 | 694,331,340 | 201,348,190 | 2,559,084,371 | 19,630,910 | 22,307,852 |
| 2005 | 701,694,570 | 210,274,550 | 2,605,626,057 | 19,697,000 | 22,382,955 |
| 2006 | 826,421,760 | 211,306,370 | 2,964,937,514 | 18,025,150 | 20,483,125 |

Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal.

The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property was assessed in previous years at 25 percent for machinery and equipment and 23 percent for inventories. General business tangible personal property tax is being phased out beginning in 2006. For collection year 2006 both types of general business tangible personal property were assessed at 18.75 percent. The percentage will be 12.5 percent for 2007, 6.25 percent for 2008 and zero for 2009.

The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generated the property tax revenue billed in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by the 10%, 2 1/2% and homestead exemptions before being billed. Beginning in the 2006 collection year, the 10% rollback for commercial/industrial property has been eliminated.

Source: Franklin County Auditor

Personal Property

| <i>General Business</i> | | <i>Totals</i> | | | <i>Weighted Average Tax Rate</i> |
|---------------------------|-----------------------------------|---------------------------|-----------------------------------|--------------|--|
| <i>Assessed Value</i> | <i>Estimated Actual Value</i> | <i>Assessed Value</i> | <i>Estimated Actual Value</i> | <i>Ratio</i> | |
| \$69,974,828 | \$279,899,312 | \$708,959,798 | \$2,062,119,775 | 34.38% | 11.02% |
| 62,219,839 | 248,879,356 | 718,953,109 | 2,080,649,219 | 34.55 | 10.92 |
| 66,114,875 | 264,459,500 | 734,284,735 | 2,134,791,191 | 34.40 | 10.82 |
| 77,437,297 | 309,749,188 | 831,573,787 | 2,424,505,790 | 34.30 | 10.15 |
| 78,058,573 | 312,234,292 | 862,841,513 | 2,511,442,026 | 34.36 | 10.06 |
| 74,734,200 | 311,392,500 | 879,308,140 | 2,572,958,603 | 34.17 | 10.30 |
| 46,595,889 | 202,590,822 | 950,494,929 | 2,749,268,561 | 34.57 | 12.22 |
| 46,324,344 | 201,410,191 | 961,634,784 | 2,782,802,415 | 34.56 | 12.40 |
| 32,567,248 | 141,596,730 | 964,233,368 | 2,769,605,742 | 34.81 | 12.17 |
| 25,812,208 | 137,665,109 | 1,081,565,488 | 3,123,085,749 | 34.63 | 11.42 |

City of Westerville, Ohio
Principal Property Taxpayers
2006 and 1997

| <i>Taxpayer</i> | <i>2006 (1)</i> | | | <i>1997 (2)</i> | | |
|--|---------------------------------|-------------|---|---------------------------------|-------------|---|
| | <i>Total Assessed Valuation</i> | <i>Rank</i> | <i>Percentage of Total Assessed Valuation</i> | <i>Total Assessed Valuation</i> | <i>Rank</i> | <i>Percentage of Total Assessed Valuation</i> |
| <u>Public Utilities:</u> | | | | | | |
| Nextel West Corporation | \$6,926,560 | 1 | 0.64% | \$8,683,760 | 1 | 1.22% |
| Ohio Bell Telephone Co. | 5,248,050 | 2 | 0.49% | - | - | - |
| Columbia Gas of Ohio, Inc. | - | - | - | 4,229,970 | 2 | 0.60% |
| <u>Real Estate:</u> | | | | | | |
| Banc One Realty Corporation | 13,904,350 | 1 | 1.29% | 18,788,700 | 1 | 2.65% |
| Partners at Brookside | 11,878,620 | 2 | 1.10% | 11,171,200 | 2 | 1.58% |
| St. Anns Hospital of Columbus, Inc. | 8,550,440 | 3 | 0.79% | 3,840,370 | 3 | 0.54% |
| Maxtown Communities LLC | 5,508,090 | 4 | 0.51% | - | - | - |
| Meijer Stores Limited Partnership | 4,930,670 | 5 | 0.46% | - | - | - |
| Northridge Crossing LP | 3,825,200 | 6 | 0.35% | - | - | - |
| Altair Realty LTD | 3,792,770 | 7 | 0.35% | - | - | - |
| Spectrum Equities LLC | 3,220,000 | 8 | 0.30% | - | - | - |
| Westerville Plaza LP | 3,200,820 | 9 | 0.30% | - | - | - |
| Health Care & Retirement Corp. of America | 3,015,900 | 10 | 0.28% | 2,585,270 | 7 | 0.36% |
| Donalt R. Kenney TR | - | - | - | 2,984,050 | 4 | 0.42% |
| Richard J. Solove and John J. Chester | - | - | - | 2,869,270 | 5 | 0.40% |
| Cigna Real Estate Fund S | - | - | - | 2,624,980 | 6 | 0.37% |
| John W. Messmore TR | - | - | - | 2,549,120 | 8 | 0.36% |
| Crown Columbus Associates LP | - | - | - | 2,187,490 | 9 | 0.31% |
| Westerville Square, Inc. | - | - | - | 1,986,350 | 10 | 0.28% |
| <u>Tangible Personal Property:</u> | | | | | | |
| Exel, Inc. | 2,563,560 | 1 | 0.24% | - | - | - |
| Meijer Stores Limited Partnership | 2,199,960 | 2 | 0.20% | - | - | - |
| Rockwell Automation Inc. | 2,090,940 | 3 | 0.19% | - | - | - |
| Worthington Cylinder Corp. | 1,645,990 | 4 | 0.15% | - | - | - |
| Roush equipment Company, Inc. | 1,504,590 | 5 | 0.14% | 1,194,260 | 7 | 0.17% |
| JPMorgan Chase & Co. (formerly Bank One Corporation) | 1,423,770 | 6 | 0.13% | 18,266,830 | 2 | 2.58% |
| Tamarkin Company | 1,410,750 | 7 | 0.13% | - | - | - |
| Time Warner Entertainment Co. LP | 1,319,400 | 8 | 0.12% | 1,195,170 | 6 | 0.17% |
| Lake Shore Cryotronics, Inc. | 1,068,330 | 9 | 0.10% | 1,036,874 | 8 | 0.15% |
| West-Camp Press, Inc. | 1,063,410 | 10 | 0.10% | 1,576,790 | 3 | 0.22% |
| IBM Credit Corporation | - | - | - | 19,096,120 | 1 | 2.69% |
| Eaton I D T, Inc. | - | - | - | 1,380,878 | 4 | 0.19% |
| Newcourt Financial USA, Inc. | - | - | - | 1,268,480 | 5 | 0.18% |
| Kohl's Department Stores, Inc. | - | - | - | 970,640 | 9 | 0.14% |
| McGraw Hill companies, Inc. | - | - | - | 934,970 | 10 | 0.13% |
| Totals | 90,292,170 | | 8.35% | 111,421,542 | | 15.72% |
| All Others | 991,273,318 | | 91.65% | 597,538,256 | | 84.28% |
| Total Property Assessed Valuation | <u>\$1,081,565,488</u> | | <u>100.00%</u> | <u>\$708,959,798</u> | | <u>100.00%</u> |

Sources: (1) Franklin and Delaware County Auditors
(2) Franklin County Auditor

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City of Westerville, Ohio

Property Tax Levies and Collections
Last Ten Years

| <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> |
|------------------------|-----------------------------------|------------------------------------|--------------------------------------|---------------------------------------|--|
| 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 |
| 2006 | 9,268,229 | 8,840,226 | 95.38 | 185,000 | 3,223,639 |

(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>Total Tax Collections</i> | <i>Percentage of Total Tax Collections To Total Tax Levy (3)</i> | <i>Outstanding Delinquent Taxes (4)</i> | <i>Percentage Of Outstanding Delinquent Taxes To Total Tax Levy (3)</i> |
|------------------------------|--|---|---|
| \$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 |
| 12,248,865 | 97.38 | 428,003 | 4.62 |

City of Westerville, Ohio
Property Tax Rates
(per \$1,000 of assessed value)
Last Ten Years

| | <u>1997</u> | <u>1998</u> | <u>1999</u> | <u>2000</u> |
|---|---------------|---------------|---------------|---------------|
| Unvoted Millage | | | | |
| Operating | <u>\$2.65</u> | <u>\$2.65</u> | <u>\$2.65</u> | <u>\$2.65</u> |
| Voted Millage - By Levy | | | | |
| 1976 Bond | | | | |
| Residential/Agricultural Real | 0.10 | 0.09 | 0.09 | 0.08 |
| Commercial/Industrial and Public Utility Real | 0.10 | 0.09 | 0.09 | 0.08 |
| General Business and Public Utility Personal | 0.09 | 0.09 | 0.08 | 0.07 |
| 1976 Charter | | | | |
| Residential/Agricultural Real | 0.60 | 0.60 | 0.60 | 0.60 |
| Commercial/Industrial and Public Utility Real | 0.60 | 0.60 | 0.60 | 0.60 |
| General Business and Public Utility Personal | 0.60 | 0.60 | 0.60 | 0.60 |
| 1977 Fire | | | | |
| Residential/Agricultural Real | 1.39 | 1.38 | 1.38 | 1.22 |
| Commercial/Industrial and Public Utility Real | 1.42 | 1.41 | 1.39 | 1.29 |
| General Business and Public Utility Personal | 3.60 | 3.60 | 3.60 | 3.60 |
| 1982 Fire | | | | |
| Residential/Agricultural Real | 0.68 | 0.68 | 0.67 | 0.60 |
| Commercial/Industrial and Public Utility Real | 0.79 | 0.78 | 0.77 | 0.72 |
| General Business and Public Utility Personal | 1.20 | 1.20 | 1.20 | 1.20 |
| 1983 Fire | | | | |
| Residential/Agricultural Real | 0.68 | 0.68 | 0.67 | 0.60 |
| Commercial/Industrial and Public Utility Real | 0.81 | 0.80 | 0.79 | 0.73 |
| General Business and Public Utility Personal | 1.20 | 1.20 | 1.20 | 1.20 |
| 1985 Bond | | | | |
| Residential/Agricultural Real | 0.52 | 0.50 | 0.46 | 0.39 |
| Commercial/Industrial and Public Utility Real | 0.52 | 0.50 | 0.46 | 0.39 |
| General Business and Public Utility Personal | 0.50 | 0.46 | 0.39 | 0.37 |
| 1986 Fire | | | | |
| Residential/Agricultural Real | 1.41 | 1.41 | 1.40 | 1.24 |
| Commercial/Industrial and Public Utility Real | 1.70 | 1.68 | 1.66 | 1.54 |
| General Business and Public Utility Personal | 2.40 | 2.40 | 2.40 | 2.40 |
| 1995 Fire | | | | |
| Residential/Agricultural Real | 1.96 | 1.95 | 1.95 | 1.72 |
| Commercial/Industrial and Public Utility Real | 2.03 | 2.01 | 1.98 | 1.84 |
| General Business and Public Utility Personal | 2.10 | 2.10 | 2.10 | 2.10 |

| <i>2001</i> | <i>2002</i> | <i>2003</i> | <i>2004</i> | <i>2005</i> | <i>2006</i> |
|---------------|---------------|---------------|---------------|---------------|---------------|
| <u>\$2.65</u> | <u>\$2.65</u> | <u>\$2.65</u> | <u>\$2.65</u> | <u>\$2.65</u> | <u>\$2.65</u> |
| 0.07 | 0.06 | 0.05 | 0.06 | 0.00 | 0.00 |
| 0.07 | 0.06 | 0.05 | 0.06 | 0.00 | 0.00 |
| 0.06 | 0.05 | 0.06 | 0.00 | 0.00 | 0.00 |
| 0.60 | 0.60 | 0.60 | 0.60 | 0.60 | 0.60 |
| 0.60 | 0.60 | 0.60 | 0.60 | 0.60 | 0.60 |
| 0.60 | 0.60 | 0.60 | 0.60 | 0.60 | 0.60 |
| 1.21 | 1.20 | 1.07 | 1.07 | 1.06 | 0.92 |
| 1.26 | 1.23 | 1.14 | 1.14 | 1.14 | 1.11 |
| 3.60 | 3.60 | 3.60 | 3.60 | 3.60 | 3.60 |
| 0.59 | 0.59 | 0.52 | 0.52 | 0.52 | 0.45 |
| 0.70 | 0.69 | 0.64 | 0.64 | 0.63 | 0.62 |
| 1.20 | 1.20 | 1.20 | 1.20 | 1.20 | 1.20 |
| 0.59 | 0.59 | 0.52 | 0.52 | 0.52 | 0.45 |
| 0.71 | 0.70 | 0.65 | 0.65 | 0.64 | 0.63 |
| 1.20 | 1.20 | 1.20 | 1.20 | 1.20 | 1.20 |
| 0.37 | 0.34 | 0.30 | 0.27 | 0.25 | 0.27 |
| 0.37 | 0.34 | 0.30 | 0.27 | 0.25 | 0.27 |
| 0.34 | 0.30 | 0.27 | 0.25 | 0.27 | 0.00 |
| 1.23 | 1.23 | 1.09 | 1.09 | 1.08 | 0.93 |
| 1.50 | 1.47 | 1.37 | 1.37 | 1.36 | 1.33 |
| 2.40 | 2.40 | 2.40 | 2.40 | 2.40 | 2.40 |
| 1.71 | 1.70 | 1.51 | 1.51 | 1.50 | 1.29 |
| 1.79 | 1.76 | 1.63 | 1.63 | 1.62 | 1.58 |
| 2.10 | 2.10 | 2.10 | 2.10 | 2.10 | 2.10 |

(Continued)

City of Westerville, Ohio
Property Tax Rates
(per \$1,000 of assessed value)
Last Ten Years
(Continued)

| | <u>1997</u> | <u>1998</u> | <u>1999</u> | <u>2000</u> |
|--|-------------|-------------|-------------|-------------|
| 1996 Fire and EMS | | | | |
| Residential/Agricultural Real | 0.33 | 0.33 | 0.33 | 0.29 |
| Commercial/Industrial and Public Utility Real | 0.34 | 0.34 | 0.33 | 0.31 |
| General Business and Public Utility Personal | 0.35 | 0.35 | 0.35 | 0.35 |
| 2002 Fire and EMS | | | | |
| Residential/Agricultural Real | 0.00 | 0.00 | 0.00 | 0.00 |
| Commercial/Industrial and Public Utility Real | 0.00 | 0.00 | 0.00 | 0.00 |
| General Business and Public Utility Personal | 0.00 | 0.00 | 0.00 | 0.00 |
| 2002 Bond | | | | |
| Residential/Agricultural Real | 0.00 | 0.00 | 0.00 | 0.00 |
| Commercial/Industrial and Public Utility Real | 0.00 | 0.00 | 0.00 | 0.00 |
| General Business and Public Utility Personal | 0.00 | 0.00 | 0.00 | 0.00 |
| Total Voted Millage By Type of Property | | | | |
| Residential/Agricultural Real | 7.67 | 7.62 | 7.55 | 6.74 |
| Commercial/Industrial and Public Utility Real | 8.31 | 8.21 | 8.07 | 7.50 |
| General Business and Public Utility Personal | 12.04 | 12.00 | 11.92 | 11.89 |
| Total Voted and Unvoted Millage By Type of Property | | | | |
| Residential/Agricultural Real | 10.32 | 10.27 | 10.20 | 9.39 |
| Commercial/Industrial and Public Utility Real | 10.96 | 10.86 | 10.72 | 10.15 |
| General Business and Public Utility Personal | 14.69 | 14.65 | 14.57 | 14.54 |
| Overlapping Rates By Taxing District | | | | |
| School District | | | | |
| Residential/Agricultural Real | 0.06-8.37 | 0.06-9.16 | 0.05-9.06 | 0.02-8.11 |
| Commercial/Industrial and Public Utility Real | 0.06-8.86 | 0.06-9.14 | 0.05-9.02 | 0.02-8.50 |
| General Business and Public Utility Personal | 0.06-9.80 | 0.05-9.80 | 0.02-9.80 | 0.04-9.80 |
| Library | | | | |
| Residential/Agricultural Real | 0.00 | 0.00 | 0.00 | 0.00 |
| Commercial/Industrial and Public Utility Real | 0.00 | 0.00 | 0.00 | 0.00 |
| General Business and Public Utility Personal | 0.00 | 0.00 | 0.00 | 0.00 |
| County | | | | |
| Residential/Agricultural Real | 0.09-2.79 | 0.09-2.78 | 0.09-2.76 | 0.32-2.75 |
| Commercial/Industrial and Public Utility Real | 0.11-3.38 | 0.11-3.36 | 0.11-3.34 | 0.41-3.13 |
| General Business and Public Utility Personal | 0.23-3.50 | 0.23-3.50 | 0.65-3.15 | 0.65-3.50 |

Source: Ohio Department of Taxation

The rates presented for a particular calendar year are the rates that, when applied to the assessed values presented in the Assessed Value Table, generated the property tax revenue for that year.

Rates may only be raised by obtaining the approval of a majority of the voters at a public election.

Real property tax rates are reduced so that inflationary increases in value do not generate additional taxes. Real property is reappraised every six years and property values are updated in the third year following each reappraisal.

| <i>2001</i> | <i>2002</i> | <i>2003</i> | <i>2004</i> | <i>2005</i> | <i>2006</i> |
|-------------|-------------|-------------|-------------|-------------|-------------|
| 0.29 | 0.29 | 0.25 | 0.25 | 0.25 | 0.22 |
| 0.30 | 0.30 | 0.27 | 0.27 | 0.27 | 0.27 |
| 0.35 | 0.35 | 0.35 | 0.35 | 0.35 | 0.35 |
| 0.00 | 0.00 | 3.02 | 3.02 | 3.01 | 2.59 |
| 0.00 | 0.00 | 3.15 | 3.15 | 3.14 | 3.07 |
| 0.00 | 3.40 | 3.40 | 3.40 | 3.40 | 3.40 |
| 0.00 | 0.00 | 0.00 | 0.23 | 0.20 | 0.20 |
| 0.00 | 0.00 | 0.00 | 0.23 | 0.20 | 0.20 |
| 0.00 | 0.00 | 0.23 | 0.20 | 0.20 | 0.10 |
| 6.66 | 6.60 | 8.93 | 9.14 | 8.99 | 7.92 |
| 7.30 | 7.15 | 9.80 | 10.01 | 9.85 | 9.68 |
| 11.85 | 15.20 | 15.41 | 15.30 | 15.32 | 14.95 |
| 9.31 | 9.25 | 11.58 | 11.79 | 11.64 | 10.57 |
| 9.95 | 9.80 | 12.45 | 12.66 | 12.50 | 12.33 |
| 14.50 | 17.85 | 18.06 | 17.95 | 17.97 | 17.60 |
| 0.04-8.05 | 0.03-9.09 | 0.31-8.18 | 0.31-8.16 | 0.29-8.13 | 0.16-7.03 |
| 0.04-8.34 | 0.03-9.06 | 0.26-8.49 | 0.31-8.42 | 0.29-8.44 | 0.16-8.27 |
| 0.03-9.80 | 0.31-9.80 | 0.31-9.80 | 0.29-9.80 | 0.16-9.80 | 0.82-10.3 |
| 0.00 | 0.00 | 0.71 | 0.71 | 0.71 | 0.61 |
| 0.00 | 0.00 | 0.74 | 0.73 | 0.73 | 0.72 |
| 0.00 | 0.80 | 0.80 | 0.80 | 0.80 | 0.80 |
| 0.31-2.73 | 0.31-2.71 | 0.28-3.09 | 0.27-3.07 | 0.27-3.06 | 0.23-2.61 |
| 0.40-3.09 | 0.40-3.05 | 0.38-3.30 | 0.38-3.31 | 0.38-3.34 | 0.37-3.21 |
| 0.65-3.50 | 0.65-3.50 | 0.65-3.50 | 0.65-3.50 | 0.65-3.50 | 0.65-3.50 |

City of Westerville, Ohio
Ratios of Outstanding Debt by Type,
Personal Income and Debt Per Capita
Last Ten Years

| Year | Governmental Activities | | | | Business-Type Activities | | |
|------|--------------------------------|--------------------------------|------------------|--------------------------------|--------------------------------|------------------|--------------|
| | General Obligation Bonds | Special Assessment Bonds | Notes Payable | Police Pension Liability | General Obligation Bonds | Notes Payable | ODNR Debt |
| 1997 | \$2,600,000 | \$202,000 | \$0 | \$26,148 | \$7,130,000 | \$0 | \$2,099,148 |
| 1998 | 32,190,000 | 158,000 | 0 | 25,763 | 8,110,933 | 0 | 2,070,207 |
| 1999 | 30,967,500 | 114,000 | 0 | 25,362 | 9,884,130 | 0 | 2,040,333 |
| 2000 | 29,635,100 | 70,000 | 0 | 24,943 | 9,377,227 | 0 | 2,009,496 |
| 2001 | 28,271,720 | 35,000 | 0 | 24,506 | 8,846,304 | 0 | 1,977,666 |
| 2002 | 26,870,005 | 0 | 394,687 | 24,051 | 8,283,716 | 0 | 1,944,810 |
| 2003 | 31,882,473 | 0 | 296,015 | 23,576 | 7,687,798 | 0 | 1,910,896 |
| 2004 | 30,152,752 | 0 | 197,343 | 23,081 | 6,790,925 | 0 | 1,875,889 |
| 2005 | 28,429,696 | 0 | 0 | 22,564 | 6,284,181 | 1,350,000 | 1,839,754 |
| 2006 | 26,648,305 | 0 | 0 | 22,025 | 5,750,772 | 7,925,000 | 1,802,455 |

(1) Includes Governmental and Business-Type Activities debt.

(2) Source: Franklin County Auditor

(3) "Population Estimates," published by the Mid-Ohio Regional Planning Commission

(4) Computation of per capita personal income multiplied by population (in thousands) - See Demographic and Economic Statistics Table

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements

| <i>Total Outstanding Debt (1)</i> | <i>Estimated Actual Value of Taxable Property (2)</i> | <i>Population (3)</i> | <i>Personal Income (4)</i> | <i>Ratio of Debt to Personal Income</i> | <i>Debt Per Capita</i> |
|---|---|-----------------------|--------------------------------|---|----------------------------|
| \$12,057,296 | \$2,062,119,775 | 37,313 | \$975,138 | 1.24% | \$323 |
| 42,554,903 | 2,080,649,219 | 34,833 | 961,913 | 4.42% | 1,222 |
| 43,031,325 | 2,134,791,191 | 34,948 | 1,008,285 | 4.27% | 1,231 |
| 41,116,766 | 2,424,505,790 | 35,318 | 1,085,781 | 3.79% | 1,164 |
| 39,155,196 | 2,511,442,026 | 35,671 | 1,121,211 | 3.49% | 1,098 |
| 37,517,269 | 2,572,958,603 | 35,908 | 1,159,038 | 3.24% | 1,045 |
| 41,800,758 | 2,749,268,561 | 36,018 | 1,181,174 | 3.54% | 1,161 |
| 39,039,990 | 2,782,802,415 | 36,069 | 1,230,963 | 3.17% | 1,082 |
| 37,926,195 | 2,769,605,742 | 36,325 | 1,279,584 | 2.96% | 1,044 |
| 42,148,557 | 3,123,085,749 | 36,517 | 1,327,734 | 3.17% | 1,154 |

City of Westerville, Ohio
Ratio of General Obligation Bonded Debt to Estimated
Actual Value and General Obligation Bonded Debt Per Capita
Last Ten Years

| <i>Collection Year</i> | <i>General Obligation Bonded Debt (1)</i> | <i>Estimated Actual Value of Taxable Property (2)</i> | <i>Population (3)</i> | <i>Ratio of General Obligation Bonded Debt to Estimated Actual Value</i> | <i>General Obligation Bonded Debt Per Capita</i> |
|----------------------------|---|---|-----------------------|--|--|
| 1997 | \$2,600,000 | \$2,062,119,775 | 37,313 | 0.13% | \$69.68 |
| 1998 | 32,190,000 | 2,080,649,219 | 34,833 | 1.55% | 924.12 |
| 1999 | 30,967,500 | 2,134,791,191 | 34,948 | 1.45% | 886.10 |
| 2000 | 29,635,100 | 2,424,505,790 | 35,318 | 1.22% | 839.09 |
| 2001 | 28,271,720 | 2,511,442,026 | 35,671 | 1.13% | 792.57 |
| 2002 | 26,870,005 | 2,572,958,603 | 35,908 | 1.04% | 748.30 |
| 2003 | 31,882,473 | 2,749,268,561 | 36,018 | 1.16% | 885.18 |
| 2004 | 30,152,752 | 2,782,802,415 | 36,069 | 1.08% | 835.97 |
| 2005 | 28,429,696 | 2,769,605,742 | 36,325 | 1.03% | 782.65 |
| 2006 | 26,648,305 | 3,123,085,749 | 36,517 | 0.85% | 729.75 |

(1) Includes all general obligation debt financed with general governmental resources

(2) Source: Franklin County Auditor

(3) Source: "Population Estimates," published by the Mid-Ohio Regional Planning Commission

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements

City of Westerville, Ohio
 Computation of Direct and Overlapping Governmental Debt
 December 31, 2006

| <i>Jurisdiction</i> | <i>Debt Outstanding</i> | <i>Percentage Applicable to the City of Westerville (1)</i> | <i>Amount Applicable to the City of Westerville</i> |
|---|-----------------------------|---|---|
| Direct: | | | |
| City of Westerville General Obligation Bonds | \$26,648,305 | 100.00% | \$26,648,305 |
| Overlapping: | | | |
| Westerville City School District | 118,629,632 | 49.35% | 58,543,723 |
| Franklin County | 149,431,221 | 3.92% | 5,857,704 |
| Blendon Township | 393,600 | 0.08% | 315 |
| Total Overlapping Debt | 268,454,453 | | 64,401,742 |
| Grand Total | \$295,102,758 | | \$91,050,047 |

Source: Franklin County Auditor - Note: The Franklin County Auditor was unable to provide additional information as to the type of debt comprising the amounts for the overlapping debt outstanding.

(1) Percentages determined by dividing each overlapping subdivision's assessed valuation within the City by the subdivision's total assessed valuation.

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account.

City of Westerville, Ohio
 Legal Debt Margin Information
 Last Ten Years

| | <u>1997</u> | <u>1998</u> | <u>1999</u> | <u>2000</u> |
|---|----------------------|----------------------|----------------------|----------------------|
| Total Assessed Valuation | <u>\$708,959,798</u> | <u>\$718,953,109</u> | <u>\$734,284,735</u> | <u>\$831,573,787</u> |
| Overall debt limitation - 10.5% of assessed valuation | <u>74,440,779</u> | <u>75,490,076</u> | <u>77,099,897</u> | <u>87,315,248</u> |
| Net Debt Subject to Limitation (General Obligation Bonds) | 2,600,000 | 32,190,000 | 30,967,500 | 29,635,100 |
| Less amount available in the debt service fund | <u>(54,563)</u> | <u>(173,256)</u> | <u>(959)</u> | <u>(17,229)</u> |
| Total Net Debt Subject to Limitation | <u>2,654,563</u> | <u>32,363,256</u> | <u>30,968,459</u> | <u>29,652,329</u> |
| Legal debt margin within 10.5% limitation | <u>\$71,786,216</u> | <u>\$43,126,820</u> | <u>\$46,131,438</u> | <u>\$57,662,919</u> |
| Legal Debt Margin as a Percentage of the Debt Limit | 96.4% | 57.1% | 59.8% | 66.0% |
| Unvoted debt limitation 5.5% of assessed valuation | <u>\$38,992,789</u> | <u>\$39,542,421</u> | <u>\$40,385,660</u> | <u>\$45,736,558</u> |
| Net Debt Subject to Limitation (General Obligation Bonds) | 2,600,000 | 32,190,000 | 30,967,500 | 29,635,100 |
| Less amount available in the debt service fund | <u>(54,563)</u> | <u>(173,256)</u> | <u>(959)</u> | <u>(17,229)</u> |
| Total Net Debt Subject to Limitation | <u>2,654,563</u> | <u>32,363,256</u> | <u>30,968,459</u> | <u>29,652,329</u> |
| Legal debt margin within 10% limitation | <u>\$36,338,226</u> | <u>\$7,179,165</u> | <u>\$9,417,201</u> | <u>\$16,084,229</u> |
| Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation | 93.2% | 18.2% | 23.3% | 35.2% |

Ohio Bond Law sets a limit of 10.5% for voted debt and 5.5% for unvoted debt.

| <i>2001</i> | <i>2002</i> | <i>2003</i> | <i>2004</i> | <i>2005</i> | <i>2006</i> |
|----------------------|----------------------|----------------------|----------------------|----------------------|------------------------|
| <u>\$862,841,513</u> | <u>\$879,308,140</u> | <u>\$950,494,929</u> | <u>\$961,634,784</u> | <u>\$964,233,368</u> | <u>\$1,081,565,488</u> |
| <u>90,598,359</u> | <u>92,327,355</u> | <u>99,801,968</u> | <u>100,971,652</u> | <u>101,244,504</u> | <u>113,564,376</u> |
| <u>28,271,720</u> | <u>26,870,005</u> | <u>31,921,620</u> | <u>30,189,900</u> | <u>28,464,845</u> | <u>26,681,455</u> |
| <u>(34,272)</u> | <u>(86,435)</u> | <u>(33,638)</u> | <u>(89,866)</u> | <u>(99,873)</u> | <u>(199,513)</u> |
| <u>28,305,992</u> | <u>26,956,440</u> | <u>31,955,258</u> | <u>30,279,766</u> | <u>28,564,718</u> | <u>26,880,968</u> |
| <u>\$62,292,367</u> | <u>\$65,370,915</u> | <u>\$67,846,710</u> | <u>\$70,691,886</u> | <u>\$72,679,786</u> | <u>\$86,683,408</u> |
| 68.8% | 70.8% | 68.0% | 70.0% | 71.8% | 76.3% |
| <u>\$47,456,283</u> | <u>\$48,361,948</u> | <u>\$52,277,221</u> | <u>\$52,889,913</u> | <u>\$53,032,835</u> | <u>\$59,486,102</u> |
| <u>28,271,720</u> | <u>26,870,005</u> | <u>31,921,620</u> | <u>30,189,900</u> | <u>28,464,845</u> | <u>26,681,455</u> |
| <u>(34,272)</u> | <u>(86,435)</u> | <u>(33,638)</u> | <u>(89,866)</u> | <u>(99,873)</u> | <u>(199,513)</u> |
| <u>28,305,992</u> | <u>26,956,440</u> | <u>31,955,258</u> | <u>30,279,766</u> | <u>28,564,718</u> | <u>26,880,968</u> |
| <u>\$19,150,291</u> | <u>\$21,405,508</u> | <u>\$20,321,963</u> | <u>\$22,610,147</u> | <u>\$24,468,117</u> | <u>\$32,605,134</u> |
| 40.4% | 44.3% | 38.9% | 42.7% | 46.1% | 54.8% |

City of Westerville, Ohio
Demographic and Economic Statistics
Last Ten Years

| <i>Year</i> | <i>Population (1)</i> | <i>Total Personal Income (2)</i> | <i>Per Capita Income (3)</i> | <i>School Enrollment (4)</i> | <i>Unemployment Rates (5)</i> | | |
|-------------|-----------------------|--|----------------------------------|----------------------------------|-------------------------------|-------------|--------------------------|
| | | | | | <i>Franklin County</i> | <i>Ohio</i> | <i>United States</i> |
| 1997 | 37,313 | \$975,138 | \$26,134 | 13,059 | 2.7% | 4.6% | 4.9% |
| 1998 | 34,833 | 961,913 | 27,615 | 13,225 | 2.5% | 4.3% | 4.5% |
| 1999 | 34,948 | 1,008,285 | 28,851 | 13,390 | 2.2% | 4.2% | 4.1% |
| 2000 | 35,318 | 1,085,781 | 30,743 | 13,609 | 2.1% | 4.0% | 4.0% |
| 2001 | 35,671 | 1,121,211 | 31,432 | 13,706 | 3.2% | 4.8% | 5.8% |
| 2002 | 35,908 | 1,159,038 | 32,278 | 13,834 | 4.4% | 5.7% | 5.8% |
| 2003 | 36,018 | 1,181,174 | 32,794 | 14,043 | 4.9% | 6.1% | 6.0% |
| 2004 | 36,069 | 1,230,963 | 34,128 | 14,156 | 5.4% | 6.1% | 5.5% |
| 2005 | 36,325 | 1,279,584 | 35,226 | 14,023 | 5.3% | 5.9% | 5.1% |
| 2006 | 36,517 | 1,327,734 | 36,359 | 14,217 | 4.5% | 5.6% | 4.5% |

Source: (1) "Population Estimates," published by the Mid-Ohio Regional Planning Commission

(2) Per capita income multiplied by population (in thousands)

(3) U.S. Department of Commerce, Bureau of Economic Analysis, Columbus MSA

Note: 2006 estimate is interpolated based upon percentage increase from the prior year.

(4) Westerville City School District

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

City of Westerville, Ohio

Principal Employers

2006 and 1997

| <i>Employer</i> | <i>2006</i> | | | <i>1997</i> | | |
|----------------------------------|----------------------------|-------------|---------------------------------------|----------------------------|-------------|---------------------------------------|
| | <i>Number of Employees</i> | <i>Rank</i> | <i>Percentage of Total Employment</i> | <i>Number of Employees</i> | <i>Rank</i> | <i>Percentage of Total Employment</i> |
| JP Morgan Chase Bank NA | 3,958 | 1 | 6.75% | 8,537 | 1 | NA |
| Mount Carmel Health Systems | 2,360 | 2 | 4.0% | 1,399 | 5 | NA |
| Westerville City Schools | 2,195 | 3 | 3.7% | 1,912 | 3 | NA |
| Otterbein College | 1,783 | 4 | 3.0% | 1,558 | 4 | NA |
| CMS Subsidiary | 1,722 | 5 | 2.9% | 2,177 | 2 | NA |
| Alliance Data Systems Inc | 1,200 | 6 | 2.0% | 1,384 | 6 | NA |
| 1-800 Flowers (Cheryls Cookies) | 931 | 7 | 1.6% | 508 | 9 | NA |
| City of Westerville | 884 | 8 | 1.5% | 686 | 8 | NA |
| Meijers | 691 | 9 | 1.2% | - | - | NA |
| Heartland Employment | 671 | 10 | 1.1% | - | - | NA |
| Worthington Cylinders | - | - | - | 833 | 7 | NA |
| Krogers | - | - | - | 449 | 10 | NA |
| Total Employees | 16,395 | | 27.9% | 19,443 | | NA |
| All Other Employers | 42,278 | | 72.1% | NA | | NA |
| Total Employment within the City | 58,673 | | 100.00% | NA | | NA |

Source: City Income Tax Department

City of Westerville, Ohio
City Government Employees by Function/Program
Last Two Years

| <i>Function/Program</i> | <i>2005</i> | | <i>2006</i> | |
|---|------------------|---------------|------------------|---------------|
| | <i>Full-Time</i> | <i>All</i> | <i>Full-Time</i> | <i>All</i> |
| Security of Persons and Property | | | | |
| Fire | 84.00 | 109.00 | 84.00 | 104.00 |
| Police | 85.00 | 93.00 | 87.00 | 91.00 |
| Communications | 13.00 | 18.00 | 15.00 | 19.00 |
| Total | 182.00 | 220.00 | 186.00 | 214.00 |
| Leisure Time Activities | | | | |
| Administration | 7.00 | 12.00 | 7.00 | 7.00 |
| Recreation | 21.40 | 289.60 | 20.65 | 296.20 |
| Parks | 18.75 | 42.00 | 19.25 | 51.60 |
| Senior Center | 6.50 | 13.50 | 6.75 | 14.75 |
| Total | 53.65 | 357.10 | 53.65 | 369.55 |
| Community Development | 24.00 | 30.00 | 24.00 | 32.00 |
| Basic Utility Services | 3.90 | 7.35 | 6.25 | 12.20 |
| Transportation | 16.00 | 22.25 | 14.05 | 23.33 |
| General Government | | | | |
| Legislative | 1.00 | 9.00 | 1.00 | 8.00 |
| City Manager | 12.00 | 13.00 | 12.00 | 15.00 |
| Finance | 21.00 | 29.00 | 21.00 | 29.20 |
| Information Systems | 10.00 | 12.00 | 10.00 | 11.00 |
| Mayor's Court | 3.00 | 6.00 | 3.00 | 7.00 |
| Legal | 0.00 | 3.00 | 0.00 | 2.00 |
| Buildings and Grounds | 6.00 | 6.00 | 6.00 | 6.00 |
| Total | 53.00 | 78.00 | 53.00 | 78.20 |
| Business-Type Activities | | | | |
| Water | 18.00 | 20.60 | 18.10 | 24.68 |
| Sewer | 8.00 | 12.60 | 6.40 | 9.69 |
| Refuse | 1.05 | 1.10 | 1.10 | 2.05 |
| Electric | 45.00 | 48.00 | 45.00 | 49.80 |
| Swimming Pool | 1.35 | 44.90 | 1.35 | 63.45 |
| Garage | 4.05 | 4.10 | 4.10 | 5.05 |
| Total | 77.45 | 131.30 | 76.05 | 154.72 |
| Total - All Employees | 410.00 | 846.00 | 413.00 | 884.00 |

Source: City Payroll Records

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City of Westerville, Ohio
 Operating Indicators by Function/Program
 Last Ten Years

| <i>Function/Program</i> | <i>1997</i> | <i>1998</i> | <i>1999</i> | <i>2000</i> | <i>2001</i> |
|---|-------------|-------------|-------------|-------------|-------------|
| General Government: | | | | | |
| Active Income Tax Accounts | | | | | |
| Individual | NA | NA | NA | NA | NA |
| Business | NA | NA | NA | NA | NA |
| Withholding | NA | NA | NA | NA | NA |
| Clerk of Courts: | | | | | |
| Mayor's Court Cases | 4,632 | 3,189 | 5,451 | 5,163 | 6,927 |
| Security of Persons and Property - Police | | | | | |
| Police calls | 45,954 | 45,333 | 49,997 | 55,295 | 70,040 |
| Physical Arrests | 211 | 206 | 138 | 192 | 205 |
| Citations | 5,567 | 5,106 | 5,045 | 4,682 | 5,901 |
| Parking Violations | 890 | 881 | 968 | 900 | 1,059 |
| Security of Persons and Property - Fire | | | | | |
| EMT Calls | NA | NA | NA | NA | 3,625 |
| Fire Calls | NA | NA | NA | NA | 2,279 |
| *Total Calls | 1,376 | 3,597 | 3,966 | 6,415 | 5,904 |
| Leisure Time Activities: | | | | | |
| Swimming Pool Revenues | \$427,688 | \$446,552 | \$509,963 | \$503,110 | \$494,978 |
| Parks & Recreation Revenues | 503,341 | 614,348 | 641,185 | 738,553 | 1,666,056 |

Source: Department annual reports

NA - Information not available

| <i>2002</i> | <i>2003</i> | <i>2004</i> | <i>2005</i> | <i>2006</i> |
|-------------|-------------|-------------|-------------|-------------|
| NA | NA | 17,026 | 16,844 | 16,737 |
| NA | NA | 2,475 | 2,615 | 2,689 |
| NA | NA | 2,744 | 2,894 | 3,361 |
| 7,387 | 7,966 | 8,004 | 7,338 | 8,117 |
| 67,736 | 65,805 | 63,042 | 58,852 | 63,453 |
| 206 | 297 | 346 | 357 | 346 |
| 5,560 | 5,956 | 5,600 | 5,532 | 5,849 |
| 652 | 752 | 683 | 552 | 619 |
| 3,920 | 3,557 | 3,319 | 3,600 | 3,701 |
| 2,437 | 2,385 | 2,986 | 2,986 | 2,680 |
| 6,357 | 5,942 | 6,305 | 6,586 | 6,381 |
| \$441,705 | \$380,711 | \$330,281 | \$406,640 | \$403,979 |
| 2,434,829 | 2,600,032 | 2,813,641 | 3,016,530 | 3,545,571 |

City of Westerville, Ohio
 Capital Assets Statistics by Function/Program
 Last Ten Years

| <i>Function/Program</i> | <i>1997</i> | <i>1998</i> | <i>1999</i> | <i>2000</i> | <i>2001</i> |
|--|-------------|-------------|-------------|-------------|-------------|
| General Government: | | | | | |
| Government Center | 1 | 1 | 1 | 1 | 1 |
| Security of Persons and Property: | | | | | |
| Number of Police Stations | 1 | 1 | 1 | 1 | 1 |
| Number of Fire/EMS Stations (1) | 3 | 3 | 3 | 3 | 3 |
| Leisure Time Activities: | | | | | |
| Number of Parks and Recreation Sites: | 30 | 30 | 31 | 31 | 31 |
| Developed Acres | 211.600 | 229.801 * | 229.801 | 258.233 | 347.411 |
| Undeveloped Acres | 72.900 | 149.050 * | 168.960 | 158.960 | 130.780 |
| Greenways Acreage | 73.000 | 69.812 * | 82.583 | 82.583 | 82.583 |
| Number of Aquatic Centers | 1 | 1 | 1 | 1 | 2 |
| Number of Miles: Bike/Walk Trails | 3.650 | 3.650 | 6.000 | 10.370 | 13.730 |
| Number of Community Program Centers | 1 | 1 | 1 | 1 | 2 |
| Number of Senior Centers | 1 | 1 | 1 | 1 | 1 |
| Number of Playground Sites | 8 | 8 | 8 | 9 | 10 |
| Number of Skate Parks | 0 | 0 | 0 | 0 | 0 |
| Number of BMX Tracks | 0 | 0 | 0 | 0 | 0 |
| Number of Cultural/Historic Sites | 2 | 2 | 2 | 3 | 3 |
| Number of Athletic Fields | 32 | 32 | 32 | 38 | 44 |
| Number of Tennis Courts | 11 | 11 | 11 | 11 | 11 |
| Number of Basketball/Multi Courts | 8 | 8 | 8 | 8 | 8 |
| Number of Dog Parks | 0 | 0 | 0 | 0 | 0 |
| Basic Utility Services: | | | | | |
| Miles of Water Mains | 125 | 145 | 164 | 164 | 164 |
| Miles of Sanitary Sewers | 115 | 138 | 140 | 140 | 140 |
| Miles of Storm Sewers | 119 | 123 | 110 | 110 | 110 |
| Miles of Electric Lines | 202 | 216 | 221 | 229 | 236 |
| Transportation: | | | | | |
| Miles of Streets | 140 | 140 | 141 | 146 | 146 |
| Number of Street Lights | 2,379 | 2,625 | 2,845 | 2,908 | 3,039 |

* 1998 Acreage Adjustments Made Based on Deed Research and Site Reclassification.

Source: City capital asset records

| <i>2002</i> | <i>2003</i> | <i>2004</i> | <i>2005</i> | <i>2006</i> |
|-------------|-------------|-------------|-------------|-------------|
| 1 | 1 | 1 | 1 | 1 |
| 1 | 1 | 1 | 2 | 2 |
| 3 | 3 | 3 | 3 | 3 |
| 31 | 31 | 32 | 32 | 33 |
| 350.584 | 392.862 | 442.477 | 446.477 | 446.477 |
| 3.060 | 3.060 | 12.920 | 12.920 | 12.920 |
| 82.583 | 87.204 | 87.204 | 93.134 | 93.134 |
| 2 | 2 | 2 | 2 | 2 |
| 15.290 | 16.370 | 18.020 | 22.610 | 22.740 |
| 2 | 2 | 2 | 2 | 2 |
| 1 | 1 | 1 | 1 | 1 |
| 10 | 11 | 12 | 13 | 13 |
| 0 | 0 | 1 | 1 | 1 |
| 0 | 0 | 1 | 1 | 1 |
| 3 | 3 | 3 | 3 | 3 |
| 46 | 47 | 48 | 48 | 50 |
| 11 | 11 | 11 | 11 | 11 |
| 8 | 9 | 9 | 9 | 11 |
| 0 | 0 | 0 | 1 | 1 |
| 170 | 171 | 178 | 178 | 174 |
| 142 | 143 | 150 | 153 | 155 |
| 134 | 135 | 140 | 140 | 146 |
| 239 | 242 | 251 | 261 | 269 |
| 147 | 148 | 150 | 151 | 152 |
| 3,084 | 3,212 | 3,437 | 3,744 | 4,002 |

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Mary Taylor, CPA
Auditor of State

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 26, 2007**