

**VILLAGE OF OBETZ  
FRANKLIN COUNTY, OHIO**

***FINANCIAL STATEMENTS*  
(AUDITED)**

FOR THE YEAR ENDED  
DECEMBER 31, 2013

**MATT CRAMBLIT, FINANCE DIRECTOR**





# Dave Yost • Auditor of State

Village Council  
Village of Obetz  
4175 Alum Creek Drive  
Obetz, Ohio 43207

We have reviewed the *Independent Auditor's Report* of the Village of Obetz, Franklin County, prepared by Julian & Grube, Inc., for the audit period January 1, 2013 through December 31, 2013. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost  
Auditor of State

October 21, 2014

**This page intentionally left blank.**

**VILLAGE OF OBETZ  
FRANKLIN COUNTY, OHIO**

**BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2013**

**TABLE OF CONTENTS**

Independent Auditor's Report .....	1 - 2
Management's Discussion and Analysis .....	3 - 17
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position .....	19
Statement of Activities .....	20 - 21
Fund Financial Statements:	
Balance Sheet - Governmental Funds.....	22
Reconciliation of Total Governmental Fund Balances To Net Position of Governmental Activities .....	23
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds.....	24 - 25
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to Statement of Activities .....	26
Statement of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual (Non-GAAP Budgetary Basis) - General Fund.....	27
Statement of Net Position - Proprietary Funds .....	28 - 29
Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds .....	30 - 31
Statement of Cash Flows - Proprietary Funds .....	32 - 35
Statement of Assets and Liabilities - Agency Funds .....	36
Notes to the Basic Financial Statements .....	37 - 72
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	73 - 74

**This page intentionally left blank.**



**Julian & Grube, Inc.**  
*Serving Ohio Local Governments*

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

Independent Auditor's Report

Village of Obetz  
Franklin County  
4175 Alum Creek Drive  
Obetz, Ohio 43207

To the Members of Council and Mayor:

***Report on the Financial Statements***

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 Village of Obetz, Franklin County, Ohio, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Village of Obetz's basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Village of Obetz's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Village of Obetz's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

***Opinion***

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 Village of Obetz, Franklin County, Ohio, as of December 31, 2013, and the respective changes in financial position and, where applicable, cash flows and the budgetary comparison for the General fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

***Other Matters***

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis*, listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 29, 2014, on our consideration of the Village of Obetz'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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village of Obetz's internal control over financial reporting and compliance.



Julian & Grube, Inc.  
September 29, 2014



**VILLAGE OF OBETZ  
FRANKLIN COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2013**

The management's discussion and analysis of the Village of Obetz's (the "Village") financial performance provides an overall review of the Village's financial activities for the year ended December 31, 2013. The intent of this discussion and analysis is to look at the Village's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the Village's financial performance.

**Financial Highlights**

Key financial highlights for 2013 are as follows:

- The total net position of the Village increased \$6,397,272. Net position of governmental activities increased \$4,820,913 or 8.95% from 2012 and net position of business-type activities increased \$1,576,359 or 8.36% from 2012.
- General revenues accounted for \$8,694,423 or 58.77% of total governmental activities revenue. Program specific revenues accounted for \$6,098,446 or 41.23% of total governmental activities revenue.
- The Village had \$9,971,956 in expenses related to governmental activities; \$6,098,446 of these expenses was offset by program specific charges for services, grants or contributions. The remaining expenses of the governmental activities of \$3,873,510 were offset by general revenues (primarily income taxes, property taxes and unrestricted grants and entitlements) of \$8,694,423.
- The General Fund had revenues of \$8,358,543 in 2013. This represents an increase of \$1,288,731 from 2012. The expenditures of the General Fund, which totaled \$7,063,951 in 2013, increased \$1,209,496 from 2012. The net increase in fund balance for the General Fund was \$1,294,592 or 32.57%.
- The General Obligation Debt Service Fund had revenues and other financing sources of \$789,086 in 2013. The expenditures of the General Obligation Debt Service Fund totaled \$611,174 in 2013. The net increase in fund balance for the General Obligation Debt Service Fund was \$177,912 or 102.32%.
- The Conference Center/Lancaster Park Improvements Fund had revenues of \$2,565 in 2013. The expenditures of the Conference Center/Lancaster Park Improvements Fund totaled \$2,105,273 in 2013. The net decrease in fund balance for the Conference Center/Lancaster Park Improvements Fund was \$2,102,708 or 99.75%.
- The Alum Creek and Groveport Road Project Fund had revenues of \$4,604,674 in 2013. The expenditures of the Alum Creek and Groveport Road Project Fund totaled \$3,776,775 in 2013. The net increase in fund balance for the Alum Creek and Groveport Road Project Fund was \$827,899 or 100.00%.
- Net position for the business-type activities, which are made up of the Water, Sewer, Electric, Refuse and Gas operations, increased in 2013 by \$1,576,359. This increase in net position was due primarily to program revenues exceeding expenses.
- In the General Fund, the actual revenues and other financing sources came in \$1,834,234 higher than they were in the final budget and actual expenditures and other financing uses were \$811,964 less than the amount in the final budget. Budgeted expenditures and other financing uses increased \$1,112,100 from the original to the final budget. Budgeted revenues increased \$256 from the original to the final budget.

**VILLAGE OF OBETZ  
FRANKLIN COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2013

**Using this Annual Financial Report**

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

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

**Reporting the Village as a Whole**

*Statement of Net Position and the Statement of Activities*

While this document contains a large number of funds used by the Village to provide programs and activities, the view of the Village as a whole looks at all financial transactions and asks the question, "How did we do financially during 2013?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and deferred outflows, liabilities and deferred inflows, revenues and expenses using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the Village's *net position* and changes in net position. This change in net position is important because it tells the reader that, for the Village as a whole, the financial position of the Village has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the Village's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required community programs and other factors.

In the Statement of Net Position and the Statement of Activities, the Village is divided into two distinct kinds of activities:

Governmental activities - Most of the Village's programs and services are reported here including police, fire, street maintenance, capital improvements and general administration. These services are funded primarily by property and income taxes and intergovernmental revenues including federal and state grants and other shared revenues.

Business-type activities - These services are provided on a charge for goods or services basis to recover all or a significant portion of the expenses of the goods or services provided. The Village's water, sewer, electric, refuse and gas operations are reported here.

The Village's Statement of Net Position and Statement of Activities can be found on pages 19-21 of this report

**Reporting the Village's Most Significant Funds**

*Fund Financial Statements*

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Village can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**VILLAGE OF OBETZ  
FRANKLIN COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2013**

Fund financial reports provide detailed information about the Village's major funds. The Village uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the Village's most significant funds. The analysis of the Village's major governmental and proprietary funds begins on page 10.

***Governmental Funds***

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

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

The Village maintains a multitude of individual governmental funds. The Village has segregated these funds into major funds and nonmajor funds. The Village's major governmental funds are the General Fund, General Obligation Debt Service Fund, Conference Center/Lancaster Park Improvements Fund, and the Alum Creek and Groveport Road Project Fund. Information for major funds is presented separately in the governmental fund Balance Sheet and in the governmental Statement of Revenues, Expenditures and Changes in Fund Balances. Data from the other governmental funds are combined into a single, aggregated presentation. The basic governmental fund financial statements can be found on pages 22-29 of this report.

***Proprietary Funds***

The Village maintains proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Village uses enterprise funds to account for its water, sewer, electric, refuse and gas management functions. The Water, Sewer, Electric and Gas enterprise funds are considered major funds. The Village uses an internal service fund, HRA Plan, to report activities that provide a service to the Village's other programs and activities. The basic proprietary fund financial statements can be found on pages 30-33 of this report.

***Fiduciary Funds***

Fiduciary funds are used to account for resources held for the benefit of parties outside the Village. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the Village's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. An agency fund is the Village's only fiduciary fund type. The statement of assets and liabilities can be found on page 36 of this report.

***Notes to the Basic Financial Statements***

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to the basic financial statements can be found on pages 37-74 of this report.

**VILLAGE OF OBETZ  
FRANKLIN COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2013

**Government-Wide Financial Analysis**

The table below provides a summary of the Village's net position at December 31, 2013 and 2012:

	<b>Net Position</b>					
	Governmental	Business-type	Governmental	Business-type	2013	2012
	Activities 2013	Activities 2013	Activities 2012	Activities 2012	Total	Total
<u>Assets</u>						
Current and other assets	\$ 8,599,045	\$ 6,187,581	\$ 10,192,863	\$ 4,689,913	\$ 14,786,626	\$ 14,882,776
Capital assets, net	<u>62,586,996</u>	<u>15,768,125</u>	<u>58,239,794</u>	<u>15,597,542</u>	<u>78,355,121</u>	<u>73,837,336</u>
Total assets	<u>71,186,041</u>	<u>21,955,706</u>	<u>68,432,657</u>	<u>20,287,455</u>	<u>93,141,747</u>	<u>88,720,112</u>
<u>Liabilities</u>						
Other liabilities	611,580	971,561	1,992,799	749,537	1,583,141	2,742,336
Long-term liabilities outstanding	<u>11,353,422</u>	<u>555,968</u>	<u>12,238,961</u>	<u>686,100</u>	<u>11,909,390</u>	<u>12,925,061</u>
Total liabilities	<u>11,965,002</u>	<u>1,527,529</u>	<u>14,231,760</u>	<u>1,435,637</u>	<u>13,492,531</u>	<u>15,667,397</u>
<u>Deferred inflows of resources</u>						
Property taxes levied for the next fiscal year	168,739	-	172,369	-	168,739	172,369
Payments in lieu of taxes levied for the next fiscal year	<u>388,572</u>	<u>-</u>	<u>185,713</u>	<u>-</u>	<u>388,572</u>	<u>185,713</u>
Total deferred inflows of resources	<u>557,311</u>	<u>-</u>	<u>358,082</u>	<u>-</u>	<u>557,311</u>	<u>358,082</u>
<u>Net Position</u>						
Net investment in capital assets	51,573,697	15,164,188	48,312,169	14,936,950	66,737,885	63,249,119
Restricted	1,068,303	-	1,358,061	-	1,068,303	1,358,061
Unrestricted	<u>6,021,728</u>	<u>5,263,989</u>	<u>4,172,585</u>	<u>3,914,868</u>	<u>11,285,717</u>	<u>8,087,453</u>
Total net position	<u>\$ 58,663,728</u>	<u>\$ 20,428,177</u>	<u>\$ 53,842,815</u>	<u>\$ 18,851,818</u>	<u>\$ 79,091,905</u>	<u>\$ 72,694,633</u>

Over time, net position can serve as a useful indicator of a government's financial position. At December 31, 2013, the Village's assets exceeded liabilities and deferred inflows of resources by \$79,091,905. At year-end, net position was \$58,663,728 and \$20,428,177 for the governmental activities and the business-type activities, respectively.

Capital assets reported on the government-wide statements represent the largest portion of the Village's assets. At year-end, capital assets represented 84.12% of total assets. Capital assets include land, rights of way, construction in progress, buildings, improvements other than buildings, infrastructure, equipment, and vehicles. Net investment in capital assets at December 31, 2013, was \$51,573,697 and \$15,164,188 in the governmental activities and business-type activities, respectively. These capital assets are used to provide services to citizens and are not available for future spending. Although the Village's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the Village's net position, \$1,068,303, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position is \$11,285,717 (\$6,021,728 in the governmental activities and \$5,263,989 in the business-type activities). The table below shows the changes in net position for 2013 and 2012.

**VILLAGE OF OBETZ  
FRANKLIN COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2013

	<b>Change in Net Position</b>				2013 Total	2012 Total
	Governmental Activities	Business-type Activities	Governmental Activities	Business-type Activities		
	<u>2013</u>	<u>2013</u>	<u>2012</u>	<u>2012</u>		
<b>Revenues</b>						
Program revenues:						
Charges for services and sales	\$ 851,334	\$ 8,608,868	\$ 525,384	\$ 7,485,786	\$ 9,460,202	\$ 8,011,170
Operating grants and contributions	452,851	-	364,444	-	452,851	364,444
Capital grants and contributions	4,794,261	313,610	7,118,647	-	5,107,871	7,118,647
<b>Total program revenues</b>	<u>6,098,446</u>	<u>8,922,478</u>	<u>8,008,475</u>	<u>7,485,786</u>	<u>15,020,924</u>	<u>15,494,261</u>
General revenues:						
Property taxes	153,982	-	167,396	-	153,982	167,396
Income taxes	5,436,419	-	4,429,012	-	5,436,419	4,429,012
Other local taxes	185,686	-	66,044	-	185,686	66,044
Payments in lieu of taxes	355,330	-	545,085	-	355,330	545,085
Unrestricted grants and entitlements	2,366,558	-	1,588,440	-	2,366,558	1,588,440
Investment earnings	31,218	-	27,208	-	31,218	27,208
Decrease in fair value of investments	(40,462)	-	-	-	(40,462)	-
Miscellaneous	205,692	2,801	592,401	1,422	208,493	593,823
<b>Total general revenues</b>	<u>8,694,423</u>	<u>2,801</u>	<u>7,415,586</u>	<u>1,422</u>	<u>8,697,224</u>	<u>7,417,008</u>
<b>Total revenues</b>	<u>14,792,869</u>	<u>8,925,279</u>	<u>15,424,061</u>	<u>7,487,208</u>	<u>23,718,148</u>	<u>22,911,269</u>
<b>Expenses:</b>						
General government	1,410,120	-	1,564,295	-	1,410,120	1,564,295
Security of persons and property	1,680,829	-	1,594,516	-	1,680,829	1,594,516
Public health and welfare	23,200	-	22,121	-	23,200	22,121
Transportation	3,514,602	-	3,010,245	-	3,514,602	3,010,245
Community environment	1,744,525	-	1,427,328	-	1,744,525	1,427,328
Leisure time activity	1,272,339	-	1,068,583	-	1,272,339	1,068,583
Interest and fiscal charges	326,341	-	536,225	-	326,341	536,225
Water	-	923,159	-	981,650	923,159	981,650
Sewer	-	1,627,769	-	1,212,641	1,627,769	1,212,641
Electric	-	3,587,150	-	3,427,118	3,587,150	3,427,118
Refuse	-	255,296	-	311,499	255,296	311,499
Gas	-	955,546	-	717,357	955,546	717,357
<b>Total expenses</b>	<u>9,971,956</u>	<u>7,348,920</u>	<u>9,223,313</u>	<u>6,650,265</u>	<u>17,320,876</u>	<u>15,873,578</u>
<b>Change in net position</b>	<u>4,820,913</u>	<u>1,576,359</u>	<u>6,200,748</u>	<u>836,943</u>	<u>6,397,272</u>	<u>7,037,691</u>
<b>Net position at beginning of year</b>	<u>53,842,815</u>	<u>18,851,818</u>	<u>47,642,067</u>	<u>18,014,875</u>	<u>72,694,633</u>	<u>65,656,942</u>
<b>Net position at end of year</b>	<u>\$ 58,663,728</u>	<u>\$ 20,428,177</u>	<u>\$ 53,842,815</u>	<u>\$ 18,851,818</u>	<u>\$ 79,091,905</u>	<u>\$ 72,694,633</u>

**VILLAGE OF OBETZ  
FRANKLIN COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2013

**Governmental Activities**

Governmental activities net position increased \$4,820,913 in 2013.

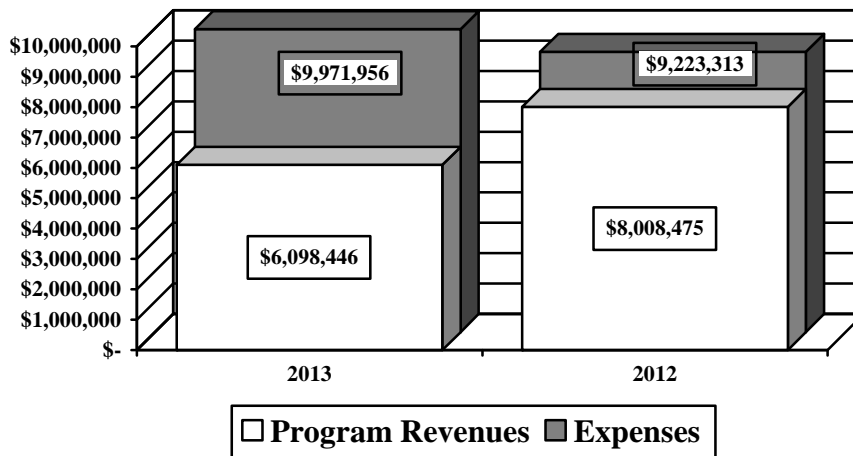
Security of persons and property, which primarily supports the operation of police and fire services, accounted for \$1,680,829 or 16.86% of the total expenses of the Village. Security of persons and property expenses were partially funded by \$5,687 in direct charges to users of the services. General government expenses totaled \$1,410,120. General government expenses were partially funded by \$579,965 in direct charges to users of the services.

The state and federal government contributed to the Village a total of \$452,851 in operating grants and contributions and \$4,794,261 in capital grants and contributions. These revenues are restricted to a particular program or purpose.

General revenues totaled \$8,694,423, and amounted to 58.77% of total governmental revenues. These revenues primarily consist of property and income tax revenues of \$5,590,401. The other primary sources of general revenues are grants and entitlements not restricted to specific programs, including local government and local government revenue assistance, making up \$2,366,558 and payment in lieu of taxes of \$355,330.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements. As can be seen in the graph below, the Village is highly dependent upon general revenues (primarily property and income taxes as well as unrestricted grants and entitlements) to support its governmental activities as program revenues are not sufficient to cover total governmental expenses for 2013.

**Governmental Activities - Program Revenues vs. Total Expenses**



**VILLAGE OF OBETZ  
FRANKLIN COUNTY, OHIO**

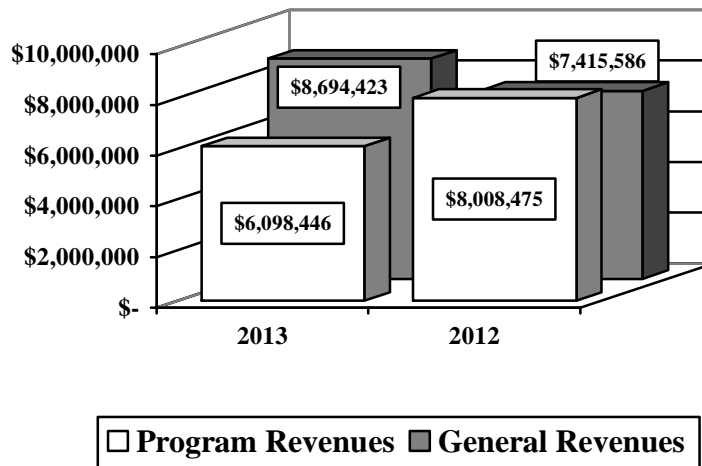
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2013

**Governmental Activities**

	Total Cost of Services <u>2013</u>	Net Cost of Services <u>2013</u>	Total Cost of Services <u>2012</u>	Net Cost of Services <u>2012</u>
<b>Program expenses:</b>				
General government	\$ 1,410,120	\$ 830,155	\$ 1,564,295	\$ 1,164,876
Security of persons and property	1,680,829	1,675,142	1,594,516	1,588,910
Public health and welfare	23,200	23,200	22,121	22,121
Transportation	3,514,602	(536,761)	3,010,245	(4,388,474)
Community environment	1,744,525	1,744,525	1,427,328	1,427,328
Leisure time activity	1,272,339	(2,801)	1,068,583	863,852
Interest and fiscal charges	<u>326,341</u>	<u>140,050</u>	<u>536,225</u>	<u>536,225</u>
<b>Total</b>	<u><u>\$ 9,971,956</u></u>	<u><u>\$ 3,873,510</u></u>	<u><u>\$ 9,223,313</u></u>	<u><u>\$ 1,214,838</u></u>

The dependence upon general revenues for governmental activities is apparent, with 38.84% of expenses supported through taxes and other general revenues. The net cost of transportation activities changed largely due to a decrease in intergovernmental revenue received for the Alum Creek and Groveport Road project. The graph below illustrates the Village's program revenues versus general revenues for 2013 and 2012.

**Governmental Activities - General and Program Revenues**

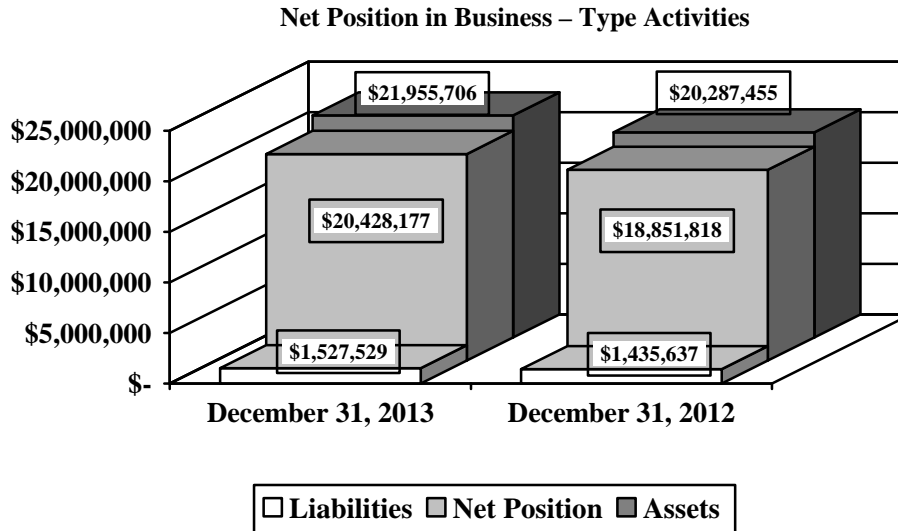


**VILLAGE OF OBETZ  
FRANKLIN COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2013

**Business-type Activities**

Business-type activities include the water, sewer, electric, refuse and gas operations. These programs had program revenues of \$8,922,478, expenses of \$7,348,920 and general revenues of \$2,801 for 2013. The graph below shows the business-type activities assets, liabilities and net position at year-end.



Charges for services and sales for the business-type activities increased due to increased user charges. For the governmental activities, capital grants and contributions decreased as the Alum Creek and Groveport Road project was completed in 2013. Income tax revenue increased due to increased income tax activity and collections. Unrestricted grants and entitlements increased due to increased JEDZ income tax activity which is disbursed to the Village as part of the JEDZ agreement. These disbursements from the JEDZ to the Village are reported as an unrestricted grants and entitlements revenue.

**Financial Analysis of the Government's Funds**

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

**Governmental Funds**

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

The Village's governmental funds (as presented on the balance sheet on page 22) reported a combined fund balance of \$6,986,364 which is \$253,545 higher than last year's balance of \$6,732,819.



**VILLAGE OF OBETZ  
FRANKLIN COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2013

The schedule below indicates the fund balances and the total change in fund balances as of December 31, 2013 and 2012 for all major and non-major governmental funds.

	Fund Balances <u>12/31/13</u>	Fund Balances (Deficit) <u>12/31/12</u>	Increase/ (Decrease) <u></u>
<b>Major Funds:</b>			
General	\$ 5,269,442	\$ 3,974,850	\$ 1,294,592
General Obligation Debt Service	351,783	173,871	177,912
Conference Center/Lancaster Park Improvements	5,211	2,107,919	(2,102,708)
Alum Creek and Groveport Road Project	-	(827,899)	827,899
Other Nonmajor Governmental Funds	<u>1,359,928</u>	<u>1,304,078</u>	<u>55,850</u>
Total	<u>\$ 6,986,364</u>	<u>\$ 6,732,819</u>	<u>\$ 253,545</u>

**General Fund**

The Village's general fund balance increased \$1,294,592. The table that follows assists in illustrating the revenues of the General Fund.

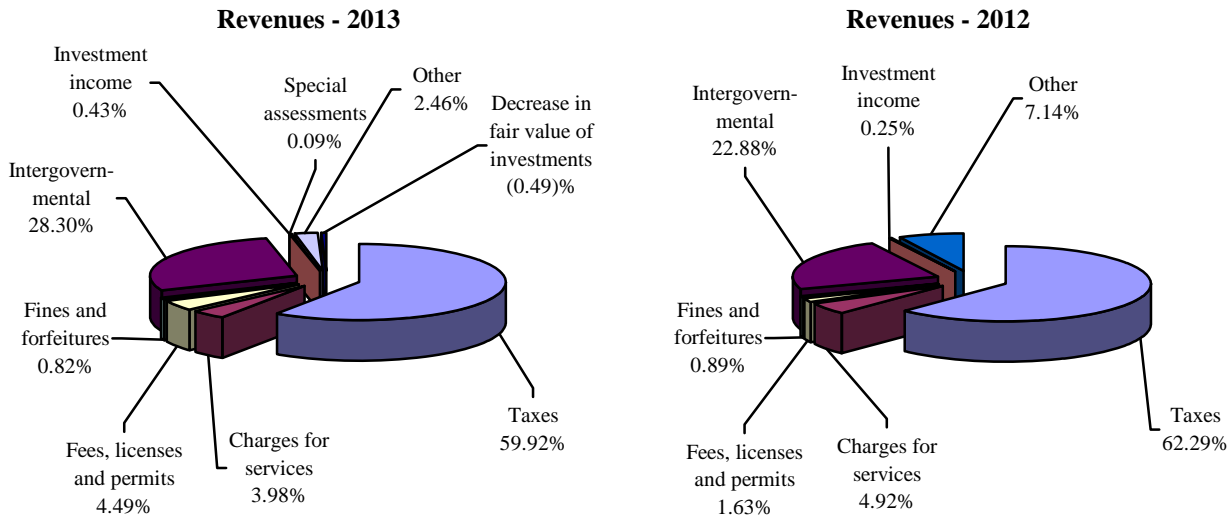
	2013 <u>Amount</u>	2012 <u>Amount</u>	Percentage <u>Change</u>
<b>Revenues</b>			
Taxes	\$ 5,008,275	\$ 4,402,308	13.76 %
Charges for services	332,337	347,925	(4.48) %
Fees, licenses and permits	374,929	115,540	224.50 %
Fines and forfeitures	68,398	62,787	8.94 %
Intergovernmental	2,365,778	1,617,549	46.26 %
Special assessments	7,692	-	100.00 %
Investment income	35,905	17,825	101.43 %
Decrease in fair value of investments	(40,462)	-	(100.00) %
Other	<u>205,691</u>	<u>504,978</u>	(59.27) %
Total	<u>\$ 8,358,543</u>	<u>\$ 7,068,912</u>	18.24 %

Tax revenue represents 59.92% of all General Fund revenue. Tax revenue includes income taxes, property taxes and other local taxes. Tax revenue increased due to increased income tax activity and collections and due to an increase of approximately \$154,000 in the Kilowatt per hour tax. Fees, licenses and permits revenue increased primarily due to an increase in building permit revenue. Intergovernmental revenue increased due to JEDZ income tax activity which is disbursed to the Village as part of the JEDZ agreement. Disbursements from the JEDZ to the Village are reported as intergovernmental revenues. Investment income increased due to the Village having more monies to invest coupled with better interest rates on investments in 2013 versus 2012. The decrease in the fair value of investments is the difference between the cost of Village investments and the fair value of these investments at December 31, 2013. The Village intends to hold investments to maturity thus eliminating exposure to the fluctuations in the fair value of applicable investments. Other revenues decreased due to a decrease in all miscellaneous revenues not classified elsewhere within the General Fund.

**VILLAGE OF OBETZ  
FRANKLIN COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2013

The following graphs show the breakdown of General Fund revenues by category for 2013 and 2012.



The table that follows assists in illustrating the expenditures of the General Fund.

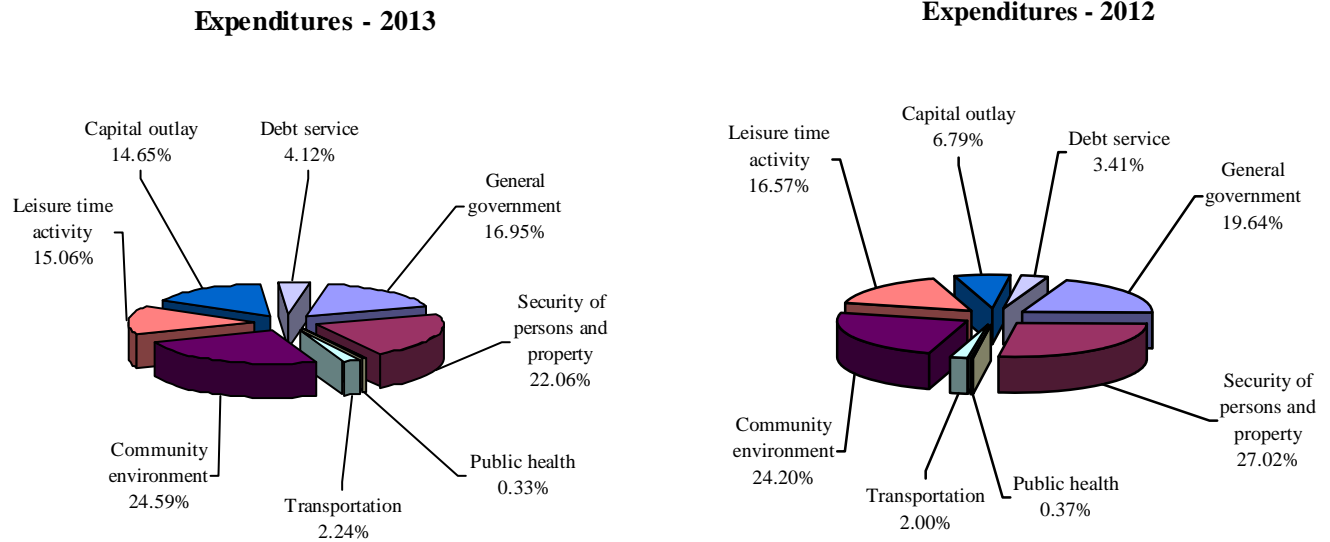
	<u>2013 Amount</u>	<u>2012 Amount</u>	<u>Percentage Change</u>
<b><u>Expenditures</u></b>			
General government	\$ 1,197,283	\$ 1,149,586	4.15 %
Security of persons and property	1,558,425	1,581,746	(1.47) %
Public health	23,200	22,121	4.88 %
Transportation	158,517	117,172	35.29 %
Community environment	1,736,831	1,416,840	22.58 %
Leisure time activity	1,063,804	969,874	9.68 %
Capital outlay	1,034,995	397,293	160.51 %
Debt service	<u>290,896</u>	<u>199,823</u>	45.58 %
<b>Total</b>	<b><u>\$ 7,063,951</u></b>	<b><u>\$ 5,854,455</u></b>	<b>20.66 %</b>

The Village increased total expenditures by 20.66%. The only significant changes from the prior year were in the areas of community environment and capital outlay. Community environment increased due to increased expenditures related to economic development. Capital outlay increased due to expenditures related to capital assets supporting police operations and the parks. In addition, the Village incurred expenditures in 2013 for the acquisition of land.

**VILLAGE OF OBETZ  
FRANKLIN COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2013

The following graphs show the breakdown of General Fund expenditures by function for 2013 and 2012.



***General Obligation Debt Service Fund***

The General Obligation Debt Service Fund had revenues and other financing sources of \$789,086 in 2013. The expenditures of the General Obligation Debt Service Fund totaled \$611,174 in 2013. The net increase in fund balance for the General Obligation Debt Service Fund was \$177,912 or 102.32%.

***Conference Center/Lancaster Park Improvements Fund***

The Conference Center/Lancaster Park Improvements Fund had revenues of \$2,565 in 2013. The expenditures of the Conference Center/Lancaster Park Improvements Fund totaled \$2,105,273 in 2013. The net decrease in fund balance for the Conference Center/Lancaster Park Improvements Fund was \$2,102,708 or 99.75%. Improvements and additions to the Conference Center and Lancaster Park were substantially completed in 2013. The fund balance of the Conference Center/Lancaster Park Improvements Fund was \$5,211 at December 31, 2013.

***Alum Creek and Groveport Road Project Fund***

The Alum Creek and Groveport Road Project Fund had revenues of \$4,604,674 in 2013. The expenditures of the Alum Creek and Groveport Road Project Fund totaled \$3,776,775 in 2013. The net increase in fund balance for the Alum Creek and Groveport Road Project Fund was \$827,899 or 100.00%. The Alum Creek and Groveport Road project was substantially completed in 2013. The Alum Creek and Groveport Road Project Fund had no fund balance at December 31, 2013.

***Proprietary Funds***

The Village's enterprise funds provide the same type of information found in the government-wide financial statements for business-type activities, except in more detail. The Village has four major enterprise funds, the Water Fund, Sewer Fund, Electric Fund and Gas Fund.

**VILLAGE OF OBETZ  
FRANKLIN COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2013

***Water Fund***

The Water Fund had operating revenues of \$1,799,257 in 2013. Operating revenues increased over the prior year primarily due to increased tap fees. The operating expenses of the Water Fund totaled \$910,589 in 2013. The net increase in net position for the Water Fund was \$965,406 or 18.03%.

***Sewer Fund***

The Sewer Fund had operating revenues of \$1,500,315 in 2013. The operating expenses of the Sewer Fund totaled \$1,602,018 in 2013. The net increase in net position for the Sewer Fund was \$48,186 or 0.49%.

***Electric Fund***

The Electric Fund had operating revenues of \$3,986,694 in 2013. The operating expenses of the Electric Fund totaled \$3,587,150 in 2013. The net increase in net position for the Electric Fund was \$399,544 or 18.23%.

***Gas Fund***

The Gas Fund had operating revenues of \$1,047,483 and operating expenses of \$955,546 in 2013. In addition, the Gas Fund received \$46,555 in capital contributions during 2013. The net increase in net position for the Gas Fund was \$138,492 or 9.41%.

***General Fund Budgeting Highlights***

The Village's budgeting process is prescribed by the Ohio Revised Code (ORC). Essentially the budget is the Village's appropriations which are restricted by the amounts of anticipated revenues certified by the Budget Commission in accordance with the ORC. Therefore, the Village's plans or desires cannot be totally reflected in the original budget. If budgeted revenues are adjusted due to actual activity then the appropriations can be adjusted accordingly.

Budgetary information is presented for the General Fund. In the General Fund, the actual revenues and other financing sources came in \$1,834,234 higher than they were in the final budget and actual expenditures and other financing uses were \$811,964 less than the amount in the final budget. Budgeted expenditures and other financing uses were increased \$1,112,100 from the original to the final budget. Budgeted revenues were increased \$246 from the original to the final budget.

**Capital Assets and Debt Administration**

***Capital Assets***

At the end of 2013, the Village had \$78,355,121 (net of accumulated depreciation) invested in land, rights of way, construction in progress, buildings, improvements other than buildings, infrastructure, equipment, and vehicles. Of this total, \$62,586,996 was reported in governmental activities and \$15,768,125 was reported in business-type activities. See Note 10 for further description of capital assets.

**VILLAGE OF OBETZ  
FRANKLIN COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2013**

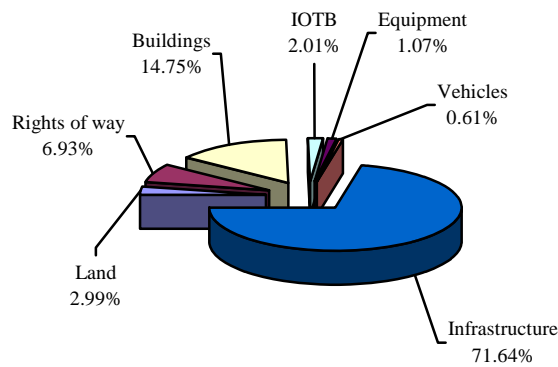
The following table shows December 31, 2013 balances compared to December 31, 2012:

**Capital Assets at December 31, 2013  
(Net of Depreciation)**

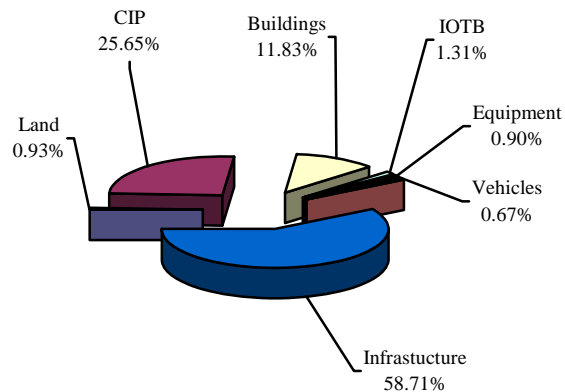
	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Land	\$ 1,874,383	\$ 540,568	\$ 4,550	\$ 4,550	\$ 1,878,933	\$ 545,118
Rights of way	4,339,994	-	-	-	4,339,994	-
Construction in progress	-	14,942,129	-	-	-	14,942,129
Buildings	9,231,689	6,889,024	143,901	146,899	9,375,590	7,035,923
Improvements other than buildings	1,256,360	761,106	-	-	1,256,360	761,106
Infrastructure	44,833,580	34,190,772	15,489,908	15,379,797	60,323,488	49,570,569
Equipment	671,058	527,255	103,546	35,370	774,604	562,625
Vehicles	379,932	388,940	26,220	30,926	406,152	419,866
<b>Totals</b>	<b>\$ 62,586,996</b>	<b>\$ 58,239,794</b>	<b>\$ 15,768,125</b>	<b>\$ 15,597,542</b>	<b>\$ 78,355,121</b>	<b>\$ 73,837,336</b>

The following graphs show the breakdown of governmental capital assets by category for 2013 and 2012.

**Capital Assets - Governmental Activities  
2013**



**Capital Assets - Governmental Activities - 2012**



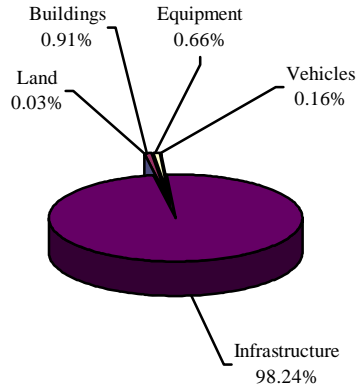
The Village's infrastructure is the largest capital assets category. The net book value of the Village's infrastructure represents approximately 71.64% of the Village's total governmental capital assets.

**VILLAGE OF OBETZ  
FRANKLIN COUNTY, OHIO**

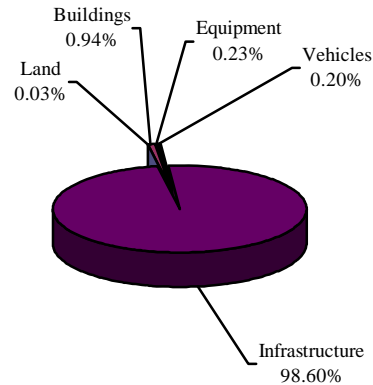
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2013

The following graphs show the breakdown of business-type capital assets by category for 2013 and 2012.

**Capital Assets - Business-Type Activities 2013**



**Capital Assets - Business-Type Activities 2012**



The Village's largest business-type capital assets category is infrastructure, which includes water, sewer, electric and gas lines. These items play a vital role in the income producing ability of the business-type activities. The net book value of the Village's infrastructure (cost less accumulated depreciation) represents approximately 98.24% of the Village's total business-type capital assets.

***Debt Administration***

The Village had the following long-term obligations outstanding at December 31, 2013 and 2012:

	Governmental Activities	Business-Type Activities
	<u>2013</u>	<u>2013</u>
General obligation bonds	\$ 5,770,000	\$ -
TIF revenue bonds	5,120,000	-
Judgements	191,624	-
OPWC loans	123,299	-
OWDA loans	-	528,407
Compensated absences	<u>148,416</u>	<u>27,561</u>
 Total long-term obligations	 <u>\$ 11,353,339</u>	 <u>\$ 555,968</u>

Further detail on the Village's long-term obligations can be found in Note 16 to the financial statements.

**VILLAGE OF OBETZ  
FRANKLIN COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2013

**Economic Conditions and Outlook**

The Village Council and Administration continue to work on increasing employment opportunities and improving the economic welfare of the residents of the Village. The Village Council, in order to attract new employers and encourage new development, will offer certain economic incentives. One goal of the Village is to obtain retail development along Alum Creek Drive. In 2013, the Village secured its first major retail store along Alum Creek. Vance Outdoors, Inc. will build a new store that includes a 24 lane shooting range. Vance Outdoors, Inc. is the top source for shooters, hunters, anglers, and boaters in central Ohio.

Over the past number of years, the City of Columbus has annually raised rates on water and sewer service. In addition to traditional water and sewer charges, the City of Columbus has levied a surcharge in connection with its need for capital improvements to its sewer system. These increases, which require Village Council approval, have not been passed on to Village residents. In the future, the Village Administration was given the authority by Village Council to adjust the Village water and sewer rates to keep pace with the City of Columbus charges for water and sewer services, as well as costs associated with administering, maintaining, and improving the Village's water and sewer systems. The Administration was faced with increasing rates early in 2013 to avoid deficits in the water and sewer funds as a result of Columbus' annual increases.

In order to help finance the existing service levels of the Police Department, the Village Council requested a one-half percent increase in the income tax rate. This increase would have been dedicated solely to the Police Department and would have raised the income tax rate to 2.5 percent. The income levy was on the November 2013 ballot and did not pass. Village Council is putting the issue back on the ballot in the fall of 2014.

**Contacting the Village's Financial Management**

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the Village's finances and to show the Village's accountability for the money it receives. If you have questions about this report or need additional financial information please contact: Matt Cramblit, Finance Director, 4175 Alum Creek Drive, Obetz, Ohio 43207 or email at [mcramblit@obetz.oh.us](mailto:mcramblit@obetz.oh.us).

**THIS PAGE IS INTENTIONALLY LEFT BLANK**



**VILLAGE OF OBETZ  
FRANKLIN COUNTY, OHIO**

STATEMENT OF NET POSITION  
DECEMBER 31, 2013

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>Assets:</b>			
Equity in pooled cash and investments . . . . .	\$ 6,198,504	\$ 4,334,244	\$ 10,532,748
Cash with fiscal agent . . . . .	161,601	-	161,601
Receivables:			
Municipal income taxes . . . . .	963,685	-	963,685
Property taxes . . . . .	180,427	-	180,427
Payments in lieu of taxes . . . . .	388,572	-	388,572
Other local taxes . . . . .	2,204	-	2,204
Accounts . . . . .	32,343	1,881,230	1,913,573
Accrued interest . . . . .	6,910	-	6,910
Due from other governments . . . . .	636,906	-	636,906
Internal balance . . . . .	27,893	(27,893)	-
Capital assets:			
Land and construction in progress . . . . .	6,214,377	4,550	6,218,927
Depreciable capital assets, net . . . . .	56,372,619	15,763,575	72,136,194
Total assets . . . . .	<u>71,186,041</u>	<u>21,955,706</u>	<u>93,141,747</u>
<b>Liabilities:</b>			
Accounts payable . . . . .	74,993	585,987	660,980
Contracts payable . . . . .	74,334	79,050	153,384
Accrued wages and benefits payable . . . . .	52,375	10,001	62,376
Due to other governments . . . . .	370,723	296,523	667,246
Accrued interest payable . . . . .	25,922	-	25,922
Claims payable . . . . .	13,233	-	13,233
Long-term liabilities:			
Due within one year . . . . .	875,203	148,597	1,023,800
Due in more than one year . . . . .	10,478,219	407,371	10,885,590
Total liabilities . . . . .	<u>11,965,002</u>	<u>1,527,529</u>	<u>13,492,531</u>
<b>Deferred inflows of resources:</b>			
Property taxes levied for the next fiscal year . . . . .	168,739	-	168,739
Payments in lieu of taxes levied for the next fiscal year . . . . .	388,572	-	388,572
Total deferred inflows of resources . . . . .	<u>557,311</u>	<u>-</u>	<u>557,311</u>
Total liabilities and deferred inflows of resources.	<u>12,522,313</u>	<u>1,527,529</u>	<u>14,049,842</u>
<b>Net position:</b>			
Net investment in capital assets . . . . .	51,573,697	15,164,188	66,737,885
Restricted for:			
Capital projects . . . . .	64,348	-	64,348
Street construction and maintenance . . . . .	897,377	-	897,377
Police operations . . . . .	13,336	-	13,336
Economic development programs . . . . .	10,005	-	10,005
Court operations . . . . .	73,364	-	73,364
Park improvements . . . . .	6,994	-	6,994
Other purposes . . . . .	2,879	-	2,879
Unrestricted . . . . .	6,021,728	5,263,989	11,285,717
Total net position . . . . .	<u>\$ 58,663,728</u>	<u>\$ 20,428,177</u>	<u>\$ 79,091,905</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**VILLAGE OF OBETZ  
FRANKLIN COUNTY, OHIO**

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services and Sales</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<b>Governmental activities:</b>				
General government. . . . .	\$ 1,410,120	\$ 579,965	\$ -	\$ -
Security of persons and property . . .	1,680,829	5,687	-	-
Public health and welfare . . . . .	23,200	-	-	-
Transportation. . . . .	3,514,602	7,692	266,560	3,777,111
Community environment . . . . .	1,744,525	-	-	-
Leisure time activity. . . . .	1,272,339	257,990	-	1,017,150
Interest and fiscal charges. . . . .	326,341	-	186,291	-
Total governmental activities . . . . .	<u>9,971,956</u>	<u>851,334</u>	<u>452,851</u>	<u>4,794,261</u>
<b>Business-type activities:</b>				
Water . . . . .	923,159	1,796,456	-	91,415
Sewer . . . . .	1,627,769	1,500,315	-	175,640
Electric . . . . .	3,587,150	3,986,694	-	-
Refuse . . . . .	255,296	277,920	-	-
Gas . . . . .	955,546	1,047,483	-	46,555
Total business-type activities . . . . .	<u>7,348,920</u>	<u>8,608,868</u>	<u>-</u>	<u>313,610</u>
Total primary government . . . . .	<u>\$ 17,320,876</u>	<u>\$ 9,460,202</u>	<u>\$ 452,851</u>	<u>\$ 5,107,871</u>

**General revenues:**

- Property taxes levied for:
  - General purposes . . . . .
- Income taxes levied for:
  - General purposes . . . . .
  - Debt service . . . . .
- Other local taxes . . . . .
- Payments in lieu of taxes . . . . .
- Grants and entitlements not restricted  
to specific programs . . . . .
- Investment earnings . . . . .
- Decrease in fair value of investments . . . . .
- Miscellaneous . . . . .

Total general revenues . . . . .

Change in net position . . . . .

**Net position at beginning of year . . . . .**

**Net position at end of year. . . . .**

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
\$ (830,155)	\$ -	\$ (830,155)
(1,675,142)	-	(1,675,142)
(23,200)	-	(23,200)
536,761	-	536,761
(1,744,525)	-	(1,744,525)
2,801	-	2,801
(140,050)	-	(140,050)
<u>(3,873,510)</u>	<u>-</u>	<u>(3,873,510)</u>
-	964,712	964,712
-	48,186	48,186
-	399,544	399,544
-	22,624	22,624
-	138,492	138,492
<u>-</u>	<u>1,573,558</u>	<u>1,573,558</u>
<u>(3,873,510)</u>	<u>1,573,558</u>	<u>(2,299,952)</u>
153,982	-	153,982
4,851,419	-	4,851,419
585,000	-	585,000
185,686	-	185,686
355,330	-	355,330
2,366,558	-	2,366,558
31,218	-	31,218
(40,462)	-	(40,462)
205,692	2,801	208,493
<u>8,694,423</u>	<u>2,801</u>	<u>8,697,224</u>
4,820,913	1,576,359	6,397,272
53,842,815	18,851,818	72,694,633
<u>\$ 58,663,728</u>	<u>\$ 20,428,177</u>	<u>\$ 79,091,905</u>

**VILLAGE OF OBETZ  
FRANKLIN COUNTY, OHIO**

BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2013

	General	General Obligation Debt Service	Conference Center/Lancaster Park Improvements	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets:</b>					
Equity in pooled cash and investments . . . . .	\$ 4,654,761	\$ 306,783	\$ 27,645	\$ 1,187,438	\$ 6,176,627
Cash with fiscal agent. . . . .	-	-	-	161,601	161,601
Receivables:					
Municipal income taxes. . . . .	918,685	45,000	-	-	963,685
Property taxes . . . . .	180,427	-	-	-	180,427
Payments in lieu of taxes . . . . .	-	222,192	-	166,380	388,572
Other local taxes . . . . .	1,279	-	-	925	2,204
Accounts. . . . .	31,417	-	-	926	32,343
Accrued interest . . . . .	6,910	-	-	-	6,910
Interfund loans. . . . .	30,000	-	-	-	30,000
Due from other governments . . . . .	523,385	-	-	113,521	636,906
Restricted assets:					
Equity in pooled cash and cash equivalents . . . . .	2,879	-	-	-	2,879
<b>Total assets . . . . .</b>	<b>\$ 6,349,743</b>	<b>\$ 573,975</b>	<b>\$ 27,645</b>	<b>\$ 1,630,791</b>	<b>\$ 8,582,154</b>
<b>Liabilities:</b>					
Accounts payable. . . . .	\$ 66,647	\$ -	\$ -	\$ 8,346	\$ 74,993
Contracts payable. . . . .	51,900	-	22,434	-	74,334
Accrued wages and benefits payable . . . . .	51,615	-	-	760	52,375
Due to other governments . . . . .	370,487	-	-	236	370,723
<b>Total liabilities . . . . .</b>	<b>540,649</b>	<b>-</b>	<b>22,434</b>	<b>9,342</b>	<b>572,425</b>
<b>Deferred inflows of resources:</b>					
Property taxes levied for the next fiscal year. . . . .	168,739	-	-	-	168,739
Payments in lieu of taxes levied for the next fiscal year . . . . .	-	222,192	-	166,380	388,572
Delinquent property tax revenue not available. . . . .	11,688	-	-	-	11,688
Accrued interest not available . . . . .	3,853	-	-	-	3,853
Income tax revenue not available . . . . .	293,773	-	-	-	293,773
Fees, licenses and permits revenue not available . . . . .	7,418	-	-	-	7,418
Intergovernmental revenue not available . . . . .	54,181	-	-	95,141	149,322
<b>Total deferred inflows of resources . . . . .</b>	<b>539,652</b>	<b>222,192</b>	<b>-</b>	<b>261,521</b>	<b>1,023,365</b>
<b>Total liabilities and deferred inflows of resources.</b>	<b>1,080,301</b>	<b>222,192</b>	<b>22,434</b>	<b>270,863</b>	<b>1,595,790</b>
<b>Fund balances:</b>					
Nonspendable . . . . .	2,879	-	-	-	2,879
Restricted. . . . .	-	-	5,211	969,740	974,951
Committed . . . . .	-	351,783	-	390,188	741,971
Assigned . . . . .	868,484	-	-	-	868,484
Unassigned . . . . .	4,398,079	-	-	-	4,398,079
<b>Total fund balances. . . . .</b>	<b>5,269,442</b>	<b>351,783</b>	<b>5,211</b>	<b>1,359,928</b>	<b>6,986,364</b>
<b>Total liabilities, deferred inflows of resources and fund balances . . . . .</b>	<b>\$ 6,349,743</b>	<b>\$ 573,975</b>	<b>\$ 27,645</b>	<b>\$ 1,630,791</b>	<b>\$ 8,582,154</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**VILLAGE OF OBETZ  
FRANKLIN COUNTY, OHIO**

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO  
NET POSITION OF GOVERNMENTAL ACTIVITIES  
DECEMBER 31, 2013

<b>Total governmental fund balances</b>	\$	6,986,364
<i>Amounts reported for governmental activities on the Statement of Net Position are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		62,586,996
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.		
Income taxes receivable	\$ 293,773	
Delinquent property taxes receivable	11,688	
Accounts receivable	7,418	
Intergovernmental receivable	149,322	
Accrued interest receivable	3,853	
Total	466,054	466,054
An Internal Service Fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the Internal Service Fund are included in governmental activities on the Statement of Net Position. The net position of the Internal Service Fund, including an internal balance payable of \$2,107, is:		3,658
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.		(25,922)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
Compensated absences	(148,499)	
OPWC loans payable	(123,299)	
Judgements payable	(191,624)	
General obligation bonds payable	(5,770,000)	
TIF revenue bonds payable	(5,120,000)	
Total	(11,353,422)	(11,353,422)
<b>Net position of governmental activities</b>	<b>\$</b>	<b>58,663,728</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**VILLAGE OF OBETZ  
FRANKLIN COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>General</u>	<u>General Obligation Debt Service</u>	<u>Conference Center/Lancaster Park Improvements</u>	<u>Alum Creek and Groveport Road Project</u>
<b>Revenues:</b>				
Municipal income taxes . . . . .	\$ 4,645,061	\$ 585,000	\$ -	\$ -
Property taxes. . . . .	162,041	-	-	-
Payments in lieu of taxes. . . . .	-	203,902	-	-
Other local taxes . . . . .	201,173	-	-	-
Charges for services. . . . .	332,337	-	-	-
Fees, licenses and permits . . . . .	374,929	-	-	-
Fines and forfeitures . . . . .	68,398	-	-	-
Intergovernmental. . . . .	2,365,778	-	-	4,604,674
Special assessments . . . . .	7,692	-	-	-
Investment income. . . . .	35,905	-	2,565	-
Contributions and donations . . . . .	-	-	-	-
Decrease in fair value of investments. . . . .	(40,462)	-	-	-
Other . . . . .	205,691	-	-	-
<b>Total revenues . . . . .</b>	<b>8,358,543</b>	<b>788,902</b>	<b>2,565</b>	<b>4,604,674</b>
<b>Expenditures:</b>				
Current:				
General government . . . . .	1,197,283	-	-	-
Security of persons and property . . . . .	1,558,425	-	-	-
Public health . . . . .	23,200	-	-	-
Transportation . . . . .	158,517	-	-	-
Community environment . . . . .	1,736,831	-	-	-
Leisure time activity . . . . .	1,063,804	-	-	-
Capital outlay . . . . .	1,034,995	-	2,105,273	3,776,775
Debt service:				
Principal retirement. . . . .	285,149	483,770	-	-
Interest and fiscal charges . . . . .	5,747	127,404	-	-
<b>Total expenditures . . . . .</b>	<b>7,063,951</b>	<b>611,174</b>	<b>2,105,273</b>	<b>3,776,775</b>
Excess (deficiency) of revenues over (under) expenditures. . . . .	1,294,592	177,728	(2,102,708)	827,899
<b>Other financing sources (uses):</b>				
Transfers in . . . . .	-	184	-	-
Transfers (out). . . . .	-	-	-	-
<b>Total other financing sources (uses) . . . . .</b>	<b>-</b>	<b>184</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances . . . . .</b>	<b>1,294,592</b>	<b>177,912</b>	<b>(2,102,708)</b>	<b>827,899</b>
<b>Fund balances (deficit) at beginning of year . . . . .</b>	<b>3,974,850</b>	<b>173,871</b>	<b>2,107,919</b>	<b>(827,899)</b>
<b>Fund balances at end of year . . . . .</b>	<b>\$ 5,269,442</b>	<b>\$ 351,783</b>	<b>\$ 5,211</b>	<b>\$ -</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ -	\$ 5,230,061
-	162,041
151,428	355,330
12,028	213,201
-	332,337
61,513	436,442
6,590	74,988
271,848	7,242,300
-	7,692
2,417	40,887
186,291	186,291
-	(40,462)
1	205,692
692,116	14,446,800
5,994	1,203,277
3,607	1,562,032
-	23,200
159,045	317,562
-	1,736,831
-	1,063,804
137,172	7,054,215
135,000	903,919
195,264	328,415
636,082	14,193,255
56,034	253,545
-	184
(184)	(184)
(184)	-
55,850	253,545
1,304,078	6,732,819
\$ 1,359,928	\$ 6,986,364

**VILLAGE OF OBETZ  
FRANKLIN COUNTY, 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, 2013

<b>Net change in fund balances - total governmental funds</b>	\$	253,545
<i>Amounts reported for governmental activities in the Statement of Activities are different because:</i>		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeds depreciation expense in the current period.		
Capital assets additions	\$ 6,915,391	
Current year depreciation	<u>(3,585,339)</u>	
Total		3,330,052
Contributed capital assets are not reported in the governmental funds; however, these contributions increase net position on the Statement of Net Position.		
		1,017,150
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds:		
Income tax revenue	206,358	
Delinquent property tax revenue	(8,059)	
Intergovernmental revenues	(846,206)	
Fees, licenses and permits revenue	(125)	
Other local tax revenue	(15,487)	
Interest revenue	<u>(7,562)</u>	
Total		(671,081)
Repayment of principal is an expenditure in the governmental funds but the repayment reduces long-term liabilities on the Statement of Net Position.		
General obligation bonds payable	470,000	
TIF revenue bonds payable	135,000	
Judgements payable	285,149	
OPWC loans payable	<u>13,770</u>	
		903,919
Interest is reported as an expenditure when due in the governmental funds but is accrued on outstanding debt on the Statement of Net Position.		
		2,074
Some expenses reported in the Statement of Activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
		(18,380)
The Internal Service Fund used by management to charge the costs of insurance to individual funds is not reported in the statement of activities. Governmental fund expenditures and the related Internal Service Fund revenues are eliminated. The net revenue (expense) of the Internal Service Fund, including internal service activity of (\$2,107), is allocated among the governmental activities.		
		<u>3,634</u>
<b>Change in net position of governmental activities</b>	<b>\$</b>	<b><u>4,820,913</u></b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS



**VILLAGE OF OBETZ  
FRANKLIN COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Municipal income taxes . . . . .	\$ 4,182,996	\$ 4,182,996	\$ 4,479,613	\$ 296,617
Property taxes . . . . .	162,970	162,970	162,041	(929)
Other local taxes . . . . .	24,000	24,000	201,616	177,616
Charges for services . . . . .	310,000	310,000	358,022	48,022
Fees, licenses and permits . . . . .	115,000	115,000	379,057	264,057
Fines and forfeitures . . . . .	56,000	56,000	62,575	6,575
Intergovernmental . . . . .	1,403,818	1,403,818	2,359,398	955,580
Special assessments . . . . .	20,000	20,000	7,692	(12,308)
Investment income . . . . .	20,000	20,000	33,164	13,164
Other . . . . .	45,000	45,256	80,823	35,567
<b>Total revenues . . . . .</b>	<b>6,339,784</b>	<b>6,340,040</b>	<b>8,124,001</b>	<b>1,783,961</b>
<b>Expenditures:</b>				
Current:				
General government . . . . .	1,440,888	1,532,888	1,338,087	194,801
Security of persons and property . . . . .	1,825,705	1,898,205	1,641,871	256,334
Public health . . . . .	25,000	23,200	23,200	-
Transportation . . . . .	148,181	200,881	173,231	27,650
Community environment . . . . .	1,860,975	1,968,975	1,815,125	153,850
Leisure time activity . . . . .	1,233,389	1,272,089	1,115,981	156,108
Capital outlay . . . . .	669,996	1,419,996	1,370,908	49,088
Debt service:				
Principal retirement . . . . .	180,120	180,120	180,120	-
Interest and fiscal charges . . . . .	9,880	9,880	5,747	4,133
<b>Total expenditures . . . . .</b>	<b>7,394,134</b>	<b>8,506,234</b>	<b>7,664,270</b>	<b>841,964</b>
Excess (deficiency) of revenues over (under) expenditures . . . . .	(1,054,350)	(2,166,194)	459,731	2,625,925
<b>Other financing sources (uses):</b>				
Sale of capital assets . . . . .	-	-	10,892	10,892
Advances in . . . . .	-	-	39,381	39,381
Advances (out) . . . . .	-	-	(30,000)	(30,000)
<b>Total other financing sources (uses) . . . . .</b>	<b>-</b>	<b>-</b>	<b>20,273</b>	<b>20,273</b>
Net change in fund balance . . . . .	(1,054,350)	(2,166,194)	480,004	2,646,198
<b>Fund balance at beginning of year . . . . .</b>	<b>2,446,254</b>	<b>2,446,254</b>	<b>2,446,254</b>	<b>-</b>
<b>Prior year encumbrances appropriated . . . . .</b>	<b>758,680</b>	<b>758,680</b>	<b>758,680</b>	<b>-</b>
<b>Fund balance at end of year . . . . .</b>	<b>\$ 2,150,584</b>	<b>\$ 1,038,740</b>	<b>\$ 3,684,938</b>	<b>\$ 2,646,198</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**VILLAGE OF OBETZ  
FRANKLIN COUNTY, OHIO**

STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
DECEMBER 31, 2013

**Business-type Activities - Enterprise Funds**

	<u>Water</u>	<u>Sewer</u>	<u>Electric</u>	<u>Gas</u>
<b>Assets:</b>				
Current assets:				
Equity in pooled cash and investments . . . . .	\$ 1,485,269	\$ 399,413	\$ 1,551,294	\$ 855,112
Receivables:				
Accounts . . . . .	457,854	239,673	571,721	558,755
Total current assets . . . . .	<u>1,943,123</u>	<u>639,086</u>	<u>2,123,015</u>	<u>1,413,867</u>
Noncurrent assets:				
Capital assets:				
Land and construction in progress . . . . .	4,550	-	-	-
Depreciable capital assets, net. . . . .	4,596,078	9,843,730	775,521	548,246
Total noncurrent assets . . . . .	<u>4,600,628</u>	<u>9,843,730</u>	<u>775,521</u>	<u>548,246</u>
Total assets . . . . .	<u>6,543,751</u>	<u>10,482,816</u>	<u>2,898,536</u>	<u>1,962,113</u>
<b>Liabilities:</b>				
Current liabilities:				
Accounts payable . . . . .	5,140	2,843	304,105	273,899
Contracts payable . . . . .	3,520	-	-	75,530
Accrued wages and benefits payable . . . . .	4,914	1,472	2,004	1,611
Due to other governments . . . . .	5,666	288,210	1,425	1,222
Interfund loans payable . . . . .	-	-	-	-
Compensated absences payable - current . . . . .	3,933	4,389	-	-
OWDA loans payable - current . . . . .	50,925	89,350	-	-
Claims payable . . . . .	-	-	-	-
Total current liabilities . . . . .	<u>74,098</u>	<u>386,264</u>	<u>307,534</u>	<u>352,262</u>
Long-term liabilities:				
Compensated absences payable . . . . .	9,312	9,927	-	-
OWDA loans payable . . . . .	140,907	247,225	-	-
Total long-term liabilities . . . . .	<u>150,219</u>	<u>257,152</u>	<u>-</u>	<u>-</u>
Total liabilities . . . . .	<u>224,317</u>	<u>643,416</u>	<u>307,534</u>	<u>352,262</u>
<b>Net position:</b>				
Net investment in capital assets . . . . .	4,408,796	9,507,155	775,521	472,716
Unrestricted . . . . .	1,910,638	332,245	1,815,481	1,137,135
Total net position . . . . .	<u>\$ 6,319,434</u>	<u>\$ 9,839,400</u>	<u>\$ 2,591,002</u>	<u>\$ 1,609,851</u>

Adjustment to reflect the consolidation of Internal Service Fund activities related to enterprise funds.

Net position of business-type activities

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

<u>Nonmajor Enterprise Fund</u>	<u>Total</u>	<u>Governmental Activities - Internal Service Fund</u>
\$ 43,156	\$ 4,334,244	\$ 18,998
53,227	1,881,230	-
<u>96,383</u>	<u>6,215,474</u>	<u>18,998</u>
-	4,550	-
-	<u>15,763,575</u>	-
-	15,768,125	-
<u>96,383</u>	<u>21,983,599</u>	<u>18,998</u>
-	585,987	-
-	79,050	-
-	10,001	-
-	296,523	-
30,000	30,000	-
-	8,322	-
-	140,275	-
-	-	13,233
<u>30,000</u>	<u>1,150,158</u>	<u>13,233</u>
-	19,239	-
-	<u>388,132</u>	-
-	407,371	-
<u>30,000</u>	<u>1,557,529</u>	<u>13,233</u>
-	15,164,188	-
<u>66,383</u>	<u>5,261,882</u>	<u>5,765</u>
<u>\$ 66,383</u>	<u>20,426,070</u>	<u>\$ 5,765</u>
	<u>2,107</u>	
	<u>\$ 20,428,177</u>	

**VILLAGE OF OBETZ  
FRANKLIN COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2013

**Business-type Activities - Enterprise Funds**

	<u>Water</u>	<u>Sewer</u>	<u>Electric</u>	<u>Gas</u>
<b>Operating revenues:</b>				
Charges for services . . . . .	\$ 1,796,456	\$ 1,500,315	\$ 3,986,694	\$ 1,047,483
Other . . . . .	2,801	-	-	-
Total operating revenues. . . . .	<u>1,799,257</u>	<u>1,500,315</u>	<u>3,986,694</u>	<u>1,047,483</u>
<b>Operating expenses:</b>				
Personal services . . . . .	251,025	74,365	51,792	51,195
Contract services. . . . .	464,917	1,243,940	3,517,390	895,789
Materials and supplies. . . . .	92,531	2,030	449	-
Claims . . . . .	-	-	-	-
Depreciation. . . . .	98,596	227,903	17,519	8,562
Other . . . . .	3,520	53,780	-	-
Total operating expenses. . . . .	<u>910,589</u>	<u>1,602,018</u>	<u>3,587,150</u>	<u>955,546</u>
Operating income (loss) . . . . .	888,668	(101,703)	399,544	91,937
<b>Nonoperating expenses:</b>				
Interest and fiscal charges . . . . .	(14,677)	(25,751)	-	-
Income (loss) before capital contributions . . . . .	873,991	(127,454)	399,544	91,937
Capital contributions. . . . .	91,415	175,640	-	46,555
Change in net position . . . . .	965,406	48,186	399,544	138,492
<b>Net position at beginning of year . . . . .</b>	<u>5,354,028</u>	<u>9,791,214</u>	<u>2,191,458</u>	<u>1,471,359</u>
<b>Net position at end of year . . . . .</b>	<u>\$ 6,319,434</u>	<u>\$ 9,839,400</u>	<u>\$ 2,591,002</u>	<u>\$ 1,609,851</u>

Adjustment to reflect the consolidation of Internal Service Fund activities related to enterprise funds.

Change in net position of business-type activities.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

<u>Nonmajor Enterprise Fund</u>	<u>Total</u>	<u>Governmental Activities - Internal Service Fund</u>
\$ 277,920	\$ 8,608,868	\$ 127,182
-	2,801	-
<u>277,920</u>	<u>8,611,669</u>	<u>127,182</u>
-	428,377	-
255,296	6,377,332	75,309
-	95,010	-
-	-	46,132
-	352,580	-
-	57,300	-
<u>255,296</u>	<u>7,310,599</u>	<u>121,441</u>
22,624	1,301,070	5,741
-	(40,428)	-
22,624	1,260,642	5,741
-	313,610	-
22,624	1,574,252	5,741
<u>43,759</u>		<u>24</u>
<u>\$ 66,383</u>		<u>\$ 5,765</u>
	<u>2,107</u>	
	<u>\$ 1,576,359</u>	

**VILLAGE OF OBETZ  
FRANKLIN COUNTY, OHIO**

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2013

**Business-type Activities - Enterprise Funds**

	<u>Water</u>	<u>Sewer</u>	<u>Electric</u>	<u>Gas</u>
<b>Cash flows from operating activities:</b>				
Cash received from customers . . . . .	\$ 1,539,531	\$ 1,463,148	\$ 3,857,356	\$ 1,028,942
Cash received from transactions with other funds . . .	-	-	-	-
Cash received from other operations . . . . .	2,801	-	-	-
Cash payments for personal services. . . . .	(251,778)	(69,236)	(50,797)	(50,797)
Cash payments for contractual services . . . . .	(570,609)	(1,080,169)	(3,502,557)	(832,423)
Cash payments for materials and supplies . . . . .	(91,922)	(1,687)	(449)	-
Cash payments for claims . . . . .	-	-	-	-
Cash payments for other expenses . . . . .	-	(25,368)	-	-
Net cash provided by (used in) operating activities . . . . .	<u>628,023</u>	<u>286,688</u>	<u>303,553</u>	<u>145,722</u>
<b>Cash flows from noncapital financing activities:</b>				
Cash received from interfund loans . . . . .	-	-	-	-
Cash received from repayment of interfund loans . . .	<u>1,072</u>	<u>350</u>	<u>-</u>	<u>-</u>
Net cash provided by noncapital financing activities. . . . .	<u>1,072</u>	<u>350</u>	<u>-</u>	<u>-</u>
<b>Cash flows from capital and related financing activities:</b>				
Acquisition of capital assets . . . . .	(77,533)	-	(85,145)	(17,900)
Capital contributions . . . . .	-	-	-	46,555
Principal paid on OWDA loans . . . . .	(47,988)	(84,197)	-	-
Interest paid on OWDA loans . . . . .	<u>(14,677)</u>	<u>(25,751)</u>	<u>-</u>	<u>-</u>
Net cash provided by (used in) capital and related financing activities. . . . .	<u>(140,198)</u>	<u>(109,948)</u>	<u>(85,145)</u>	<u>28,655</u>
Net increase in cash and cash equivalents . . . . .	488,897	177,090	218,408	174,377
<b>Cash and cash equivalents at beginning of year . . .</b>	996,372	222,323	1,332,886	680,735
<b>Cash and cash equivalents at end of year . . . . .</b>	<u><u>\$ 1,485,269</u></u>	<u><u>\$ 399,413</u></u>	<u><u>\$ 1,551,294</u></u>	<u><u>\$ 855,112</u></u>

<b>Nonmajor Enterprise Fund</b>	<b>Total</b>	<b>Governmental Activities - Internal Service Fund</b>
\$ 269,466	\$ 8,158,443	\$ -
-	-	127,182
-	2,801	-
-	(422,608)	-
(281,730)	(6,267,488)	(75,309)
-	(94,058)	-
-	-	(46,456)
-	(25,368)	-
<hr/>	<hr/>	<hr/>
(12,264)	1,351,722	5,417
<hr/>	<hr/>	<hr/>
30,000	30,000	-
-	1,422	-
<hr/>	<hr/>	<hr/>
30,000	31,422	-
<hr/>	<hr/>	<hr/>
-	(180,578)	-
-	46,555	-
-	(132,185)	-
-	(40,428)	-
<hr/>	<hr/>	<hr/>
-	(306,636)	-
<hr/>	<hr/>	<hr/>
17,736	1,076,508	5,417
25,420	3,257,736	13,581
<u>\$ 43,156</u>	<u>\$ 4,334,244</u>	<u>\$ 18,998</u>

-- Continued

**VILLAGE OF OBETZ  
FRANKLIN COUNTY, OHIO**

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2013

**Business-type Activities - Enterprise Funds**

	<u>Water</u>	<u>Sewer</u>	<u>Electric</u>	<u>Gas</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>				
Operating income (loss) . . . . .	\$ 888,668	\$ (101,703)	\$ 399,544	\$ 91,937
Adjustments:				
Depreciation . . . . .	98,596	227,903	17,519	8,562
Changes in assets and liabilities:				
Increase in accounts receivable . . . . .	(256,975)	(37,167)	(129,338)	(18,541)
Increase (decrease) in accounts payable . . . . .	230	2,593	36,851	63,366
Increase in contracts payable . . . . .	3,323	-	-	-
Increase (decrease) in accrued wages and benefits . . . . .	1,980	(421)	202	(193)
Increase (decrease) in intergovernmental payable . . . . .	(105,994)	191,625	(21,225)	591
Increase (decrease) in compensated absences payable . . . . .	(1,805)	3,858	-	-
Decrease in claims payable . . . . .	-	-	-	-
Net cash provided by (used in) operating activities . . . . .	<u>\$ 628,023</u>	<u>\$ 286,688</u>	<u>\$ 303,553</u>	<u>\$ 145,722</u>

**Non-Cash Transactions:**

At December 31, 2013, the Gas Fund purchased \$75,530 in capital assets on account.  
During 2013, the Water Fund and Sewer Fund received \$91,415 and \$175,640 in contributed capital assets, respectively.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS



<u>Nonmajor Enterprise Fund</u>	<u>Total</u>	<u>Governmental Activities - Internal Service Fund</u>
\$ 22,624	\$ 1,301,070	\$ 5,741
-	352,580	-
(8,454)	(450,475)	-
(26,434)	76,606	-
-	3,323	-
-	1,568	-
-	64,997	-
-	2,053	-
-	-	(324)
<u>\$ (12,264)</u>	<u>\$ 1,351,722</u>	<u>\$ 5,417</u>

**VILLAGE OF OBETZ  
FRANKLIN COUNTY, OHIO**

STATEMENT OF ASSETS AND LIABILITIES  
AGENCY FUNDS  
DECEMBER 31, 2013

	<b>Agency</b>
<b>Assets:</b>	
Equity in pooled cash and investments . . . .	\$ 351,991
Receivables:	
Income taxes . . . . .	150,966
Other local taxes . . . . .	1,279
Total assets . . . . .	\$ 504,236
<b>Liabilities:</b>	
Due to other governments. . . . .	\$ 373,644
Undistributed assets. . . . .	130,592
Total liabilities . . . . .	\$ 504,236

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**VILLAGE OF OBETZ  
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2013

**NOTE 1 - DESCRIPTION OF THE REPORTING ENTITY**

**A. The Village**

The Village of Obetz (the “Village”) is a charter municipal corporation founded in 1928, with the charter adopted by the electors on November 3, 2009. The Village may exercise all powers of home rule granted under Article XVIII, Section 3, of the Ohio Constitution not in conflict with applicable general laws in Ohio.

The Village operates under a mayor-council form of government. Legislative power is vested in a six-member council, each elected to four-year terms. The Mayor is elected to a four-year term, serves as the President of the Council, and votes only to break a tie. The Village has a full-time Administrator appointed by the Mayor to assist the mayor in the day-to-day operations of the Village.

The Village is divided into various departments and financial management and control systems. Services provided include police protection, street maintenance and repair, parks and recreation, water, sewer, refuse, gas, and electric utilities, as well as staff support (i.e., payroll processing, accounts payable, and revenue collection) to the service providers. The operation and control of these activities is provided by the Village Council through the budgetary process and by the Mayor and Village Administrator through administrative and managerial requirements and procedures.

**B. Reporting Entity**

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

The primary government of the Village consists of all funds, departments, boards, and agencies that are not legally separate from the Village. For the Village, this includes all departments and activities that are directly operated by the elected Village officials.

Component units are legally separate organizations for which the Village is financially accountable. The Village is financially accountable for an organization if the Village appoints a voting majority of the organization’s Governing Board and (1) the Village is able to significantly influence the programs or services performed or provided by the organization; or (2) the Village is legally entitled to or can otherwise access the organization’s resources; or (3) the Village is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or (4) the Village is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the Village in that the Village approves the budget, the issuance of debt or the levying of taxes. Certain organizations are also included as component units if the nature and significance of the relationship between the primary government and the organization is such that exclusion by the primary government would render the primary government’s financial statements incomplete or misleading. Based upon the application of these criteria, the Village has no component units.

**VILLAGE OF OBETZ  
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2013

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

The Village participates in three jointly governed organizations and a public entity shared risk pool. These organizations are the Big Walnut Community Improvement Corporation, the Obetz Convention and Visitor's Bureau, the Prairie-Obetz Joint Economic Development Zone, and the Public Entities Pool of Ohio. These organizations are presented in Notes 20 and 21 to the basic financial statements.

The financial statements of the Village have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Following are the more significant of the Village's accounting policies.

**A. Basis of Presentation**

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

The Statement of Net Position presents the financial condition of the governmental and business-type activities of the Village at year end. The Statement of Activities presents a comparison between direct expenses and program revenues for each program or function of the Village's governmental activities and business-type activities. 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 that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Village, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental program or business activity is self-financing or draws from the general revenues of the Village.

Fund Financial Statements

During the year, the Village segregates transactions related to certain Village 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 Village at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The internal service fund is presented in a single column on the proprietary fund financial statements. Fiduciary funds are reported by type.

**VILLAGE OF OBETZ  
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2013

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**B. Fund Accounting**

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

Governmental Funds

Governmental funds are those through which most governmental functions of the Village 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 and deferred inflows of resources is reported as fund balance. The following are the Village'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 Village for any purpose provided it is expended or transferred according to the general laws of Ohio.

General Obligation Debt Service Fund - This fund accounts for resources that are committed for the payment of principal, interest, and fiscal charges on general obligation debt.

Conference Center/Lancaster Park Improvements Fund - This fund accounts for debt proceeds and other resources restricted for the construction of a Conference Center and for improvements to Lancaster Park.

Alum Creek and Groveport Road Project Fund - This fund accounts for federal grant resources received from the Ohio Department of Transportation and restricted for improvements to the intersection along Alum Creek Drive and Groveport Road.

The other governmental funds of the Village account for grants and other resources whose use is restricted, committed, or assigned for a particular purpose.

Proprietary Funds

Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position, and cash flows. The Village reports two types of proprietary funds, enterprise and internal service:

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 Village's major enterprise funds:

Water Fund - This fund accounts for the provision of water treatment and distribution to residential and commercial users within the Village.

**VILLAGE OF OBETZ  
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2013

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

Sewer Fund - This fund accounts for the provision of sanitary sewer service to residential and commercial users within the Village.

Electric Fund - This fund accounts for the provision of electric service to commercial users within the Village.

Gas Fund - This fund accounts for the provision of natural gas service to commercial users within the Village.

The other enterprise fund of the Village accounts for the provision of refuse services to residential users within the Village.

Internal Service - This fund accounts for the financing of services provided by one department to other departments of the Village on a cost reimbursement basis. The Village's internal service fund accounts for the activities of the Village's HRA Plan.

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications; pension trust funds, investment trust funds, private purpose trust funds, and agency funds. Trust funds are used to account for assets held by the Village under a trust agreement for individuals, private organizations, or other governments and are not available to support the Village's own programs. The Village did not have any trust funds in 2013. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Village's agency funds account for income tax revenues from the Prairie-Obetz JEDZ, building permit fees, deposits for infrastructure inspections, transient fees collected for use by a convention and visitor's bureau, and the activity of the Mayor's Court.

**C. Measurement Focus**

Government-Wide Financial Statements

The government-wide financial statements are prepared using a flow of economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of the Village are included on the Statement of Net Position. The Statement of Activities presents increases (e.g., revenues) and decreases (e.g., expenses) in total net position.

**VILLAGE OF OBETZ  
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2013

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

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 and deferred inflows of resources are generally included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances reflects the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide financial statements and the fund financial statements for governmental funds.

Like the government-wide financial statements, the 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 Net Position. The Statement of Revenues, Expenses and Changes in Net Position presents increases (e.g., revenues) and decreases (e.g., expenses) in total net position. The Statement of Cash Flows reflects how the Village finances and meets the cash flow needs of its proprietary activities.

**D. Basis of Accounting**

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

Revenues - Exchange and Nonexchange Transactions

Revenues 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 the 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 to be used to pay liabilities of the current year. For the Village, available means expected to be received within 31 days after year-end.

**VILLAGE OF OBETZ  
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2013

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

Nonexchange transactions, in which the Village receives value without directly giving equal value in return, include property taxes, payments in lieu of taxes, income taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes and payments in lieu of taxes are recognized in the year for which the taxes are levied. Revenue from income taxes is recognized in the year in which the income is earned. 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 Village must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the Village on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered both measurable and available at year-end: income taxes, charges for services, fines and forfeitures, state-levied locally shared taxes (including gasoline tax and motor vehicle license tax), grants, and interest.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position may report deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that time. The Village did not report any deferred outflows of resources for 2013.

In addition to liabilities, the statement of financial position may report deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the Village, deferred inflows of resources consists of property taxes levied for the next fiscal year, payments in lieu of taxes levied for the next fiscal year, and unavailable revenue. Property taxes represent amounts for which there was an enforceable legal claim as of December 31, 2013, but which were levied to finance 2014 operations. Payments in lieu of taxes represents a contractual promise to make payments which reflect all or a portion of the property taxes which would have been paid if the taxes had not been exempted. These amounts have been recorded as deferred inflows of resources on both the government-wide Statement of Net Position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental fund Balance Sheet and represents receivables which will not be collected within the available period. For the Village, unavailable revenue includes accrued interest, intergovernmental revenue including grants, municipal income taxes, delinquent property taxes, and fees, license and permits revenue. These amounts are deferred and recognized as inflows of resources in the period when the amounts become available.

Expenses/Expenditures

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



**VILLAGE OF OBETZ  
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2013

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

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

**E. Budgetary Process**

All funds, 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 ordinance, 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 Village Council may appropriate. The appropriations ordinance is Village Council's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by Village Council. The legal level of control has been established by Village Council at the fund, department, and object level for the General Fund, the Street Maintenance and Repair special revenue fund, and the Water, Sewer, Electric, Refuse, and Gas enterprise funds, and at the fund level for all other funds.

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

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

**F. Cash and Investments**

To improve cash management, cash received by the Village, except cash held by fiscal agents, is pooled and invested. Individual fund integrity is maintained through Village records. Interest in the pool is presented as "Equity in Pooled Cash and Investments".

Cash resources for use on street construction/improvement projects held for the Village by the Franklin County Engineer are included on the financial statements as "Cash with Fiscal Agent".

**VILLAGE OF OBETZ  
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2013

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

During 2013, the Village invested in Federal Home Loan Bank (FHLB) securities, negotiable certificates of deposit, and STAR Ohio. These investments are reported at fair value which is based on quoted market prices. STAR Ohio is an investment pool, managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's net asset value per share, which is the price the investment could be sold for on December 31, 2013.

Interest earnings are allocated to Village funds according to State statutes, Village charter, grant requirements, or debt related restrictions. Interest revenue credited to the General Fund during 2013 was \$35,905 which includes \$22,867 assigned from other Village funds.

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

**G. Restricted Assets**

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, laws of other governments, or are imposed by law through constitutional provisions or enabling legislation.

Unclaimed monies that have a legal restriction on their use are reported as restricted.

**H. Capital Assets**

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

All capital assets are capitalized at cost (or estimated historical cost which is determined by indexing the replacement cost back to the year of acquisition) and updated for additions and reductions during the year. Donated capital assets are recorded at their fair market value on the date donated. The Village maintains a capitalization threshold of \$2,000. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. Interest incurred during the construction of enterprise fund capital assets is also capitalized.

**VILLAGE OF OBETZ  
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2013

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

All capital assets are depreciated, except for land, rights of way and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the Village’s historical records of necessary improvements and replacement. The Village reports all infrastructure, including that acquired prior to 1980.

Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activities Estimated Lives</u>
Buildings	50 years	50 years
Improvements Other Than Buildings	20 years	N/A
Streets	20 years	N/A
Water, Sewer, Electric and Gas Lines	N/A	50-75 years
Equipment	10-50 years	10-20 years
Vehicles	3-15 years	10 years

**I. Interfund Loans Receivable/Payable**

On fund financial statements, receivables and payables resulting from short-term interfund loans are reported as “Interfund Loans Receivable/Payable”. Interfund balances are eliminated on the Statement of Net Position except for any net residual amounts due between governmental and business-type activities. These amounts are reflected as “Internal Balance” on the Statement of Net Position.

**J. 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 Village will compensate the employees for the benefits through paid time off or some other means. The Village records a liability for accumulated unused vacation time when earned for all employees with more than one year of service.

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 Village has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employee wage rates at year-end taking into consideration any limits specified in Village policies. The Village records a liability for accumulated unused sick leave for all employees with ten or more years of governmental service (including service with the Village and prior service years with another governmental organization).

The entire compensated absences liability is reported on the government-wide financial statements.

**VILLAGE OF OBETZ  
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2013

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

On governmental fund financial statements, compensated absences are recognized as a liability and expenditure to the extent payments come due each period upon the occurrence of employee resignations and retirements.

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

All payables, accrued liabilities, and long-term obligations are reported on 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 are 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 notes, bonds, and loans are recognized as liabilities on the fund financial statements when due.

**L. Net Position**

Net position represents the difference between all other elements on the statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use either through constitutional provisions or enabling legislation adopted by the Village or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes includes unclaimed monies who have legal restrictions on their use. The Village's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

**M. Fund Balance**

Fund balance is divided into five classifications based primarily on the extent to which the Village is bound to observe constraints imposed upon the use of the resources in governmental funds. The classifications are as follows:

Nonspendable - The nonspendable classification includes amounts that cannot be spent because they are not in spendable form or legally or contractually required to be maintained intact. The "not in spendable form" includes items that are not expected to be converted to cash.

Restricted - The restricted classification includes amounts restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation (Village ordinances).

**VILLAGE OF OBETZ  
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2013

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

Enabling legislation authorizes the Village to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the Village can be compelled by an external party such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for purposes specified by the legislation.

Committed - The committed classification includes amounts that can be used only for the specific purposes imposed by a formal action (ordinance) of Village Council. The committed amounts cannot be used for any other purpose unless Village Council removes or changes the specified use by taking the same type of action (ordinance) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by Village Council, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned - Amounts in the assigned classification are intended to be used by the Village for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds, other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. Assigned amounts represent intended uses established by Village Council. The Village Council has authorized the Village Finance Director to assign fund balance for purchases on order provided such amounts have been lawfully appropriated. Fund balance is also assigned for any 2014 appropriations in excess of estimated receipts for the General Fund.

Unassigned - Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The Village first applies restricted resources when an expenditure is incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications can be used.

**N. Operating Revenues and Expenses**

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the Village, these revenues are charges for services for water, sewer, electric, refuse, and natural gas services, as well as insurance contributions in the Internal Service Fund. Operating expenses are the necessary costs incurred to provide the service that is the primary activity of the fund. All revenues and expenses not meeting this definition are reported as nonoperating.

**VILLAGE OF OBETZ  
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2013

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**O. Contributions of Capital**

Capital contributions on the proprietary fund financial statements arise from contributions from outside contributions of capital assets, from grants, or from outside contributions of resources restricted to capital acquisition and construction. For the governmental activities, capital contributions are reported as a capital grant and contribution on the Statement of Activities.

**P. Extraordinary and Special Items**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Village management and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during 2013.

**Q. Estimates**

The preparation of the financial statements in conformity with GAAP 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 - ACCOUNTABILITY AND COMPLIANCE**

For fiscal year 2013, the Village has implemented GASB Statement No. 61, "*The Financial Reporting Entity: Omnibus; an amendment of GASB Statements No. 14 and No. 34*" and GASB Statement No. 66, "*Technical Corrections-2012*".

GASB Statement No. 61 modifies certain requirements for inclusion of component units in the financial reporting entity. The Statement amends the criteria for reporting component units as if they were part of the primary government in certain circumstances. Finally, the Statement also clarifies the reporting of equity interests in legally separate organizations. The implementation of GASB Statement No. 61 did not have an effect on the financial statements of the Village.

GASB Statement No. 66 improves accounting and financial reporting by resolving conflicting guidance that resulted from the issuance of two pronouncements; GASB Statement No. 54, "*Fund Balance Reporting and Governmental Fund Type Definitions*" and GASB Statement No. 62, "*Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA pronouncements*". The implementation of GASB Statement No. 66 did not have an effect on the financial statements of the Village.

**VILLAGE OF OBETZ  
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2013

**NOTE 4 - BUDGETARY BASIS OF ACCOUNTING**

While reporting financial position, results of operations and changes in fund balances on the basis of GAAP, the budgetary basis as provided by law and described above is based upon accounting for certain transactions on a basis of cash receipts, disbursements, appropriations, and encumbrances (budget basis).

The Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) presented for the General Fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget and to demonstrate compliance with State statute. The major differences between the budget basis and the GAAP basis are:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);
3. In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to assigned or committed fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis);
4. Advances-in and advances-out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis); and,
5. Investments are reported at fair value (GAAP basis) rather than cost (budget basis).

The following table summarizes the adjustments necessary to reconcile the GAAP basis statement for the General Fund (as reported in the fund financial statements) to the budgetary basis statement for the General Fund.

	<u>General Fund</u>
Budget basis	\$ 480,004
Net adjustment for revenue accruals	234,542
Net adjustment for expenditure accruals	(78,037)
Net adjustment for other financing sources/uses	(20,273)
Adjustment for encumbrances	678,356
GAAP basis	\$ 1,294,592

**NOTE 5 - DEPOSITS AND INVESTMENTS**

State statutes classify monies held by the Village 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 Village treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

**VILLAGE OF OBETZ  
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2013

**NOTE 5 - DEPOSITS AND INVESTMENTS - (Continued)**

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

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

Protection of the Village's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the Finance Director by the financial institution, or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

Interim monies held by the Village may be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security 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;
4. Bonds and other obligations of the State of Ohio;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in items (1) or (2), above;
7. The State Treasurer's investment pool (STAR Ohio); and,
8. Certain bankers' acceptances and commercial paper notes for a period not to exceed 180 days in an amount not to exceed 25 percent of the interim monies available for investment at any one time if training requirements have been met.



**VILLAGE OF OBETZ  
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2013

**NOTE 5 - DEPOSITS AND INVESTMENTS - (Continued)**

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

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

**A. Cash on Hand**

At year-end, the Village had \$1,600 in cash on hand which is included on the financial statements as part of "Equity in Pooled Cash and Investments".

**B. Cash with Fiscal Agent**

At year end, the Village had \$161,601 on deposit with the Franklin County Treasurer. The data regarding insurance and collateralization can be obtained from the Franklin County Comprehensive Annual Financial Report for the year ended December 31, 2013. This amount is not included in the Village's depository balance below.

**C. Deposits with Financial Institutions**

At December 31, 2013, the carrying amount of all Village deposits was \$3,680,947 and the bank balance of all Village deposits was \$3,598,172. Of the bank balance, \$271,809 was exposed to custodial risk as discussed below and \$3,326,363 was covered by the FDIC.

Custodial credit risk is the risk that, in the event of bank failure, the Village will not be able to recover deposits or collateral securities that are in the possession of an outside party. As permitted by Ohio Revised Code, the Village's deposits are collateralized by a pool of eligible securities deposited with Federal Reserve Banks, or at member banks of the Federal Reserve System, in the name of the depository bank and pledged as a pool of collateral against all public deposits held by the depository. The Village has no deposit policy for custodial credit risk beyond the requirements of State statute. Although the securities were held by the pledging institutions' trust department and all statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the Village to a successful claim by the FDIC.

**VILLAGE OF OBETZ  
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2013

**NOTE 5 - DEPOSITS AND INVESTMENTS - (Continued)**

**D. Investments**

As of December 31, 2013, the Village had the following investments:

Investment type	Fair Value	Investment Maturities				
		6 months or less	7 to 12 months	13 to 18 months	19 to 24 months	Greater than 24 months
FHLB	\$ 3,958,434	\$ -	\$ -	\$ -	\$ -	\$ 3,958,434
Negotiable CD	246,447	-	246,447	-	-	-
STAR Ohio	2,997,311	2,997,311	-	-	-	-
Total	\$ 7,202,192	\$ 2,997,311	\$ 246,447	\$ -	\$ -	\$ 3,958,434

The weighted average of maturity of investments is 2.39 years.

*Interest Rate Risk:* Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The investment policy restricts the Village from investing in any securities other than those identified in the Ohio Revised Code and that all investments must mature within five years from the date of investment unless they are matched to a specific obligation or debt of the Village.

*Credit Risk:* The Village's investments in FHLB securities were rated AA+ and Aaa by Standard & Poor's and Moody's Investor Services, respectively. The negotiable certificate of deposit was covered by the FDIC. Standard & Poor's has assigned STAR Ohio an AAAM money market rating. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The Village has no investment policy dealing with credit risk beyond the requirements of State statute.

*Custodial Credit Risk:* For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The FHLB securities are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counterparty's trust department or agent, but not in the Village's name. The Village has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the Village Finance Director or qualified trustee.

**VILLAGE OF OBETZ  
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2013

**NOTE 5 - DEPOSITS AND INVESTMENTS - (Continued)**

*Concentration of Credit Risk:* The Village places no limit on the amount that may be invested in any single issuer. The following table includes the percentage of each investment type held by the Village at December 31, 2013:

<u>Investment type</u>	<u>Fair Value</u>	<u>% of Total</u>
FHLB	\$ 3,958,434	54.96
Negotiable CD	246,447	3.42
STAR Ohio	<u>2,997,311</u>	<u>41.62</u>
Total	<u>\$ 7,202,192</u>	<u>100.00</u>

**E. Reconciliation of Cash and Investments to Statement of Net Position**

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the Statement of Net Position as of December 31, 2013:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 3,680,947
Cash on hand	1,600
Cash with fiscal agent	161,601
Investments	<u>7,202,192</u>
Total	<u>\$ 11,046,340</u>
 <u>Cash and investments per statement of net position</u>	
Governmental activities	\$ 6,360,105
Business-type activities	4,334,244
Agency fund	<u>351,991</u>
Total	<u>\$ 11,046,340</u>

**NOTE 6 - RECEIVABLES**

Receivables at December 31, 2013, consisted of municipal income taxes; property taxes; payments in lieu of taxes; other local taxes; accounts (billings for user charged services, including unbilled utility services); interfund loans; accrued interest; and intergovernmental receivables arising from grants, entitlements, and shared revenues. All receivables are considered collectible in full and within one year, except for municipal income taxes and property taxes. Municipal income taxes and property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

**VILLAGE OF OBETZ  
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2013

**NOTE 6 - RECEIVABLES - (Continued)**

A summary of the principal items of amounts Due From Other Governments follows:

	Amount
Governmental activities:	
Major funds	
General Fund	
Homestead and rollback	\$ 6,920
Local government	52,191
Cigarette taxes	3,917
Prairie-Obetz JEDZ	460,357
Total General Fund	523,385
Nonmajor funds	
Street Construction and Maintenance Fund	
Gasoline tax	88,995
Motor vehicle license tax	24,526
Total Street Construction and Maintenance Fund	113,521
Total governmental activities	\$ 636,906

**NOTE 7 - MUNICIPAL INCOME TAXES**

The Village levies a two percent income tax whose proceeds are placed into the General Fund and the General Obligation Debt Service Fund. The Village levies and collects the tax on all income earned within the Village as well as on incomes of residents earned outside the Village. Employers within the Village are required to withhold income tax on employee earnings and remit the tax to the Village at least quarterly. Individual taxpayers, whose only income is subject to withholding by employers and employers file a final return annually, are not required to file a final annual return. Corporations and other individual taxpayers are required to pay their estimated tax at least quarterly and file a final return annually.

**NOTE 8 - PROPERTY TAXES**

Property taxes include amounts levied against all real and public utility property located in the Village. Taxes collected from real property taxes (other than public utility) in one calendar year are levied in the preceding calendar year on the assessed value as of January 1 of that preceding year, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. All property is required to be revalued every six years. 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.

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Public utility tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2013 public utility property taxes became a lien December 31, 2012, are levied after October 1, 2013, and are collected in 2014 with real property taxes. Public utility property taxes are payable on the same dates as real property taxes described previously.

**VILLAGE OF OBETZ  
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2013

**NOTE 8 - PROPERTY TAXES - (Continued)**

The Franklin County Treasurer collects property taxes on behalf of all taxing districts in the County, including the Village. The Franklin County Auditor periodically remits to the Village its portion of the taxes collected. Property taxes receivable represents real property taxes, public utility taxes, delinquent tangible personal property taxes and other outstanding delinquencies which are measurable as of December 31, 2013 and for which there is an enforceable legal claim. In the governmental funds, the current portion receivable has been offset by a deferred inflow of resources since the current taxes were not levied to finance 2013 operations and the collection of delinquent taxes has been offset by a deferred inflow of resources since the collection of the taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on a modified accrual basis the revenue is considered a deferred inflow of resources.

The full tax rate for all Village operations for the year ended December 31, 2013 was \$1.70 per \$1,000 of assessed value. The assessed values of real and public utility property upon which 2013 property tax receipts were based are as follows:

<u>Real property</u>	
Residential/agricultural	\$ 51,450,630
Commercial/industrial/mineral	54,142,730
<u>Public utility</u>	
Real	38,250
Personal	2,962,650
Total assessed value	<u><u>\$ 108,594,260</u></u>

**NOTE 9 - PAYMENTS IN LIEU OF TAXES (PILOT)**

According to State law, the Village has entered into agreements with a number of property owners under which the Village has granted property tax exemptions to those property owners. The property owners have agreed to make payments to the Village which reflect all or a portion of the property taxes which the property owners would have paid if the taxes had not been exempted. The property owners contractually promise to make these payments in lieu of taxes until the agreement expires. The Village reports PILOT revenue in the General Obligation Debt Service Fund and in the nonmajor governmental funds.

**VILLAGE OF OBETZ  
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2013

**NOTE 10 - CAPITAL ASSETS**

**A. Governmental Activities**

Capital assets activity for the year ended December 31, 2013, was as follows:

<b><u>Governmental activities:</u></b>	<u>Balance</u> <u>12/31/12</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>12/31/13</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 540,568	\$ 1,333,815	\$ -	\$ 1,874,383
Rights of way	-	4,339,994	-	4,339,994
Construction in progress	<u>14,942,129</u>	<u>6,060,149</u>	<u>(21,002,278)</u>	<u>-</u>
Total capital assets, not being depreciated	<u>15,482,697</u>	<u>11,733,958</u>	<u>(21,002,278)</u>	<u>6,214,377</u>
<i>Capital assets, being depreciated:</i>				
Buildings	7,929,428	2,526,497	-	10,455,925
Improvements Other Than Buildings	1,108,824	563,942	-	1,672,766
Streets	60,027,603	13,795,840	-	73,823,443
Equipment	1,090,925	230,105	-	1,321,030
Vehicles	<u>790,953</u>	<u>84,477</u>	<u>-</u>	<u>875,430</u>
Total capital assets, being depreciated	<u>70,947,733</u>	<u>17,200,861</u>	<u>-</u>	<u>88,148,594</u>
<i>Less: accumulated depreciation:</i>				
Buildings	(1,040,404)	(183,832)	-	(1,224,236)
Improvements Other Than Buildings	(347,718)	(68,688)	-	(416,406)
Streets	(25,836,831)	(3,153,032)	-	(28,989,863)
Equipment	(563,670)	(86,302)	-	(649,972)
Vehicles	<u>(402,013)</u>	<u>(93,485)</u>	<u>-</u>	<u>(495,498)</u>
Total accumulated depreciation	<u>(28,190,636)</u>	<u>(3,585,339)</u>	<u>-</u>	<u>(31,775,975)</u>
Total capital assets, being depreciated, net	<u>42,757,097</u>	<u>13,615,522</u>	<u>-</u>	<u>56,372,619</u>
Governmental activities capital assets, net	<u>\$ 58,239,794</u>	<u>\$ 25,349,480</u>	<u>\$(21,002,278)</u>	<u>\$ 62,586,996</u>

**VILLAGE OF OBETZ  
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2013

**NOTE 10 - CAPITAL ASSETS - (Continued)**

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

**Governmental activities:**

General government	\$ 72,990
Security of persons and property	101,383
Transportation	3,204,053
Community environment	8,016
Leisure time activity	198,897
Total depreciation expense	<u>\$ 3,585,339</u>

**B. Business-Type Activities**

Capital assets activity for the year ended December 31, 2013, was as follows:

	Balance <u>12/31/12</u>	<u>Additions</u>	<u>Disposals</u>	Balance <u>12/31/13</u>
<b><u>Business-type activities:</u></b>				
<i>Capital assets, not being depreciated:</i>				
Land	\$ 4,550	\$ -	\$ -	\$ 4,550
Total capital assets, not being depreciated	<u>4,550</u>	<u>-</u>	<u>-</u>	<u>4,550</u>
<i>Capital assets, being depreciated:</i>				
Buildings	148,490	-	-	148,490
Water, Sewer, Electric and Gas Lines	20,963,453	445,630	-	21,409,083
Equipment	79,168	77,533	-	156,701
Vehicles	95,053	-	-	95,053
Total capital assets, being depreciated	<u>21,286,164</u>	<u>523,163</u>	<u>-</u>	<u>21,809,327</u>
<i>Less: accumulated depreciation:</i>				
Buildings	(1,591)	(2,998)	-	(4,589)
Water, Sewer, Electric and Gas Lines	(5,583,656)	(335,519)	-	(5,919,175)
Equipment	(43,798)	(9,357)	-	(53,155)
Vehicles	(64,127)	(4,706)	-	(68,833)
Total accumulated depreciation	<u>(5,693,172)</u>	<u>(352,580)</u>	<u>-</u>	<u>(6,045,752)</u>
Total capital assets, being depreciated, net	<u>15,592,992</u>	<u>170,583</u>	<u>-</u>	<u>15,763,575</u>
Business-type capital assets, net	<u>\$ 15,597,542</u>	<u>\$ 170,583</u>	<u>\$ -</u>	<u>\$ 15,768,125</u>

**VILLAGE OF OBETZ  
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2013

**NOTE 10 - CAPITAL ASSETS - (Continued)**

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

**Business-type activities:**

Water	\$ 98,596
Sewer	227,903
Electric	17,519
Gas	<u>8,562</u>
Total depreciation expense	<u>\$ 352,580</u>

**NOTE 11 - INTERFUND TRANSACTIONS**

- A.** Interfund loans receivable/payable consisted of the following at December 31, 2013, as reported on the fund statements:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General	Nonmajor enterprise fund	<u>\$ 30,000</u>

The primary purpose of the interfund balances is to cover costs in specific funds where revenues were not received by December 31. These interfund balances will be repaid once the anticipated revenues are received. Interfund balances between governmental funds (governmental activities) and enterprise funds (business-type activities) are reported as a component of “internal balance” on the government-wide Statement of Net Position.

- B.** Interfund transfers for the year ended December 31, 2013, consisted of the following, as reported on the fund statements:

	<u>Amount</u>
<u>Transfers from nonmajor governmental funds to:</u>	
General Obligation Debt Service Fund	<u>\$ 184</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. In 2013, the Village’s only transfer was a \$184 residual equity transfer of the remaining cash balance in the Toy Road TIF Construction Fund (a nonmajor governmental fund) to the General Obligation Debt Service Fund.

Interfund transfers between governmental funds are eliminated for reporting on the Statement of Activities. All transfers were made in compliance with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16.



**VILLAGE OF OBETZ  
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2013

**NOTE 12 - RISK MANAGEMENT**

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. There has been no significant reduction in insurance coverage from 2013, and no insurance settlement has exceeded insurance coverage during the last three years.

The Village participates in the Public Entities Pool of Ohio, a public entity shared risk pool. The Village pays an annual premium to the pool for various types of insurance coverage. Members agree to share in the coverage of losses and pay all premiums necessary for the specified insurance coverage. Upon withdrawal from the Pool, a participant is responsible for the payment of all liabilities accruing as a result of withdrawal.

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

The Village provides employee health, vision, and dental benefits through Central Ohio Health Care Consortium (COHCC). The COHCC is a fully insured plan and the risk of loss transfers to the COHCC upon payment of the premium by the Village. Employees share the cost of the monthly premium with the Village.

In addition, the Village provides employee health coverage through a Health Reimbursement Account (HRA) program. The Village established an HRA internal service fund to account for and finance the cost of this program. Claims payable is based on the requirements of GASB Statement No. 30, "*Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*", which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount can be reasonably estimated. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses.

The changes in the claims liability for 2013 and 2012 were as follows:

<u>Year</u>	<u>Beginning of Year Liability</u>	<u>Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>End of Year Liability</u>
2013	\$ 13,557	\$ 46,132	\$ (46,456)	\$ 13,233
2012	\$ 8,100	\$ 65,325	\$ (59,868)	\$ 13,557

**VILLAGE OF OBETZ  
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2013

**NOTE 13 - PENSION PLANS**

**A. Ohio Public Employees Retirement System**

Plan Description - The Village participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The Traditional Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan. The Member-Directed Plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the Member-Directed Plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the Combined Plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the Traditional Pension 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 Pension and the 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 which may be obtained by visiting <https://www.opers.org/investments/cafr.shtml>, by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

Funding Policy - The Ohio Revised Code provides statutory authority for member and employer contributions. For 2013, member and contribution rates were consistent across all three plans. The 2013 member contribution rates were 10.00% for members. The Village's contribution rate for 2013 was 14.00% of covered payroll.

The Village's contribution rate for pension benefits for members in the Traditional Plan for 2013 was 13.00%. The Village's contribution rate for pension benefits for members in the Combined Plan for 2013 was 13.00%. The Village's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2013, 2012, and 2011 were \$236,087, \$160,440, and \$153,284, respectively. For 2013, 91.2% has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2012 and 2011. There were no contributions made to the member-directed plan for 2013.

**B. Ohio Police and Fire Pension Fund**

Plan Description - The Village 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 statements and required supplementary information for the plan. That report may be obtained by writing to the OP&F, 140 East Town Street, Columbus, Ohio 43215-5164 or by visiting the website at [www.op-f.org](http://www.op-f.org).

**VILLAGE OF OBETZ  
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2013

**NOTE 13 - PENSION PLANS - (Continued)**

Funding Policy - From January 1, 2013 through July 1, 2013, plan members were required to contribute 10.00% of their annual covered salary. From July 2, 2013 through December 31, 2013, plan members were required to contribute 10.75% of their annual covered salary. Throughout 2013, the Village was required to contribute 19.50% for police officers. Contribution rates are established by State statute.

For 2013, the portion of the Village's contributions to fund pension obligations was 14.81% for January 1, 2013 through May 31, 2013 and 16.65% for June 1, 2013 through December 31, 2013 for police officers. The Village's required contributions for pension obligations to OP&F for police officers for the years ended December 31, 2013, 2012, and 2011 were \$177,263, \$119,920, and \$109,067, respectively. For 2013, 97.8% has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2012 and 2011.

**NOTE 14 - POST-EMPLOYMENT BENEFIT PLANS**

**A. Ohio Public Employees Retirement System**

Plan Description – Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: The Traditional Pension Plan - a cost-sharing, multiple-employer defined benefit pension plan; the Member-Directed Plan - a defined contribution plan; and the Combined Plan - a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment healthcare plan for qualifying members of both the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage. The plan includes a medical plan, prescription drug program and Medicare Part B premium reimbursement.

To qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 years or more of qualifying Ohio service credit. The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

Disclosures for the healthcare plan are presented separately in the OPERS financial report which may be obtained by visiting <https://www.opers.org/investments/cafr.shtml>, by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

Funding Policy - The post-employment healthcare plan was established under, and is administered in accordance with, Internal Revenue Code Section 401(h). State statute requires that public employers fund post-employment healthcare through contributions to OPERS. A portion of each employer's contribution to the Traditional or Combined Plans is set aside for the funding of post-employment health care.

**VILLAGE OF OBETZ  
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2013

**NOTE 14 - POST-EMPLOYMENT BENEFIT PLANS - (Continued)**

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2013, local government employers contributed 14.00% of covered payroll. Each year the OPERS' Retirement Board determines the portion of the employer contribution rate that will be set aside for the funding of the post-employment health care benefits. The portion of employer contributions allocated to fund post-employment health care for members in the Traditional Plan for 2013 was 1.00%. The portion of employer contributions allocated to fund post-employment health care for members in the Combined Plan for 2013 was 1.00%.

The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not make contributions to the post-employment health care plan.

The Village's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2013, 2012, and 2011 were \$18,161, \$54,991, and \$50,847, respectively. For 2013, 91.2% has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2012 and 2011.

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the recent passage of pension legislation under State Bill 343 and the approved health care changes, OPERS expects to be able to consistently allocate four percent of the employer contributions toward the health care fund after the end of the transition period.

**B. Ohio Police and Fire Pension Fund**

Plan Description - The Village contributes to the OP&F Pension Fund sponsored health care program, a cost-sharing multiple-employer defined post-employment health care plan administered by OP&F. OP&F provides health care benefits including coverage for medical, prescription drugs, dental, vision, Medicare Part B Premium and long-term care to retirees, qualifying benefit recipients and their eligible dependents.

OP&F provides access to post-employment 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.

The Ohio Revised Code allows, but does not mandate OP&F to provide OPEB benefits. Authority for the OP&F Board of Trustees to provide health care coverage to eligible participants and to establish and amend benefits is codified in Chapter 742 of the Ohio Revised Code.

OP&F issues a publicly available financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by writing to the OP&F, 140 East Town Street, Columbus, Ohio 43215-5164 or by visiting the website at [www.op-f.org](http://www.op-f.org).

**VILLAGE OF OBETZ  
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2013

**NOTE 14 - POST-EMPLOYMENT BENEFIT PLANS - (Continued)**

Funding Policy - The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F (defined benefit pension plan). Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.50% of covered payroll for police officers. The Ohio Revised Code states that the employer contribution may not exceed 19.50% of covered payroll for police employer units. Active members do not make contributions to the OPEB Plan.

OP&F maintains funds for health care in two separate accounts. One account is for health care benefits under an Internal Revenue Code Section 115 trust and the other account is for Medicare Part B reimbursements administered as an Internal Revenue Code Section 401(h) account, both of which are within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OP&F Board of Trustees.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan into the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. The portion of employer contributions allocated to health care was 4.69% of covered payroll from January 1, 2013 through May 31, 2013 and 2.85% of covered payroll from June 1, 2013 through December 31, 2013. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that the pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

The OP&F Board of Trustees also is authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents, or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The Village's contributions to OP&F allocated to fund post-employment health care benefits for police officers for the years ended December 31, 2013, 2012, and 2011 were \$40,363, \$63,487, and \$57,742, respectively. For 2013, 97.8% has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2012 and 2011.

**NOTE 15 - OTHER EMPLOYEE BENEFITS**

**A. Health Care Benefits**

The Village offers employee health, vision, and dental benefits through the Central Ohio Health Care Consortium. The Village offers life insurance benefits through the Unum Life Insurance Company. The employees share the cost of the monthly premium with the Village.

**B. Compensated Absences**

The criteria for determining vacation and sick leave benefits are derived from Village policies and State laws.

**VILLAGE OF OBETZ  
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2013

**NOTE 15 - OTHER EMPLOYEE BENEFITS - (Continued)**

Village employees earn and accumulate vacation at varying rates depending on length of service. Vacation accrual rate changes on the employee's anniversary date, when applicable. Employees are paid for up to two years of earned unused vacation leave upon termination.

Sick leave is earned at 4.6 hours per pay period. All employees with ten or more years of full-time service with the Village (including service with the Village and prior service years with another governmental organization), who elect to retire, are entitled to receive one-fourth of the value of their accumulated unused sick leave up to a maximum of 60 days.

**C. Deferred Compensation**

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

THIS SPACE INTENTIONALLY LEFT BLANK

**VILLAGE OF OBETZ  
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2013

**NOTE 16 - LONG-TERM OBLIGATIONS**

**A. Governmental Activities**

The Village's governmental activities long-term obligations activity for the year ended December 31, 2013, was as follows:

	Interest Rate	Balance 12/31/12	Additions	Reductions	Balance 12/31/13	Amounts Due in One Year
<b><u>Governmental activities:</u></b>						
General obligation bonds:						
2012 various purpose refunding and improvement bonds (original amount \$6,240,000)	3.00-5.00%	\$ 6,240,000	\$ -	\$ (470,000)	\$ 5,770,000	\$ 475,000
TIF revenue bonds (original amount \$5,735,000)	3.75%	5,255,000	-	(135,000)	5,120,000	140,000
Judgements:						
Hamilton Township (fire truck) (original amount \$252,150)	4.60%	59,080	-	(28,868)	30,212	30,212
Madison Township (fire truck) (original amount \$250,000)	3.97%	55,855	-	(26,245)	29,610	29,610
Hamilton Local School District		54,205	-	(12,381)	41,824	41,824
Groveport Madison Local School District		307,633	-	(217,655)	89,978	87,632
Total Judgements		476,773	-	(285,149)	191,624	189,278
OPWC loans:						
#CC909 (original amount \$250,410)		118,944	-	(12,520)	106,424	12,520
#CT10H (original amount \$25,000)		18,125	-	(1,250)	16,875	1,250
Total OPWC loans		137,069	-	(13,770)	123,299	13,770
Compensated absences		130,119	93,902	(75,522)	148,499	57,155
Total governmental activities		\$ 12,238,961	\$ 93,902	\$ (979,441)	\$ 11,353,422	\$ 875,203

**2012 Various Purpose Refunding and Improvement Bonds**

On November 14, 2012, the Village issued general obligation bonds, in the amount of \$6,240,000: \$2,730,000 to currently refund the remaining balance of the general obligation bonds previously issued in 2001, \$3,045,000 to retire notes previously issued (the Village also paid principal, in the amount of \$840,000), and \$465,000 for various construction projects and to improve Lancaster Park and the Community Center Park. The bonds were issued for an 18 year period, with final maturity in 2030. The bonds will be retired through the General Obligation Debt Service Fund.

**VILLAGE OF OBETZ  
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2013

**NOTE 16 - LONG-TERM OBLIGATIONS - (Continued)**

The bonds maturing on December 1, 2024, are subject to mandatory sinking fund redemption, at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest to the date of redemption, on December 1 in the years and the respective principal amounts as follows:

<u>Year</u>	<u>Amount</u>
2023	\$ 165,000

The remaining principal, in the amount of \$170,000, will be paid at stated maturity on December 1, 2024.

The bonds maturing on December 1, 2027, are subject to mandatory sinking fund redemption, at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest to the date of redemption, on December 1 in the years and the respective principal amounts as follows:

<u>Year</u>	<u>Amount</u>
2025	\$ 170,000
2026	\$ 175,000

The remaining principal, in the amount of \$180,000, will be paid at stated maturity on December 1, 2027.

The bonds maturing on December 1, 2030, are subject to mandatory sinking fund redemption, at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest to the date of redemption, on December 1 in the years and the respective principal amounts as follows:

<u>Year</u>	<u>Amount</u>
2028	\$ 185,000
2029	\$ 185,000

The remaining principal, in the amount of \$190,000, will be paid at stated maturity on December 1, 2030.

The bonds maturing on or after December 1, 2018, are subject to optional redemption prior to maturity, commencing December 1, 2017, either in whole or in part, in such order as the Village shall determine, on any date on or after December 1, 2012, at a redemption price equal to the following percentages of principal redeemed plus accrued interest to the date of redemption:

<u>Redemption Dates (Dates Inclusive)</u>	<u>Redemption Prices</u>
December 1, 2018, and thereafter	\$ 100



**VILLAGE OF OBETZ  
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2013

**NOTE 16 - LONG-TERM OBLIGATIONS - (Continued)**

TIF Revenue Bonds

On October 2, 2007, the Village issued tax increment financing (TIF) revenue bonds, in the amount of \$5,735,000, to construct and widen Toy Road. The joint project was completed by a developer and the Village. The Village's responsibility for the debt is limited to the amount of payments in lieu of taxes collected on the abated property. Any shortage between the amount collected and the amount due to be paid on the debt is paid by the developer. The developer was required to post a letter of credit upon which the developer may draw to satisfy the debt obligation. The letter of credit was issued by Huntington Bank. For the year ended December 31, 2013, the Village collected and remitted to Huntington Bank \$143,973. The amount required to service this debt (both principal and interest) for the year ended December 31, 2013, was \$330,264. The developer paid the difference (\$186,291) from the letter of credit issued by Huntington Bank for 2013. The bonds will be retired through the TOY Road TIF Fund (a nonmajor governmental fund).

Judgements

The Village settled a lawsuit with the Groveport Madison and Hamilton local school districts, and Madison and Hamilton townships. The lawsuit alleged that the Village unlawfully modified the Community Reinvestment Area and Agreement to the detriment of the school districts and townships. The Village, while not admitting to any wrongful acts, agreed to pay the Groveport Madison and Hamilton local school districts each year the amount the school districts would have received had no exemptions been issued. Payments continue until the County Auditor certifies that no residential dwelling is receiving an exemption. However, the future amounts due can be adjusted for modifications to either school district's property tax millage. The Village also agreed to pay the debt for fire trucks for each township. Judgements will be paid from the General Fund.

OPWC Loans

OPWC loans consist of money owed to the Ohio Public Works Commission (OPWC) for engineering costs for the widening of Alum Creek Drive. OPWC loans will be paid from the General Obligation Debt Service Fund.

Compensated Absences

The compensated absences liability will be paid from the funds from which the employees' salaries are paid. For governmental activities, compensated absences are paid primarily from the General Fund.

Legal Debt Margin

The Village's legal debt margin was \$5,984,180 at December 31, 2013.

**VILLAGE OF OBETZ  
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2013

**NOTE 16 - LONG-TERM OBLIGATIONS - (Continued)**

Future Debt Service Requirements

The Village's future annual debt service requirements payable from the governmental-activities follows:

Fiscal Year Ending June 30,	Governmental Activities					
	General Obligation Bonds			TIF Revenue Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2014	\$ 475,000	\$ 121,025	\$ 596,025	\$ 140,000	\$ 190,165	\$ 330,165
2015	480,000	111,525	591,525	150,000	185,340	335,340
2016	480,000	101,925	581,925	160,000	179,667	339,667
2017	455,000	87,525	542,525	165,000	173,580	338,580
2018	460,000	73,875	533,875	175,000	168,248	343,248
2019 - 2023	2,165,000	263,713	2,428,713	1,000,000	730,369	1,730,369
2024 - 2028	880,000	120,450	1,000,450	1,290,000	520,458	1,810,458
2029 - 2033	375,000	15,537	390,537	1,655,000	249,048	1,904,048
2034	-	-	-	385,000	10,865	395,865
Total	<u>\$ 5,770,000</u>	<u>\$ 895,575</u>	<u>\$ 6,665,575</u>	<u>\$ 5,120,000</u>	<u>\$ 2,407,740</u>	<u>\$ 7,527,740</u>

Fiscal Year Ending June 30,	Governmental Activities					
	OPWC Loans			Judgements Payable		
	Principal	Interest	Total	Principal	Interest	Total
2014	\$ 13,770	\$ -	\$ 13,770	\$ 189,278	\$ 1,046	\$ 190,324
2015	13,770	-	13,770	2,346	-	2,346
2016	13,770	-	13,770	-	-	-
2017	13,770	-	13,770	-	-	-
2018	13,771	-	13,771	-	-	-
2019 - 2023	50,073	-	50,073	-	-	-
2024 - 2027	4,375	-	4,375	-	-	-
Total	<u>\$ 123,299</u>	<u>\$ -</u>	<u>\$ 123,299</u>	<u>\$ 191,624</u>	<u>\$ 1,046</u>	<u>\$ 192,670</u>

**VILLAGE OF OBETZ  
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2013

**NOTE 16 - LONG-TERM OBLIGATIONS - (Continued)**

**B. Business-Type Activities**

The Village's business-type activities long-term obligations activity for the year ended December 31, 2013, was as follows:

	Interest Rate	Balance 12/31/12	Additions	Reductions	Balance 12/31/13	Amounts Due in One Year
<b><u>Business-type activities:</u></b>						
OWDA loans:						
#3006 water system expansion (original amount \$711,818)	6.12%	\$ 239,820	\$ -	\$ (47,988)	\$ 191,832	\$ 50,925
#3007 wastewater treatment plant expansion (original amount \$1,248,905)	6.12%	420,772	-	(84,197)	336,575	89,350
Total OWDA loans		<u>660,592</u>	<u>-</u>	<u>(132,185)</u>	<u>528,407</u>	<u>140,275</u>
Compensated absences		<u>25,508</u>	<u>7,529</u>	<u>(5,476)</u>	<u>27,561</u>	<u>8,322</u>
Total business-type activities		<u>\$ 686,100</u>	<u>\$ 7,529</u>	<u>\$ (137,661)</u>	<u>\$ 555,968</u>	<u>\$ 148,597</u>

**OWDA Loans**

OWDA loans consist of money owed to the Ohio Water Development Authority (OWDA) for construction of water and sewer lines at the Creekside Industrial Park. OWDA loans are payable solely from the gross revenues of the Water and Sewer enterprise funds after provisions for reasonable operating and maintenance expenses. Annual principal and interest payments on the loans are expected to require less than 100 percent of these net revenues. At December 31, 2013, loan principal and interest remaining to be paid from the Water and Sewer funds were \$219,329 and \$384,819, respectively. Principal and interest paid in the Water and Sewer funds for the current year were \$62,665 and \$109,948, respectively. Total net revenues for the Water and Sewer enterprise funds were \$987,264 and \$126,200, respectively.

**Compensated Absences**

The compensated absences liability will be paid from the funds from which the employees' salaries are paid. For the business-type activities, the compensated absences will be paid from the Water and Sewer funds.

**VILLAGE OF OBETZ  
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2013

**NOTE 16 - LONG-TERM OBLIGATIONS - (Continued)**

Future Debt Service Requirements

The Village's future annual debt service requirements payable from the business-type activities follows:

Fiscal Year <u>Ending June 30,</u>	Business-Type Activities OWDA Loans		
	Principal	Interest	Total
2014	\$ 140,275	\$ 32,338	\$ 172,613
2015	148,860	23,754	172,614
2016	157,970	14,643	172,613
2017	81,302	5,006	86,308
Total	\$ 528,407	\$ 75,741	\$ 604,148

**NOTE 17 - CONTINGENT LIABILITIES**

**A. Litigation**

There are currently no matters in litigation with the Village as defendant.

**B. Federal and State Grants**

For the period January 1, 2013, to December 31, 2013, the Village 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 Village believes such disallowances, if any, would be immaterial.

**NOTE 18 - OTHER COMMITMENTS**

The Village utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year-end may be reported as part of restricted, committed, or assigned classifications of fund balance. At year-end, the Village's commitments for encumbrances in the governmental funds were as follows:

Fund	Year-End Encumbrances
General Fund	\$ 572,589
Nonmajor Governmental Funds	27,906
Total	\$ 600,495

**VILLAGE OF OBETZ  
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2013

**NOTE 19 - FUND BALANCE**

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the Village is bound to observe constraints imposed upon the use of resources in the governmental funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

Fund balance	General	General Obligation Debt Service	Conference Center/Lancaster Park Improvements	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:					
Unclaimed monies	\$ 2,879	\$ -	\$ -	\$ -	\$ 2,879
Total nonspendable	<u>2,879</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,879</u>
Restricted:					
Court operations	-	-	-	73,364	73,364
Debt retirement	-	-	-	1,790	1,790
Drug enforcement	-	-	-	4,221	4,221
Economic development	-	-	-	10,005	10,005
Park improvements	-	-	5,211	6,994	12,205
Police operations	-	-	-	9,115	9,115
Street construction and maintenance	-	-	-	864,251	864,251
Total restricted	<u>-</u>	<u>-</u>	<u>5,211</u>	<u>969,740</u>	<u>974,951</u>
Committed:					
Debt retirement	-	351,783	-	-	351,783
Park operations	-	-	-	77,265	77,265
Permanent improvements	-	-	-	43,212	43,212
Police operations	-	-	-	1,006	1,006
Street construction and maintenance	-	-	-	268,705	268,705
Total committed	<u>-</u>	<u>351,783</u>	<u>-</u>	<u>390,188</u>	<u>741,971</u>
Assigned:					
Unpaid obligations	572,589	-	-	-	572,589
Subsequent year appropriations	295,895	-	-	-	295,895
Total assigned	<u>868,484</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>868,484</u>
Unassigned	4,398,079	-	-	-	4,398,079
Total fund balances	<u>\$ 5,269,442</u>	<u>\$ 351,783</u>	<u>\$ 5,211</u>	<u>\$ 1,359,928</u>	<u>\$ 6,986,364</u>

**VILLAGE OF OBETZ  
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2013

**NOTE 20 - JOINTLY GOVERNED ORGANIZATIONS**

**A. Big Walnut Community Improvement Corporation**

The Big Walnut Community Improvement Corporation (CIC) is a not-for-profit corporation formed to promote economic development within the Village. The CIC is governed by a seven member board which includes the Mayor, President Pro Tempore of Village Council, and the Village Administrator. The primary asset of the CIC is a building. The CIC's primary revenue is rent from a lease of the building to the Columbus Crew Soccer Team. Financial information can be obtained from the Village of Obetz, 4175 Alum Creek Drive, Obetz, Ohio 43207.

**B. Obetz Convention and Visitor's Bureau**

The Obetz Convention and Visitor's Bureau (CVB) is governed by a seven member board which includes the Mayor, President Pro Tempore of Village Council, and the Village Administrator. The CVB receives half of the lodging tax levied by the Village and it is used for the promotion and marketing of the region in which the Village is located. Financial information can be obtained from the Village of Obetz, 4175 Alum Creek Drive, Obetz, Ohio 43207.

**C. Prairie-Obetz Joint Economic Development Zone**

The Village participates in the Prairie-Obetz Joint Economic Development Zone (JEDZ), a jointly governed organization created according to the provisions of Ohio Revised Code Section 715.691. The JEDZ is to facilitate new or expanded growth for commercial and economic development within the JEDZ and the State for the benefit of the Village, the Township, the State, and its residents. The Board consists of three members representing the Village of Obetz and appointed by the Village Council and three members representing Prairie Township and appointed by the Township Trustees. Financial information can be obtained from the Village of Obetz, 4175 Alum Creek Drive, Obetz, Ohio 43207.

**NOTE 21 - PUBLIC ENTITY SHARED RISK POOL**

The Public Entities Pool of Ohio (Pool) is a public entity shared risk pool which provides various risk management services to its members. The Pool is governed by a seven member board of directors; six are member representatives or elected officials and one is a representative of the pool administrator, American Risk Pooling Consultants, Inc. Each member has one vote on all issues addressed by the Board of Directors.

Participation in the Pool is by written application subject to the terms of the pool agreement. Members must continue membership for a full year and may withdraw from the Pool by giving a 60 day written notice prior to their annual anniversary. Financial information can be obtained from the Public Entities Pool of Ohio, 6797 North High Street, Suite 131, Worthington, Ohio 43085.

**NOTE 22 - SIGNIFICANT SUBSEQUENT EVENTS**

On January 30, 2014, the Village was awarded a \$1,497,629 grant and \$501,876 loan under the State Capital Improvement Program to finance Obetz Industrial Park Roadway Improvements. The grant and loan will be funded through the Ohio Public Works Commission. The loan will be repaid over a 26 year term.



## Julian & Grube, Inc.

*Serving Ohio Local Governments*

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

### **Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by *Government Auditing Standards***

Village of Obetz  
Franklin County  
4175 Alum Creek Drive  
Obetz, Ohio 43207

To the Members of Council and Mayor:

We have audited in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Village of Obetz, Franklin County, Ohio, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Village of Obetz's basic financial statements, and have issued our report thereon dated September 29, 2014.

#### ***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the Village of Obetz's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Village of Obetz's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Village of Obetz's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weakness may exist.

Members of Council and Mayor  
Village of Obetz

***Compliance and Other Matters***

As part of reasonably assuring whether the Village of Obetz'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, opining 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 did note a certain matter not requiring inclusion in this report that we reported to the Village of Obetz's management in a separate letter dated September 29, 2014.

***Purpose of this Report***

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Village of Obetz's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Village of Obetz's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Julian & Grube, Inc." with a stylized flourish at the end.

Julian & Grube, Inc.  
September 29, 2014





# Dave Yost • Auditor of State

**VILLAGE OF OBETZ**

**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  
NOVEMBER 06, 2014**