



**Auditor of State  
Betty Montgomery**



CITY OF WESTERVILLE  
FRANKLIN COUNTY

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**Auditor of State  
Betty Montgomery**

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

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

To the City Council:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Westerville, Franklin County, Ohio (the City), as of and for the year ended December 31, 2004, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 20, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

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

**Compliance and Other Matters**

As part of reasonably assuring whether the City's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

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City of Westerville  
Franklin County  
Independent Accountants' Report on Internal Control Over  
Financial Reporting and on Compliance and Other Matters  
Required by *Government Auditing Standards*  
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We intend this report solely for the information and use of the audit committee, management, and the City Council. It is not intended for anyone other than these specified parties.

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

**Betty Montgomery**  
**Auditor of State**

June 20, 2005

CITY OF WESTERVILLE  
FRANKLIN COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2004

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain</i></b>
2003-001	40 USCS Sec. 3142, 29 CFR 5.1, 5.2, 5.5 & 5.6: failure to comply with Federal Davis-Bacon Act	Yes	



# City of Westerville, Ohio

## Comprehensive Annual Financial Report

For the Year Ended December 31, 2004

Issued by the Department of Finance

John P. Winkel  
Finance Director

Margaret M. Doone, CPA  
Assistant Finance Director



*City of Westerville, Ohio*  
Comprehensive Annual Financial Report  
For the Year Ended December 31, 2004

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June 20, 2005

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

The Comprehensive Annual Financial Report (CAFR) of the City of Westerville, Ohio (the City), for the year ended December 31, 2004 is hereby submitted.

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

1. The Introductory Section including a title page, a table of contents, this letter of transmittal which is designed to provide an easily accessible overview and summary of the City's finances, economic prospects and achievements, the City's organization chart, a list of principal officials, and the Certificate of Achievement awarded to the City for its 2003 CAFR.
2. The Financial Section, including the Independent Accountants' Report, Management's Discussion and Analysis, Basic Financial Statements, including notes, and various other combining and individual fund financial statements and schedules included as other supplementary information.
3. The Statistical Section, including tables of unaudited data depicting financial and demographic history of the City for the last ten years.

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

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

The Auditor of the State of Ohio (independent auditor) has audited the financial statements of the City. The objective of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended December 31, 2004, are free from material misstatement. The independent audit involved examining, on a test basis, evidence supporting amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditor concluded based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City's financial statements for the year ended December 31, 2004, are fairly presented in conformity with GAAP. The independent accountants' report is presented as the first component of the financial section of this report.

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

In June 1999, the GASB issued Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* (GASB 34). This statement represents a significant change in the way state and local governments present basic financial information. For 2003, the City implemented this statement.

### **FORM OF GOVERNMENT**

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

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

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

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

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

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

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to the organization; or is obligated for the debt of the organization. Component units may also include organizations for which the City approves the budgets, the issuance of debt or the levying of taxes.

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

### **ECONOMIC CONDITION AND OUTLOOK**

The City of Westerville, despite the current state and national economic conditions, continues to bring new jobs to the community, creating employment opportunities for residents and increased revenues for City services. New developments to the Westar Center of Business have been integral to this recruitment. The City is also attracting new businesses into mature developments such as Eastwind, Brooksedge, and the Uptown District. New developments have played an enormously positive impact on the City, including acting as a complement to the existing areas already in place. Westerville continues to strive toward maintaining a delicate balance by attracting businesses across the entire Westerville landscape.

The *Westar Center of Business* is one of the most attractive new employment centers in the Midwest as companies look for state-of-the-art office buildings to grow their businesses. By the end of 2005, at least 25 office buildings will have been constructed or initiated in Westar, employing more than 3,300 people. The buildings range in size from 15,000 square foot single-story structures to campuses of five-story, 146,000 square foot offices.

One of the new companies calling Westar home in 2005 is the American division of ABB, which brought about 225 engineers and researchers to Executive Campus Drive. ABB is an international science company, with the American division supporting paper making industries. One of ABB's new neighbors in 2005 will be the United States headquarters of Mac Tools, which is a division of Stanley Works. Mac Tools initially expects to have about 125 employees in Westerville, with additional job growth in the future. These two new corporate citizens join an impressive list of other companies that moved to Westar in 2004, including American Family Insurance on Polaris Parkway (200+ associates); Century Surety Co. on Cleveland Avenue (225); National Auto on Westar Crossing (40); the County Line Medical Office building on County Line Road (75); and the DASCO Home Medical Equipment Co. on N. West St. (50).

The outlook for increased employment in Westar in coming years looks promising. The Daimler Group, which has already constructed many of the new offices in Westar, has initiated construction on two more 146,000 square foot office buildings on the northeast corner of Polaris Parkway and Cleveland Avenue. These two speculative buildings are scheduled to be completed by the end of 2005 or early 2006, and are part of a larger approved development that will see restaurants, retail space and upscale condominiums. Also, the Jerome Solove Development Co. received approval for a 96,000 square foot office building in the *Altair* section of Westar. Construction of that building, on the east side of Cleveland Avenue south of Polaris Parkway, is scheduled to start in 2005.

Not all of the new jobs in Westerville have been created in Westar. Several hundred jobs have located to the North Westerville Office Park on the east side of North State Street just south of Hoff Road. This collection of smaller offices now contains more than 20 buildings, typically housing insurance, doctors, computer companies, and other small service firms. Many new companies have been attracted to the Brooksedge and Eastwind business office areas in southern Westerville. Some of our newest corporate citizens in these areas include Colony Mortgage, HER/Real Living, AMT Systems Engineering, Sharp & Associates, and Pharmacy Management Group.

Westerville, like many other communities across the country, is working hard to attract and retain jobs because income taxes are the largest revenue source to support City services. The use of tax abatements and other

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

## **MAJOR INITIATIVES**

### **FOR THE YEAR**

Fire Station 112 is now open and serving the community. Located at the Schrock/Hempstead intersection, this station replaces the original Fire Station 112 that was located at 6350 Hempstead Road. Additional safety upgrades during the past year include new emergency dispatching headquarters for our 9-1-1 dispatchers, and fire equipment, including a new medic. Our Fire Division once again earned the *Life Safety Achievement Award* signifying no loss of life during the past year as a result of a fire, and our Police Division joined a consortium of other central Ohio law enforcement agencies that uses new technology to share information faster than ever before. Our police, fire, and communications dispatch professionals now team up to offer child car seat checks. More than 700 people took advantage of this free service in 2004. These efforts are just a few examples of why "safe" was the most used word to describe Westerville in our most recent resident survey.

Roads remain high on the Westerville priority list. This past year, more than \$2.4 million was invested in existing roads through our street rehabilitation program. Additionally, County Line Road West was opened to the public. This \$5 million project provides an alternative east-west route from Westerville's eastern edge of Sunbury Road all the way to Westerville's western border near I-71. This road had been in the City's plans for nearly 30 years, and became a reality when the State of Ohio provided a \$3.2 million grant for the project.

Our Parks & Recreation Department opened the new skateboard and BMX Park in 2004. Known as Alum Creek Park South and located on Park Meadow Road just north of Schrock Road, this park was a culmination of much effort between our recreation staff and many local skateboarders and BMXers who helped design it. But the skateboard and BMX Park isn't the only thing new to the Parks & Recreation Department. Staff from the Parks and Recreation, Information Systems, and Finance Departments worked together to implement on-line registration for the Parks and Recreation programs. The system debuted in December with more than 120 on-line transactions in the first 15 minutes and nearly 350 registrations for classes via on-line registration during the first day. Plus, walk-in registration lines at the Community Center were smaller than normal due to the many people who chose to register on-line and most walk-ins had completed their registrations in less than 10 minutes.

Westerville Electric Division has made numerous efforts to promote the use of alternative energy sources. Solar panels have been installed for primary and back-up power sources for various traffic signals throughout Westerville. An \$839,000 State of Ohio grant was secured to build a hydrogen powered fuel cell. The fuel cell provides enough electricity to power a 180-home subdivision while only emitting water as a bi-product. This is the first fuel cell in the United States whose energy output flows directly into a municipal electric grid to be used by consumers. Additionally, the Westerville Electric Division sponsors energy education initiatives provided by the Ohio Energy Project in Westerville City Schools. For these accomplishments, Ohio Governor Bob Taft named Westerville an *Energy Smart Community*.

## **FOR THE FUTURE**

A major road expansion is occurring at Spring Road and Maxtown Road. Improvements for this multi-jurisdictional project between Westerville, Delaware County, and Genoa Township include the addition of left-turn lanes, the installation of traffic signals, and the widening of Spring Road to three lanes. Other improvements include a new storm drainage system, including curb and gutter, a new water line, streetlights and a bikeway along Spring Road and Maxtown Road (west of Spring Road). This project should be complete in late summer 2005.

Additionally, Delaware County officials expect to begin construction upgrades at the Maxtown Road/Sunbury Road intersection. This intersection is being widened to add left turn lanes on all legs of the intersection. Construction will also include the installation of a traffic signal.

Beginning in late 2005, the City of Westerville plans to widen Maxtown Road to three lanes between McCorkle Boulevard and the Delaware County intersection project. This work will include a storm drainage system including curb and gutter, streetlights and a bikeway along the south side of the roadway. This project is to follow the construction of Spring Road and the County's intersection improvements to minimize the construction impacts to the area.

With donation assistance from residents, the Parks & Recreation Department will open a new Bark Park located in Brookside Park in 2005. Environmental Resources Management (ERM) recently gave a \$5,000 grant to the Otterbein Lake Project, and Architectural Group International (AGI) has agreed to provide the design for the structure of a shelter house at Otterbein Lake. Otterbein Lake is located along the Westerville Bike Path just south of Main Street and east of Cooper Road. A citizen committee is working with the Westerville Parks Department, the Westerville Parks Foundation and Westerville City Council to make the lake site a more valuable community resource. Construction on the structure is expected to begin later this year.

Electric cable, like other infrastructure such as roads, sewers and storm drains, has a finite life cycle. Electric cable's life-span generally falls somewhere between 25 and 30 years before it needs to be replaced. Coincidentally, many of Westerville's subdivisions were built in this same general timeframe, so the Westerville Electric Division has been hard at work analyzing data to address problem areas in the City's electric grid. As a result, the Electric Division has begun to rehabilitate overhead trunk-lines and replace various underground facilities in these areas to improve service.

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

## **FINANCIAL INFORMATION**

### **INTERNAL CONTROL STRUCTURE AND BUDGETARY CONTROLS**

Development of the City's accounting system includes consideration of internal accounting controls. Internal accounting controls are designed to provide reasonable but not absolute assurance regarding (1) the safeguarding of assets against loss from unauthorized use or disposition and (2) the reliability of financial records for preparing financial statements. The concept of reasonable assurance states that internal control should be evaluated to insure that the expense associated with providing internal controls does not exceed the benefit expected to be derived from their implementation. This evaluation involves estimates and judgment by the City administration and Finance Department. Administrative and financial management personnel believe that the City's financial controls adequately safeguard existing assets and provide reasonable assurance of the proper recording of financial transactions.

In addition to internal accounting controls, the City maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriation ordinance approved by City Council. All funds except Agency Funds are legally required to be budgeted. Upon adoption of the annual appropriation ordinance by City Council, it becomes the formal budget for City operations. The appropriation ordinance controls expenditures at the category level and may be amended or supplemented by City Council during the year as necessary.

Financial reports, which compare actual performance with the budget, are available on-line to department/division heads so that they are able to review the financial status and measure the effectiveness of the budgetary controls. Financial reports are reviewed monthly with the Finance Review Committee as well as with City Council. The City also maintains an encumbrance accounting system as one technique for accomplishing budgetary control. At year-end, outstanding encumbrances are carried forward to the new year and unencumbered appropriations lapse.

As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management.

### **FINANCIAL CONDITION**

The City has prepared financial statements following GASB Statement No. 34, “*Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments.*” GASB 34 creates new basic financial statements for reports as follows:

Government-wide financial statements – These statements are prepared on an accrual basis of accounting, which is similar to the basis of accounting followed by many businesses. The government-wide statements distinguish between those activities of the City that are governmental and those that are considered business-type activities.

Fund financial statements – These statements present information for individual major funds rather than by fund type. Nonmajor funds are presented in total in one column. Governmental funds use the modified accrual basis of accounting and include a reconciliation to the governmental activities accrual information presented in the government-wide financial statements. Proprietary funds use the accrual basis of accounting.

Statements of budgetary comparisons – These statements present comparisons of actual information to the legally adopted budget for the General Fund and major special revenue funds. The budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances.

As part of this new reporting model, management is responsible for preparing a Management’s Discussion and Analysis of the City. This discussion follows the Independent Accountants’ Report, providing an assessment of the City finances for 2004.

### **CASH MANAGEMENT**

The primary objective of the City’s investment activities is the preservation of capital. The second objective evaluated in investing the City’s funds is liquidity. Investments are made keeping in mind anticipated cash flow requirements in order to meet the City’s obligations. At December 31, 2004, the City’s market value of investments was \$394,385 less than cost. This figure does not represent a realized loss but purely a market difference due to fluctuations in market value. Generally, the City holds its investments until maturity at which time the cost is realized at redemption.

Cash temporarily idle during the year was invested in demand deposits and overnight repurchase agreements, STAR Ohio, a money-market type fund managed by the Treasurer of the State of Ohio, and obligations of the U.S. Treasury and Federal Agencies.

Public depositories are required by Ohio law and the City's investment policy to give security for all public funds on deposit. These institutions may either specifically collateralize individual accounts for amounts in excess of the deposits insured by the Federal Deposit Insurance Corporation or may pledge a pool of securities valued at no less than 105% of the total value of public monies on deposit at that institution. At December 31, 2004, all City deposits were secured in accordance with these provisions.

### **RISK MANAGEMENT**

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

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

As part of participating in CORMA, coverage is provided for up to \$10,000,000 annual total liability for liability claims and \$100,000,000 limit for property claims for the pool. Coverage is provided on a per member annual aggregate basis for general liability (\$900,000/\$2,000,000), law enforcement liability (\$900,000/\$2,000,000), public official liability (\$900,000/\$2,000,000), employment practices liability (\$1,900,000/\$2,000,000) and automobile liability (\$900,000). Pool retentions are \$25,000 per loss for property and \$450,000 aggregate for liability, with a \$100,000 per loss self-insurance retention. A third-party broker, with expertise in public entity pools, markets the program, identifies coverage lines and limits, and recommends the best insurer and insurance for procurement.

### **OTHER INFORMATION**

#### **INDEPENDENT AUDIT**

Included in this report is an unqualified audit opinion rendered on the City's financial statements for the year ended December 31, 2004, by the Auditor of State. City management plans to continue to subject the financial statements to an annual independent audit as part of the preparation of a Comprehensive Annual Financial Report. An annual audit serves to maintain and strengthen the City's accounting and budgetary controls.

#### **CERTIFICATE OF ACHIEVEMENT**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Westerville, Ohio, for its comprehensive annual financial report for the fiscal year ended December 31, 2003. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual

financial report. The report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

**ACKNOWLEDGMENTS**

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

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

Respectfully submitted,

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John P. Winkel  
Director of Finance

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Margaret M. Doone  
Assistant Finance Director

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Westerville,  
Ohio

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2003

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



*Nancy L. Ziella*

President

*Jeffrey R. Emer*

Executive Director

## *City of Westerville, Ohio*

Elected and Appointed Officials  
As of December 31, 2004

### **Elected Officials**

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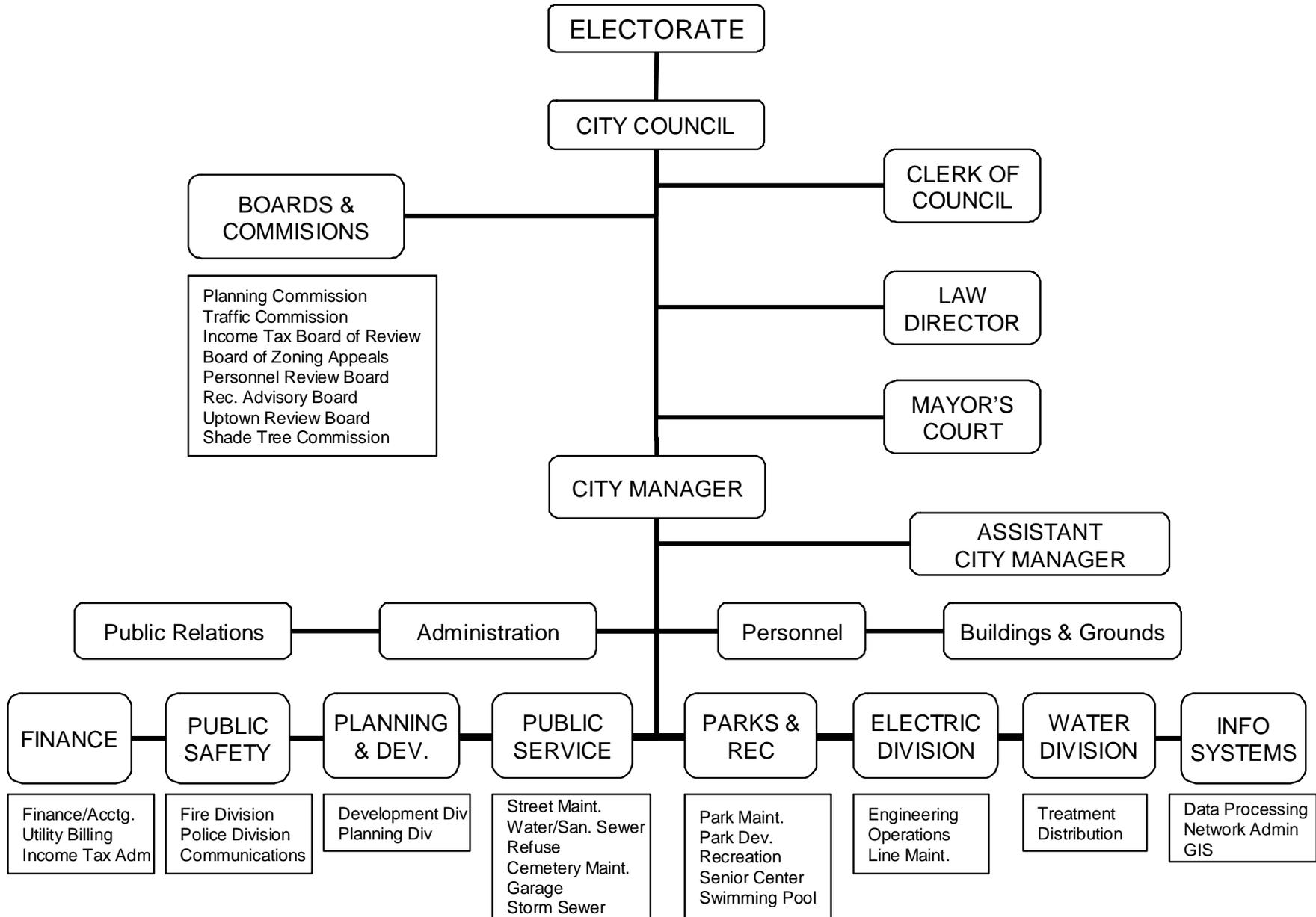
Diane C. Fosselman	Chair of Council
Terry Winebrenner	Council Member, Vice Chair
Michael Heyeck	Council Member, Mayor
William E. Highfield	Council Member, Vice Mayor
Anne Gonzales	Council Member
Craig P. Treneff	Council Member
Damon E. Wetteraurer, Jr.	Council Member

### **Appointed Officials**

---

G. David Lindimore	City Manager
Michael J. Wasylik	Assistant City Manager
Bruce E. Bailey	Director of Law
John P. Winkel	Director of Finance
John F. Dean	Director of Public Service
Jody L. Stowers	Director of Parks and Recreation
Karl P. Craven	Director of Planning and Development
Mary J. Johnston	Clerk of Council
Michael J. Clancey	Police Chief
Peter G. Wilms	Fire Chief
Andrew M. Boatright	Electric Utility Manager
Richard C. Lorenz	Water Plant Superintendent

# CITY OF WESTERVILLE – ORGANIZATION CHART



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**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT**

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

To the City Council:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Westerville, Franklin County, Ohio, (the City), as of and for the year ended December 31, 2004, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Westerville, Franklin County, Ohio, as of December 31, 2004, and the respective changes in financial position and cash flows, where applicable, thereof, and the respective budgetary comparisons for the General, Fire Operating, and Parks and Recreation Operating funds, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2005, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

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



**Betty Montgomery**  
Auditor of State

June 20, 2005

**City of Westerville, Ohio**  
**Management's Discussion and Analysis**  
**For The Year Ended December 31, 2004**  
**(Unaudited)**

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**MANAGEMENT'S DISCUSSION AND ANALYSIS**

The City of Westerville's discussion and analysis of the annual financial report provides a review of the financial performance for the year ended December 31, 2004.

**FINANCIAL HIGHLIGHTS**

- The City's total net assets increased \$9,619,140 during 2004. Revenues of governmental activities exceeded expenses by \$6,421,748. The City's unrestricted net assets of \$22,517,201 may be used to meet the City's ongoing governmental activities' obligations. Net assets of business-type activities increased by \$3,197,392. The City's business-type activities had unrestricted net assets of \$33,021,330, which may be used to meet the business-type activities' obligations to citizens and creditors.
- General revenues of governmental activities accounted for \$35,951,957 or 74 percent of all revenues. Program specific revenues in the form of charges for services and sales, grants, contributions and interest accounted for \$12,950,510 or 26 percent of total revenues of \$48,902,467.
- Enterprise funds reflected total operating losses of (\$888,629). The Electric and Refuse Funds reflected operating income of \$373,045 and \$5,353, while the Water, Sewer and Swimming Pool funds reflected operating losses of (\$667,401), (\$491,060) and (\$108,566), respectively. The operating losses of the Water, Sewer and Swimming Pool Funds were a result of increasing depreciation costs for all three funds, with less revenue due to weather related conditions affecting the swimming pool fund, and the reclassification of sewer and water capacity fees as non-operating revenues.
- The City had \$42,480,719 in expenses related to governmental activities; \$12,950,510 of these expenses was offset by program specific charges for services and sales, grants, contributions and interest. General revenues (primarily income and property taxes) of \$35,951,957 were more than adequate to provide for these programs. The City had \$34,560,093 in expenses related to business-type activities; these expenses were offset by program specific charges for services and sales, grants, contributions and interest of \$37,583,106, along with \$174,379 in general revenues which were more than adequate to cover all expenses.

## **USING THIS ANNUAL FINANCIAL REPORT**

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

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

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

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

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

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

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

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

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

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

### *Fund Financial Statements*

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

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

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

## **THE CITY AS A WHOLE**

As stated previously, the Statement of Net Assets looks at the City as a whole. Table 1 provides a summary of the City's net assets for 2004 compared to 2003.

Table 1  
Net Assets

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total</i>	
	<i>Restated 2003</i>	<i>2004</i>	<i>Restated 2003</i>	<i>2004</i>	<i>Restated 2003</i>	<i>2004</i>
<b><u>Assets:</u></b>						
Current and Other						
Assets	\$70,096,792	\$63,443,630	\$39,904,105	\$38,939,799	\$110,000,897	\$102,383,429
Nondepreciable Capital						
Assets	16,722,265	11,035,222	4,034,265	2,785,080	20,756,530	13,820,302
Depreciable Capital						
Assets, Net	<u>52,733,818</u>	<u>70,747,800</u>	<u>71,625,945</u>	<u>77,862,850</u>	<u>124,359,763</u>	<u>148,610,650</u>
<b>Total Assets</b>	<b><u>139,552,875</u></b>	<b><u>145,226,652</u></b>	<b><u>115,564,315</u></b>	<b><u>119,587,729</u></b>	<b><u>255,117,190</u></b>	<b><u>264,814,381</u></b>
<b><u>Liabilities:</u></b>						
Current and Other						
Liabilities	14,334,725	15,082,457	2,648,187	4,413,694	16,982,912	19,496,151
Long-Term Liabilities:						
Due Within One Year	3,307,439	3,561,394	994,426	906,973	4,301,865	4,468,367
Due in More Than						
One Year	<u>31,871,094</u>	<u>30,121,436</u>	<u>9,366,795</u>	<u>8,514,762</u>	<u>41,237,889</u>	<u>38,636,198</u>
<b>Total Liabilities</b>	<b><u>49,513,258</u></b>	<b><u>48,765,287</u></b>	<b><u>13,009,408</u></b>	<b><u>13,835,429</u></b>	<b><u>62,522,666</u></b>	<b><u>62,600,716</u></b>
<b><u>Net Assets:</u></b>						
Invested in Capital						
Assets, Net Of						
Related Debt	42,228,085	51,929,614	66,061,517	72,730,970	108,289,602	124,660,584
Restricted for:						
Debt Service	0	17,901	0	0	0	17,901
Capital Outlay	8,761,538	6,882,520	0	0	8,761,538	6,882,520
Unclaimed Monies	39,252	39,174	0	0	39,252	39,174
Fire Protection	3,791,323	4,743,706	0	0	3,791,323	4,743,706
Streets and Transportation	4,349,021	3,758,133	0	0	4,349,021	3,758,133
Parks and Recreation	5,548,476	5,805,822	0	0	5,548,476	5,805,822
Other Purposes	980,177	767,294	0	0	980,177	767,294
Unrestricted	<u>24,341,745</u>	<u>22,517,201</u>	<u>36,493,391</u>	<u>33,021,330</u>	<u>60,835,136</u>	<u>55,538,531</u>
<b>Total Net Assets</b>	<b><u>\$90,039,617</u></b>	<b><u>\$96,461,365</u></b>	<b><u>\$102,554,908</u></b>	<b><u>\$105,752,300</u></b>	<b><u>\$192,594,525</u></b>	<b><u>\$202,213,665</u></b>

Total net assets increased \$9,619,140. Net assets of the City's governmental activities increased by \$6,421,748 with unrestricted net assets decreasing \$1,824,544.

The net assets of the City's business-type activities increased by \$3,197,392. The City strives to control operation expenses for business-type activities in order to maintain stability in charges for services and closely monitors the trends of our growing community in order to adjust for budgetary issues and changes in city code where necessary.

Table 2 shows the changes in net assets for the years ended December 31, 2003 and 2004.

Table 2  
Changes In Net Assets

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total</i>	
	<i>Restated 2003</i>	<i>2004</i>	<i>Restated 2003</i>	<i>2004</i>	<i>Restated 2003</i>	<i>2004</i>
<b><u>Revenues</u></b>						
<b><u>Program Revenues:</u></b>						
Charges for Services and Sales	\$4,257,292	\$4,775,210	\$30,703,858	\$33,889,644	\$34,961,150	\$38,664,854
Operating Grants, Contributions and Interest	4,576,376	4,594,674	29,433	897,426	4,605,809	5,492,100
Capital Grants, Contributions and Interest	4,433,334	3,580,626	620,769	2,796,036	5,054,103	6,376,662
<i>Total Program Revenues</i>	<u>13,267,002</u>	<u>12,950,510</u>	<u>31,354,060</u>	<u>37,583,106</u>	<u>44,621,062</u>	<u>50,533,616</u>
<b><u>General Revenues:</u></b>						
Property and Other Taxes	10,732,732	11,122,848	0	0	10,732,732	11,122,848
Income Taxes	17,899,709	18,357,352	0	0	17,899,709	18,357,352
Grants and Entitlements	5,177,486	4,787,086	0	0	5,177,486	4,787,086
Investment Earnings	1,549,328	1,339,752	68,536	47,236	1,617,864	1,386,988
Payment in Lieu of Taxes	219,691	294,277	0	0	219,691	294,277
Other	45,945	50,642	101,583	127,143	147,528	177,785
<i>Total General Revenues</i>	<u>35,624,891</u>	<u>35,951,957</u>	<u>170,119</u>	<u>174,379</u>	<u>35,795,010</u>	<u>36,126,336</u>
<i>Total Revenues</i>	<u>48,891,893</u>	<u>48,902,467</u>	<u>31,524,179</u>	<u>37,757,485</u>	<u>80,416,072</u>	<u>86,659,952</u>
<b><u>Program Expenses:</u></b>						
Security of Persons and Property	17,861,792	18,294,807	0	0	17,861,792	18,294,807
Public Health	53,158	64,095	0	0	53,158	64,095
Leisure Time Activities	6,393,207	8,241,110	0	0	6,393,207	8,241,110
Community Development	2,104,386	2,311,744	0	0	2,104,386	2,311,744
Basic Utility Services	294,465	280,901	0	0	294,465	280,901
Transportation	1,698,334	3,359,353	0	0	1,698,334	3,359,353
General Government	8,941,895	8,482,028	0	0	8,941,895	8,482,028
Interest and Fiscal Charges	1,340,456	1,446,681	0	0	1,340,456	1,446,681
Water	0	0	2,328,572	4,001,976	2,328,572	4,001,976
Sewer	0	0	4,612,333	4,789,093	4,612,333	4,789,093
Electric	0	0	19,205,055	23,618,281	19,205,055	23,618,281
Refuse	0	0	1,689,437	1,711,896	1,689,437	1,711,896
Swimming Pool	0	0	419,286	438,847	419,286	438,847
<i>Total Expenses</i>	<u>38,687,693</u>	<u>42,480,719</u>	<u>28,254,683</u>	<u>34,560,093</u>	<u>66,942,376</u>	<u>77,040,812</u>
Increase in Net Assets before Transfers	10,204,200	6,421,748	3,269,496	3,197,392	13,473,696	9,619,140
Transfers	(6,702)	0	6,702	0	0	0
Increase in Net Assets	10,197,498	6,421,748	3,276,198	3,197,392	13,473,696	9,619,140
Net Assets January 1	79,842,119	90,039,617	99,278,710	102,554,908	179,120,829	192,594,525
<i>Net Assets December 31</i>	<u>\$90,039,617</u>	<u>\$96,461,365</u>	<u>\$102,554,908</u>	<u>\$105,752,300</u>	<u>\$192,594,525</u>	<u>\$202,213,665</u>

### ***Governmental Activities***

The 1.25% income tax is the largest source of revenue for the City of Westerville. Employee withholding contributes 72.6% of the revenue received in 2004, with business earnings contributing 6.9% and individuals contributing 20.5%. Residents are permitted, as a credit against their City income tax liability, up to a maximum of 0.95% of the 1.25% income tax of the amount paid as municipal income tax on the same income in another municipal corporation.

Administration and Council has a quality of life commitment to the citizens and businesses located in Westerville. With this in mind, Council committed, through appropriations in 2004, \$116,481,186 from governmental and business sources, as well as federal and state grants for

capital assets, equipment and repairs. These assets included street reconstruction, street resurfacing, sidewalk replacements, safety and street maintenance equipment and vehicles, as well as park and recreation system improvements.

Governmental program expenses for 2004 were as follows:

Security of Person And Property	43.06%
Public Health	0.15%
Leisure Time Activity	19.40%
Community Development	5.44%
Basic Utility Services	0.66%
Transportation	7.91%
General Government	19.97%
Interest And Fiscal Charges	3.41%
	<u>100.00%</u>

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

When looking at the sources of income to support governmental activities, it should be noted that charges for services are only 9.76% of revenue. Revenues provided by sources other than City residents in the form of operating and capital grants comprise another 16.72%. The remaining revenues are primarily generated locally through property and income taxes. City Council relies on these taxes to furnish the quality of life to businesses and citizens to which they and previous Councils have always been committed.

***Business-Type Activities***

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

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

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

The City of Westerville purchases wholesale electric power from independent sources and is paid for through user fees billed by the City to Westerville residents and businesses. This revenue is used to pay for the necessary level of staffing required to complement the contracted

services, debt service on the electric distribution system improvements and to fund system improvements and depreciation. Westerville owns and maintains the infrastructure necessary to furnish services to their citizens and is responsible for major reconstruction and extension of new service within the community.

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

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

## **THE CITY'S FUNDS**

Information about the City's major governmental funds begins on page 16. These funds are reported using the modified accrual basis of accounting. All Governmental funds had total revenues of \$48,312,728 and expenditures of \$55,109,953. The General Fund balance decreased by \$1,867,040, due to the unrealized decrease in the fair value of investments over the previous year, higher costs associated with salaries and benefits in the police department, and increased expenditures for advanced technology.

The Fire Operating Fund balance increased \$1,126,292, due primarily to increased tax collections of the 3.4 mill operating levy approved by the voters in 2002, intended to fund operations for the subsequent six-year period.

The Parks and Recreation Operating Fund balance increased \$216,260, due mainly to the transfer of monies from the Parks and Recreation Income Tax Allocation Fund and the General Fund to support their operations.

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

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of receipts, disbursements and encumbrances. The City's budget is adopted by function within each fund. Before the budget is adopted, Council reviews detailed budget worksheets of each function and object within the General Fund and then adopts the budget. During 2004 there were four revisions to the General Fund budget. The net effect of the revisions was an increase in the appropriations of \$4,884,484.

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

Original General Fund budgeted revenues were \$25,380,966. The final budgeted amount was \$26,479,028. This increase of \$1,098,062 was due primarily to the net increase in interest income, estate tax receipts and Delaware County's contribution towards the Spring and Maxtown Road Improvements, all of which were offset by a reduction in income tax revenues.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

Table 3  
Capital Assets  
(Net Of Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	Restated 2003	2004	Restated 2003	2004	2003	2004
Land	\$6,042,474	\$6,563,093	\$1,051,604	\$1,051,604	7,094,078	7,614,697
Construction in Progress	10,679,791	4,472,129	2,982,661	1,733,476	13,662,452	6,205,605
Land Improvements	10,328,521	10,973,833	2,257,809	2,052,243	12,586,330	13,026,076
Buildings	23,490,185	26,523,472	3,463,820	3,288,975	26,954,005	29,812,447
Furniture and Equipment	1,605,621	2,458,447	2,839,943	2,902,216	4,445,564	5,360,663
Vehicles	1,067,605	1,019,472	669,180	841,342	1,736,785	1,860,814
Infrastructure	16,241,886	29,772,576	0	0	16,241,886	29,772,576
Water Lines	0	0	17,690,612	19,443,949	17,690,612	19,443,949
Sewer Lines	0	0	11,559,837	12,231,047	11,559,837	12,231,047
Electric System	0	0	33,144,744	37,103,078	33,144,744	37,103,078
Totals	<u>\$69,456,083</u>	<u>\$81,783,022</u>	<u>\$75,660,210</u>	<u>\$80,647,930</u>	<u>\$145,116,293</u>	<u>\$162,430,952</u>

The increase in infrastructure of governmental activities was the result of \$14,450,234 of infrastructure additions which included various street rehabilitations, curb and sidewalk replacements and intersection improvements. Buildings increased in the governmental activities due to the construction of a new fire station and renovations to the police and communications center.

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

### Debt

At December 31, 2004, the City of Westerville had \$39,039,990 in debt outstanding.

Table 4  
Outstanding Debt at Year-End

	Governmental Activities		Business-Type Activities		Total	
	2003	2004	2003	2004	2003	2004
General Obligation Bonds	\$31,882,473	\$30,152,752	\$7,687,798	\$6,790,925	\$39,570,271	\$36,943,677
ODNR Debt	0	0	1,910,896	1,875,889	1,910,896	1,875,889
Right-of-Way Note	296,015	197,343	0	0	296,015	197,343
Police Pension Liability	23,576	23,081	0	0	23,576	23,081
Total	<u>\$32,202,064</u>	<u>\$30,373,176</u>	<u>\$9,598,694</u>	<u>\$8,666,814</u>	<u>\$41,800,758</u>	<u>\$39,039,990</u>

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

The City's overall 10.5 percent legal debt margin was \$70,871,618 as of December 31, 2004. The more restrictive unvoted legal debt margin within 5.5 percent was \$22,789,879 as of the same date. See Note 14 of the notes to the basic financial statements for more detailed information.

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

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

## Basic Financial Statements

**City of Westerville, Ohio**  
Statement of Net Assets  
December 31, 2004

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Totals</b>
<b><u>Assets:</u></b>			
Equity in Pooled Cash and Cash Equivalents	\$42,098,091	\$30,611,305	\$72,709,396
Cash and Cash Equivalents with Fiscal Agents	740,559	641	741,200
Accrued Interest Receivable	420,750	114,349	535,099
Accounts Receivable, Net	91,605	5,657,678	5,749,283
Municipal Income Taxes Receivable	2,827,609	0	2,827,609
Intergovernmental Receivable	3,291,169	14,769	3,305,938
Property and Other Local Taxes Receivable	11,667,819	0	11,667,819
Prepaid Items	273,076	0	273,076
Materials and Supplies Inventory	472,016	1,418,103	1,890,119
Internal Balances	692,360	(692,360)	0
Deferred Charges	112,318	60,721	173,039
Special Assessments Receivable	0	287,404	287,404
Land Held for Resale	756,258	0	756,258
Water Rights, Net	0	1,467,189	1,467,189
Nondepreciable Capital Assets	11,035,222	2,785,080	13,820,302
Depreciable Capital Assets, Net	70,747,800	77,862,850	148,610,650
<b>Total Assets</b>	<b>145,226,652</b>	<b>119,587,729</b>	<b>264,814,381</b>
<b><u>Liabilities:</u></b>			
Accounts Payable	675,688	2,661,919	3,337,607
Contracts Payable	1,028,554	405,725	1,434,279
Accrued Wages	756,415	148,000	904,415
Retainage Payable	693,373	135,621	828,994
Intergovernmental Payable	593,568	973,238	1,566,806
Accrued Interest Payable	114,259	56,372	170,631
Matured Bonds Payable	55,000	0	55,000
Matured Interest Payable	4,679	641	5,320
Matured Compensated Absences Payable	64,668	0	64,668
Deferred Revenue	11,096,253	7,821	11,104,074
Deposits Held and Due to Others	0	24,357	24,357
Long-Term Liabilities:			
Due Within One Year	3,561,394	906,973	4,468,367
Due in More Than One Year	30,121,436	8,514,762	38,636,198
<b>Total Liabilities</b>	<b>48,765,287</b>	<b>13,835,429</b>	<b>62,600,716</b>
<b><u>Net Assets:</u></b>			
Invested in Capital Assets, Net of Related Debt	51,929,614	72,730,970	124,660,584
Restricted for:			
Debt Service	17,901	0	17,901
Capital Outlay	6,882,520	0	6,882,520
Unclaimed Monies	39,174	0	39,174
Fire Protection	4,743,706	0	4,743,706
Streets and Transportation	3,758,133	0	3,758,133
Parks and Recreation	5,805,822	0	5,805,822
Other Purposes	767,294	0	767,294
Unrestricted	22,517,201	33,021,330	55,538,531
<b>Total Net Assets</b>	<b>\$96,461,365</b>	<b>\$105,752,300</b>	<b>\$202,213,665</b>

See accompanying notes to the basic financial statements

*City of Westerville, Ohio*  
Statement of Activities:  
For the Year Ended December 31, 2004

	<i>Expenses</i>	<i>Program Revenues</i>		
		<i>Charges for Services and Sales</i>	<i>Operating Grants, Contributions and Interest</i>	<i>Capital Grants, Contributions and Interest</i>
<b><i>Governmental Activities:</i></b>				
Security of Persons and Property	\$18,294,807	\$233,947	\$2,642,648	\$0
Public Health	64,095	35,246	0	0
Leisure Time Activities:	8,241,110	2,733,907	25,762	133,354
Community Development	2,311,744	884,132	0	0
Basic Utility Service	280,901	0	0	1,226,340
Transportation	3,359,353	524	1,915,224	2,220,932
General Government	8,482,028	887,454	11,040	0
Interest and Fiscal Charge:	1,446,681	0	0	0
<i>Total Governmental Activities</i>	<u>42,480,719</u>	<u>4,775,210</u>	<u>4,594,674</u>	<u>3,580,626</u>
<b><i>Business-Type Activities:</i></b>				
Water	4,001,976	3,447,858	0	1,806,654
Sewer	4,789,093	4,636,563	0	989,382
Electric	23,618,281	23,758,104	897,426	0
Refuse	1,711,896	1,716,930	0	0
Swimming Pool	438,847	330,189	0	0
<i>Total Business-Type Activities</i>	<u>34,560,093</u>	<u>33,889,644</u>	<u>897,426</u>	<u>2,796,036</u>
<i>Total Activities</i>	<u>\$77,040,812</u>	<u>\$38,664,854</u>	<u>\$5,492,100</u>	<u>\$6,376,662</u>

***General Revenues:***

Property and Other Taxes Levied for

General Purposes

Fire

Debt Service

Municipal Income Taxes Levied for

General Purposes

Parks and Recreation

Grants and Entitlements not Restricted to Specific Program

Unrestricted Investment Earnings:

Payments in Lieu of Taxes

Other

*Total General Revenues*

Change in Net Assets

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

*Net Assets End of Year*

See accompanying notes to the basic financial statement

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

<b><i>Governmental Activities</i></b>	<b><i>Business-Type Activities</i></b>	<b><i>Totals</i></b>
(\$15,418,212)	\$0	(\$15,418,212)
(28,849)	0	(28,849)
(5,348,087)	0	(5,348,087)
(1,427,612)	0	(1,427,612)
945,439	0	945,439
777,327	0	777,327
(7,583,534)	0	(7,583,534)
(1,446,681)	0	(1,446,681)
<u>(29,530,209)</u>	<u>0</u>	<u>(29,530,209)</u>
0	1,252,536	1,252,536
0	836,852	836,852
0	1,037,249	1,037,249
0	5,034	5,034
0	(108,658)	(108,658)
<u>0</u>	<u>3,023,013</u>	<u>3,023,013</u>
(29,530,209)	3,023,013	(26,507,196)
3,158,862	0	3,158,862
7,485,143	0	7,485,143
478,843	0	478,843
14,879,559	0	14,879,559
3,477,793	0	3,477,793
4,787,086	0	4,787,086
1,339,752	47,236	1,386,988
294,277	0	294,277
50,642	127,143	177,785
<u>35,951,957</u>	<u>174,379</u>	<u>36,126,336</u>
6,421,748	3,197,392	9,619,140
<u>90,039,617</u>	<u>102,554,908</u>	<u>192,594,525</u>
<u>\$96,461,365</u>	<u>\$105,752,300</u>	<u>\$202,213,665</u>

*City of Westerville, Ohio*  
 Balance Sheet  
 Governmental Funds  
 December 31, 2004

	<i>General</i>	<i>Fire Operating</i>	<i>Parks and Recreation Operating</i>	<i>Other Governmental Funds</i>	<i>Total Governmental Funds</i>
<b><i>Assets:</i></b>					
Equity in Pooled Cash and Cash Equivalents	\$12,236,279	\$5,574,961	\$5,425,694	\$18,243,409	\$41,480,343
Cash and Cash Equivalents with Fiscal Agent:	0	0	0	740,559	740,559
Receivables:					
Property and Other Taxes	3,049,697	8,113,325	0	504,797	11,667,819
Municipal Income Taxes	2,262,087	0	0	565,522	2,827,609
Accounts	71,901	0	10,607	469	82,977
Accrued Interest	380,755	34,506	0	1,447	416,708
Intergovernmental Receivable	1,600,051	509,039	0	1,182,079	3,291,169
Prepaid Items	273,076	0	0	0	273,076
Materials and Supplies Inventory	191,336	0	113,876	133,320	438,532
Land Held for Resale	756,258	0	0	0	756,258
Interfund Receivable	7,091,789	0	0	12,937	7,104,726
<i>Total Assets</i>	<u>\$27,913,229</u>	<u>\$14,231,831</u>	<u>\$5,550,177</u>	<u>\$21,384,539</u>	<u>\$69,079,776</u>
<b><i>Liabilities and Fund Balances:</i></b>					
<b><i>Liabilities:</i></b>					
Accounts Payable	\$204,357	\$34,989	\$134,308	\$229,592	\$603,246
Contracts Payable	0	8,972	6,410	1,013,172	1,028,554
Retainage Payable	0	51,196	22,457	619,720	693,373
Accrued Wages	373,893	233,927	106,834	32,117	746,771
Intergovernmental Payable	310,603	175,644	81,238	20,476	587,961
Matured Bonds Payable	0	0	0	55,000	55,000
Matured Interest Payable	0	0	0	4,679	4,679
Due To Other Funds	5,603	2,194	18,004	118	25,919
Deferred Revenue	5,680,885	8,622,364	7,190	1,520,107	15,830,546
Matured Compensated Absences Payable	52,501	12,167	0	0	64,668
Interfund Payable	0	333,000	0	5,991,726	6,324,726
<i>Total Liabilities</i>	<u>6,627,842</u>	<u>9,474,453</u>	<u>376,441</u>	<u>9,486,707</u>	<u>25,965,443</u>
<b><i>Fund Balances:</i></b>					
Reserved for Encumbrances	242,019	131,403	262,034	4,156,218	4,791,674
Reserved for Interfund Receivable	5,908,000	0	0	12,937	5,920,937
Reserved for Land Held for Resale	756,258	0	0	0	756,258
Reserved for Unclaimed Monies	39,174	0	0	0	39,174
Unreserved:					
Undesignated, Reported in:					
General Fund	14,339,936	0	0	0	14,339,936
Special Revenue Funds	0	4,625,975	4,911,702	4,592,989	14,130,666
Debt Service Funds	0	0	0	89,866	89,866
Capital Projects Funds	0	0	0	3,045,822	3,045,822
<i>Total Fund Balances</i>	<u>21,285,387</u>	<u>4,757,378</u>	<u>5,173,736</u>	<u>11,897,832</u>	<u>43,114,333</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$27,913,229</u>	<u>\$14,231,831</u>	<u>\$5,550,177</u>	<u>\$21,384,539</u>	<u>\$69,079,776</u>

See accompanying notes to the basic financial statement

*City of Westerville, Ohio*  
 Reconciliation of Total Governmental Fund Balances to  
 Net Assets of Governmental Activities  
 December 31, 2004

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**Total Governmental Fund Balances** \$43,114,333

**Amounts reported for governmental activities in the statement of net assets are different because:**

Capital Assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:

Land	6,563,093	
Construction In Progress	4,472,129	
Infrastructure	30,858,573	
Other Capital Assets	57,925,497	
Accumulated Depreciation	<u>(18,272,291)</u>	
		81,547,001

Internal Service funds are used by management to charge the cost of insurance and automotive maintenance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets:

749,741

An internal balance is recorded in governmental activities to reflect underpayments to the internal service fund by the business-type activities:

(61,721)

Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:

Municipal Income Taxes	1,542,800	
Property and Other Taxes	500,954	
Intergovernmental Accounts	2,477,261	
	<u>213,278</u>	
		4,734,293

Bond issuance costs reported as an expenditure in governmental funds are recognized as an asset and allocated as an expense over the life of the debt on the accrual basis of accounting:

112,318

Some liabilities, including bonds payable, loans payable and accrued interest payable, are not due and payable in the current period and therefore are not reported in the funds:

Accrued Interest	(114,259)	
General Obligation Bonds	(30,189,900)	
Discount on Bonds	37,148	
Police Pension	(23,081)	
Compensated Absence	(3,247,165)	
Notes Payable	<u>(197,343)</u>	
		<u>(33,734,600)</u>

**Net Assets of Governmental Activities** \$96,461,365

See accompanying notes to the basic financial statement

*City of Westerville, Ohio*  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the Year Ended December 31, 2004

	<u>General</u>	<u>Fire Operating</u>	<u>Parks and Recreation Operating</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b><u>Revenues:</u></b>					
Property Taxes	\$2,790,282	\$7,475,854	\$0	\$482,459	\$10,748,595
Municipal Income Taxes	14,881,251	0	0	3,478,216	18,359,467
Other Local Taxes	0	0	0	362,261	362,261
Payments in Lieu of Taxes	0	0	0	294,277	294,277
Intergovernmental	5,173,892	2,384,478	150,000	4,629,713	12,338,083
Charges for Services	808,271	153	2,561,885	83	3,370,392
Fees, Licenses and Permits	666,053	50	75,752	125,387	867,242
Fines and Forfeitures	382,773	0	0	116,318	499,091
Interest	1,924,303	160,956	0	68,023	2,153,282
Decrease in Fair Value of Investments	(762,703)	(59,604)	0	(5,674)	(827,981)
Other	75,922	14,578	26,004	31,515	148,019
<i>Total Revenues</i>	<u>25,940,044</u>	<u>9,976,465</u>	<u>2,813,641</u>	<u>9,582,578</u>	<u>48,312,728</u>
<b><u>Expenditures:</u></b>					
Current:					
Security of Persons and Property	9,565,482	8,850,173	0	77,254	18,492,909
Public Health	55,412	0	0	0	55,412
Leisure Time Activities	0	0	6,202,645	0	6,202,645
Community Development	2,260,454	0	0	0	2,260,454
Basic Utility Services	232,736	0	0	0	232,736
Transportation	0	0	0	2,495,398	2,495,398
General Government	8,448,020	0	0	975,487	9,423,507
Capital Outlay	0	0	0	12,671,378	12,671,378
Debt Service:					
Principal Retirement	495	0	0	1,830,392	1,830,887
Interest and Fiscal Charges	997	0	0	1,443,630	1,444,627
<i>Total Expenditures</i>	<u>20,563,596</u>	<u>8,850,173</u>	<u>6,202,645</u>	<u>19,493,539</u>	<u>55,109,953</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>5,376,448</u>	<u>1,126,292</u>	<u>(3,389,004)</u>	<u>(9,910,961)</u>	<u>(6,797,225)</u>
<b><u>Other Financing Sources (Uses):</u></b>					
Proceeds From Sale of Capital Assets	1,300	0	0	0	1,300
Transfers - In	0	0	3,605,264	7,081,278	10,686,542
Transfers - Out	(7,244,788)	0	0	(3,441,754)	(10,686,542)
<i>Total Other Financing Sources (Uses)</i>	<u>(7,243,488)</u>	<u>0</u>	<u>3,605,264</u>	<u>3,639,524</u>	<u>1,300</u>
Net Change in Fund Balances	(1,867,040)	1,126,292	216,260	(6,271,437)	(6,795,925)
Fund Balances Beginning of Year - Restated (See Note 3)	<u>23,152,427</u>	<u>3,631,086</u>	<u>4,957,476</u>	<u>18,169,269</u>	<u>49,910,258</u>
<i>Fund Balances End of Year</i>	<u>\$21,285,387</u>	<u>\$4,757,378</u>	<u>\$5,173,736</u>	<u>\$11,897,832</u>	<u>\$43,114,333</u>

See accompanying notes to the basic financial statements

*City of Westerville, Ohio*  
 Reconciliation of the Statement of Revenues, Expenditures and Changes  
 in Fund Balances of Governmental Funds to the Statement of Activities  
 For the Year Ended December 31, 2004

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*Net Change in Fund Balances - Total Governmental Funds* (\$6,795,925)

*Amounts reported for governmental activities in the statement of activities are different because:*

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:

Capital Outlay	14,648,790	
Depreciation	(3,511,757)	
Excess of Capital Outlay over Depreciation Expense		11,137,033

Governmental funds do not report the revenue from the contribution of capital assets since they do not represent current financial resources. However the revenue is reported in the statement of activities. 1,226,340

Governmental funds only report the disposal of fixed assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each sale.  
 Loss on Disposal Of Assets (21,029)

The internal service funds used by management to charge the costs of maintaining City vehicles and equipment and the costs of general liability claims, actions, and judgments against the City, its officers and employees are not reported in the entity-wide statement of activities. Governmental expenditures and related internal service fund revenues are eliminated. The net revenue (expenses) of the internal service funds is allocated among the governmental activities, net of the change in the internal balance resulting from activity with the enterprise funds. (89,701)

Repayment of long-term obligations is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. In the current year, these amounts consist of:

General Obligation Bond Principal Payments	1,731,720	
Street and Construction Infrastructure Notes Payments	98,672	
Police Pension Principal Payments	495	
		1,830,887

Some revenues that will not be collected for several months after the City's year-end are not considered "available" revenues and are deferred in the governmental funds.

Municipal Income Taxes	(2,115)	
Property and Other Taxes	11,992	
Intergovernmental	(697,628)	
Charges for Services	21,256	
Fees, Licenses and Permits	1,246	
Miscellaneous	12,897	
		(652,352)

Governmental funds report discounts and bond issuance costs as other financing uses and as expenditures, respectively, whereas these amounts are deferred and amortized in the statement of activities. In the current period, these amounts are:

Amortization of Bond Discounts	(1,999)	
Amotization of Bond Issuance Costs	(6,044)	
		(8,043)

Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. The additional amount of interest on the statement of activities is the result of the following:

Decrease in Accrued Interest		5,989
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Some items reported as expenses in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. These activities consist of:

Increase in Compensated Absences	(313,037)	
Decrease in Intergovernmental Payables	101,586	
		(211,451)

*Change in Net Assets of Governmental Activities* \$6,421,748

*City of Westerville, Ohio*  
Statement of Revenues, Expenditures and Changes in Fund  
Balance - Budget (Non-GAAP Budgetary Basis) and Actual  
**General Fund**  
For the Year Ended December 31, 2004

	<i>Budget</i>		<i>Actuals</i>			<i>Variance Positive (Negative)</i>
	<i>Original</i>	<i>Final</i>	<i>Cash</i>		<i>Total</i>	
			<i>Transactions</i>	<i>Encumbrances</i>		
<b><i>Revenues:</i></b>						
Property Taxes	\$2,770,784	\$2,789,012	\$2,790,282		\$2,790,282	\$1,270
Municipal Income Tax	15,014,250	14,657,871	14,620,379		14,620,379	(37,492)
Intergovernmental	4,359,522	5,228,484	5,200,170		5,200,170	(28,314)
Charges for Services	887,910	807,172	806,312		806,312	(860)
Fees, Licenses and Permits	635,350	662,916	683,545		683,545	20,629
Fines and Forfeitures	432,100	386,616	386,616		386,616	0
Interest	1,228,000	1,876,000	1,971,989		1,971,989	95,989
Miscellaneous	53,050	70,957	71,632		71,632	675
<i>Total Revenues</i>	<u>25,380,966</u>	<u>26,479,028</u>	<u>26,530,925</u>		<u>26,530,925</u>	<u>51,897</u>
<b><i>Expenditures:</i></b>						
Current Operations and Maintenance						
Security of Persons and Property	10,844,683	10,768,597	9,458,167	112,212	9,570,379	1,198,218
Public Health	71,710	71,710	58,449	1,600	60,049	11,661
Community Development	2,376,377	2,366,722	2,166,219	28,727	2,194,946	171,776
Basic Utility Services	382,165	377,713	223,405	13,902	237,307	140,406
General Government	8,919,652	9,067,329	8,212,298	245,554	8,457,852	609,477
<i>Total Expenditures</i>	<u>22,594,587</u>	<u>22,652,071</u>	<u>20,118,538</u>	<u>401,995</u>	<u>20,520,533</u>	<u>2,131,538</u>
Excess of Revenues Over Expenditures	<u>2,786,379</u>	<u>3,826,957</u>	<u>6,412,387</u>	<u>(401,995)</u>	<u>6,010,392</u>	<u>2,183,435</u>
<b><i>Other Financing Sources (Uses):</i></b>						
Proceeds from Sale of Capital Assets	0	1,299	1,300		1,300	1
Advances - In	3,256,503	2,127,615	2,127,617		2,127,617	2
Advances - Out	0	(3,147,000)	(3,147,000)	0	(3,147,000)	0
Transfers - Out	(5,661,685)	(7,341,685)	(7,244,788)	0	(7,244,788)	96,897
<i>Total Other Financing Sources (Uses)</i>	<u>(2,405,182)</u>	<u>(8,359,771)</u>	<u>(8,262,871)</u>	<u>0</u>	<u>(8,262,871)</u>	<u>96,900</u>
Net Change in Fund Balance	381,197	(4,532,814)	(1,850,484)	(401,995)	(2,252,479)	2,280,335
Fund Balance at Beginning of Year	13,899,605	13,971,431	14,373,466	(402,035)	13,971,431	0
Prior Year Encumbrances Carried Over	473,861	402,035	0	402,035	402,035	0
<i>Fund Balance at End of Year</i>	<u>\$14,754,663</u>	<u>\$9,840,652</u>	<u>\$12,522,982</u>	<u>(\$401,995)</u>	<u>\$12,120,987</u>	<u>\$2,280,335</u>

See accompanying notes to the basic financial statements

*City of Westerville, Ohio*  
Statement of Revenues, Expenditures and Changes in Fund  
Balance - Budget (Non-GAAP Budgetary Basis) and Actual  
**Fire Operating Special Revenue Fund**  
For the Year Ended December 31, 2004

	<i>Budget</i>		<i>Actual</i>		<i>Variance Positive (Negative)</i>	
	<i>Original</i>	<i>Final</i>	<i>Cash Transactions</i>	<i>Encumbrances</i>		<i>Total</i>
<b><i>Revenues:</i></b>						
Property Taxes	\$7,578,984	\$7,470,065	\$7,475,854		\$7,475,854	\$5,789
Intergovernmental	2,007,370	2,384,476	2,384,478		2,384,478	2
Charges for Services	1,500	153	153		153	0
Fees, Licenses and Permits	0	50	50		50	0
Interest	99,000	108,500	155,328		155,328	46,828
Miscellaneous	0	14,577	14,578		14,578	1
<i>Total Revenues</i>	<u>9,686,854</u>	<u>9,977,821</u>	<u>10,030,441</u>		<u>10,030,441</u>	<u>52,620</u>
<b><i>Expenditures:</i></b>						
Current Operations and Maintenance						
Security of Persons and Property	9,394,462	9,419,792	8,667,796	177,546	8,845,342	574,450
Net Change in Fund Balance	292,392	558,029	1,362,645	(177,546)	1,185,099	627,070
Fund Balance at Beginning of Year	4,059,939	4,151,369	4,244,298	(92,929)	4,151,369	0
Prior Year Encumbrances Carried Over	184,359	92,929	0	92,929	92,929	0
<i>Fund Balance at End of Year</i>	<u>\$4,536,690</u>	<u>\$4,802,327</u>	<u>\$5,606,943</u>	<u>(\$177,546)</u>	<u>\$5,429,397</u>	<u>\$627,070</u>

See accompanying notes to the basic financial statement

*City of Westerville, Ohio*  
Statement of Revenues, Expenditures and Changes in Fund  
Balance - Budget (Non-GAAP Budgetary Basis) and Actual  
**Parks and Recreation Operating Special Revenue Fund**  
For the Year Ended December 31, 2004

	<i>Budget</i>		<i>Actual</i>		<i>Variance Positive (Negative)</i>	
	<i>Original</i>	<i>Final</i>	<i>Cash Transactions</i>	<i>Encumbrances</i>		<i>Total</i>
<b><u>Revenues:</u></b>						
Intergovernmental	\$250,000	\$150,000	\$150,000		\$150,000	\$0
Charges for Services	2,549,100	2,571,615	2,563,063		2,563,063	(8,552)
Fees, Licenses and Permits	72,000	75,752	75,752		75,752	0
Miscellaneous	177,500	25,955	25,956		25,956	1
<i>Total Revenues</i>	<u>3,048,600</u>	<u>2,823,322</u>	<u>2,814,771</u>		<u>2,814,771</u>	<u>(8,551)</u>
<b><u>Expenditures:</u></b>						
Current Operations and Maintenance:						
Leisure Time Activities	7,391,681	7,355,824	6,130,533	405,477	6,536,010	819,814
Excess of Revenues						
Under Expenditures	(4,343,081)	(4,532,502)	(3,315,762)	(405,477)	(3,721,239)	811,263
<b><u>Other Financing Sources:</u></b>						
Transfers - In	3,605,264	3,605,264	3,605,264		3,605,264	0
Net Change in Fund Balance	(737,817)	(927,238)	289,502	(405,477)	(115,975)	811,263
Fund Balance at Beginning of Year	4,616,949	4,652,806	5,136,195	(483,389)	4,652,806	0
Prior Year Encumbrances Carried Over	519,246	483,389	0	483,389	483,389	0
<i>Fund Balance at End of Year</i>	<u>\$4,398,378</u>	<u>\$4,208,957</u>	<u>\$5,425,697</u>	<u>(\$405,477)</u>	<u>\$5,020,220</u>	<u>\$811,263</u>

See accompanying notes to the basic financial statements

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*City of Westerville, Ohio*  
Statement of Fund Net Assets  
Proprietary Funds  
December 31, 2004

	<i>Business Type Activities --</i>		
	<i>Water</i>	<i>Sewer</i>	<i>Electric</i>
<b><u>Assets:</u></b>			
<b><u>Current Assets:</u></b>			
Equity in Pooled Cash and Cash Equivalents	\$8,021,613	\$3,265,309	\$18,442,672
Cash and Cash Equivalents with Fiscal Agents	641	0	0
Receivables:			
Accounts, Net	542,106	714,410	4,112,919
Intergovernmental	10,769	0	4,000
Accrued Interest	4,723	0	0
Due From Other Funds	0	0	36,145
Materials and Supplies Inventory	127,188	10,301	1,280,614
<b>Total Current Assets</b>	<b>8,707,040</b>	<b>3,990,020</b>	<b>23,876,350</b>
<b><u>Non-current Assets:</u></b>			
Accrued Interest Receivable	61,424	48,202	0
Special Assessments Receivable	161,033	126,371	0
Deferred Charges	0	0	60,721
Water Rights, Net	1,467,189	0	0
Capital Assets:			
Nondepreciable Capital Assets	1,445,482	119,963	1,105,685
Depreciable Capital Assets, Net	21,131,993	12,641,957	42,323,643
<b>Total Non-current Assets</b>	<b>24,267,121</b>	<b>12,936,493</b>	<b>43,490,049</b>
<b>Total Assets</b>	<b>32,974,161</b>	<b>16,926,513</b>	<b>67,366,399</b>
<b><u>Liabilities:</u></b>			
<b><u>Current Liabilities:</u></b>			
Accounts Payable	49,862	26,011	2,461,965
Contracts Payable	346,643	0	59,082
Accrued Wages	33,454	13,773	95,238
Retainage Payable	49,873	0	85,748
Matured Interest Payable	641	0	0
Accrued Interest Payable	39,974	0	16,398
Intergovernmental Payable	23,278	878,560	66,556
Due To Other Funds	9,597	67	0
Deferred Revenue	0	0	7,821
Deposits Held and Due to Others	0	0	24,357
Claims Payable	0	0	0
Compensated Absences Payable	85,938	25,588	243,986
ODNR Loans Payable	36,135	0	0
General Obligation Bonds Payable	320,000	0	184,945
<b>Total Current Liabilities</b>	<b>995,395</b>	<b>943,999</b>	<b>3,246,096</b>
<b><u>Long-Term Liabilities:</u></b>			
Interfund Payable	0	0	0
Compensated Absences Payable, Net	171,833	56,022	150,431
ODNR Loans Payable, Net	1,839,754	0	0
General Obligation Bonds Payable, Net	2,240,000	0	4,045,980
<b>Total Long-Term Liabilities</b>	<b>4,251,587</b>	<b>56,022</b>	<b>4,196,411</b>
<b>Total Liabilities</b>	<b>5,246,982</b>	<b>1,000,021</b>	<b>7,442,507</b>
<b><u>Net Assets:</u></b>			
Invested in Capital Assets, Net of Related Debt	18,286,471	12,761,920	39,803,372
Unrestricted	9,440,708	3,164,572	20,120,520
<b>Total Net Assets</b>	<b>\$27,727,179</b>	<b>\$15,926,492</b>	<b>\$59,923,892</b>

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

See accompanying notes to the basic financial statements

<i>Enterprise Funds</i>		<i>Governmental Activities</i>
<i>Other Enterprise Funds</i>	<i>Totals</i>	<i>Internal Service Funds</i>
\$881,711	\$30,611,305	\$617,748
0	641	0
288,243	5,657,678	8,628
0	14,769	0
0	4,723	4,042
0	36,145	0
0	1,418,103	33,484
<u>1,169,954</u>	<u>37,743,364</u>	<u>663,902</u>
0	109,626	0
0	287,404	0
0	60,721	0
0	1,467,189	0
113,950	2,785,080	0
<u>1,765,257</u>	<u>77,862,850</u>	<u>236,021</u>
<u>1,879,207</u>	<u>82,572,870</u>	<u>236,021</u>
<u>3,049,161</u>	<u>120,316,234</u>	<u>899,923</u>
124,081	2,661,919	26,868
0	405,725	0
5,535	148,000	9,644
0	135,621	0
0	641	0
0	56,372	0
4,844	973,238	5,607
562	10,226	0
0	7,821	0
0	24,357	0
0	0	45,574
10,381	365,893	19,118
0	36,135	0
0	504,945	0
<u>145,403</u>	<u>5,330,893</u>	<u>106,811</u>
780,000	780,000	0
10,742	389,028	43,371
0	1,839,754	0
0	6,285,980	0
<u>790,742</u>	<u>9,294,762</u>	<u>43,371</u>
<u>936,145</u>	<u>14,625,655</u>	<u>150,182</u>
1,879,207	72,730,970	236,021
233,809	32,959,609	513,720
<u>\$2,113,016</u>	<u>105,690,579</u>	<u>\$749,741</u>
	61,721	
	<u>\$105,752,300</u>	

*City of Westerville, Ohio*  
Statement of Revenues,  
Expenses and Changes in Fund Net Assets  
Proprietary Funds  
For the Year Ended December 31, 2004

	<i>Business Type Activities -</i>		
	<u>Water</u>	<u>Sewer</u>	<u>Electric</u>
<b><u>Operating Revenues:</u></b>			
Charges for Services	\$2,756,708	\$4,285,975	\$23,689,974
Tap-In Fees	0	9,225	0
Other Operating Revenues	49,489	0	77,510
<i>Total Operating Revenues</i>	<u>2,806,197</u>	<u>4,295,200</u>	<u>23,767,484</u>
<b><u>Operating Expenses:</u></b>			
Personal Services	1,233,908	551,075	3,249,284
Contractual Services	509,663	3,757,376	17,817,473
Materials and Supplies	965,123	35,703	123,309
Claims	0	0	0
Other	15,731	20,964	68,031
Depreciation	749,173	421,142	2,136,342
<i>Total Operating Expenses</i>	<u>3,473,598</u>	<u>4,786,260</u>	<u>23,394,439</u>
<i>Operating Income (Loss)</i>	<u>(667,401)</u>	<u>(491,060)</u>	<u>373,045</u>
<b><u>Non-Operating Revenues (Expenses):</u></b>			
Interest	63,986	3,857	1,154
Operating Grants	0	0	897,426
Underground Line and Capacity Charges	691,150	341,363	68,130
Interest and Fiscal Charges	(520,908)	0	(152,679)
Loss on Disposal of Capital Assets	0	0	(64,006)
Decrease in Fair Value	(21,761)	0	0
<i>Total Non-Operating Revenues (Expenses)</i>	<u>212,467</u>	<u>345,220</u>	<u>750,025</u>
Income (Loss) Before Capital Contributions	(454,934)	(145,840)	1,123,070
Capital Contributions	<u>1,806,654</u>	<u>989,382</u>	<u>0</u>
Change in Net Assets	1,351,720	843,542	1,123,070
Net Assets Beginning of Year - Restated (See Note 3)	<u>26,375,459</u>	<u>15,082,950</u>	<u>58,800,822</u>
<i>Net Assets End of Year</i>	<u><u>\$27,727,179</u></u>	<u><u>\$15,926,492</u></u>	<u><u>\$59,923,892</u></u>

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

Change in Net Assets of business-type activities

See accompanying notes to the basic financial statements

<i>Enterprise Funds</i>		<i>Governmental Activities</i>
<i>All Other Enterprise Funds</i>	<i>Totals</i>	<i>Internal Service Funds</i>
\$2,047,119	\$32,779,776	\$855,870
0	9,225	0
144	127,143	35,082
<u>2,047,263</u>	<u>32,916,144</u>	<u>890,952</u>
372,706	5,406,973	302,482
1,510,050	23,594,562	42,851
45,743	1,169,878	315,358
0	0	331,684
5,797	110,523	0
216,180	3,522,837	20,456
<u>2,150,476</u>	<u>33,804,773</u>	<u>1,012,831</u>
<u>(103,213)</u>	<u>(888,629)</u>	<u>(121,879)</u>
0	68,997	20,181
0	897,426	0
0	1,100,643	0
0	(673,587)	0
0	(64,006)	0
0	(21,761)	(5,730)
<u>0</u>	<u>1,307,712</u>	<u>14,451</u>
(103,213)	419,083	(107,428)
<u>0</u>	<u>2,796,036</u>	<u>0</u>
(103,213)	3,215,119	(107,428)
<u>2,216,229</u>		<u>857,169</u>
<u>\$2,113,016</u>		<u>\$749,741</u>
	<u>(17,727)</u>	
	<u>\$3,197,392</u>	

*City of Westerville, Ohio*  
Statement of Cash Flows  
Proprietary Funds  
For The Year Ended December 31, 2004

	<i>Business Type Activities -</i>		
	<i>Water</i>	<i>Sewer</i>	<i>Electric</i>
<b><u>Increases (Decreases) in Cash and Cash Equivalents:</u></b>			
<b><u>Cash Flows from Operating Activities:</u></b>			
Cash Received from Customers	\$2,747,961	\$4,165,641	\$22,495,729
Interfund Services Provided	0	0	487,367
Cash Payments for Personal Services	(1,213,216)	(540,793)	(3,217,757)
Cash Payments for Materials and Supplies	(973,614)	(25,596)	(166,959)
Cash Payments for Other Services and Charges	(403,027)	(3,672,985)	(17,094,852)
Interfund Services Used	(105,095)	(2,573)	0
Cash Payments for Claims	0	0	0
Cash Received From Operating Portion of Tap-in Fees	0	9,225	0
Other Operating Revenues	32,845	0	38,373
Underground Lines and Capacity Charges	563,800	312,013	68,130
Deposits Received	0	0	22,681
Deposits Refunded/Applied	0	0	(23,173)
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>649,654</u>	<u>244,932</u>	<u>2,609,539</u>
<b><u>Cash Flows from Non-Capital Financing Activities:</u></b>			
Operating Grants Received	0	0	972,016
Advances to Other Funds	0	0	0
<i>Net Cash Provided by (Used for) Non-Capital Financing Activities</i>	<u>0</u>	<u>0</u>	<u>972,016</u>
<b><u>Cash Flows from Capital and Related Financing Activities:</u></b>			
Acquisition and Construction of Capital Assets	(66,056)	(160,117)	(4,677,544)
Proceeds from the Sale of Assets	0	0	19,999
Proceeds from the Sale of Bonds	0	0	1,300,000
Principal Paid on General Obligation Bonds	(2,265,000)	0	(133,280)
Interest Paid on General Obligation Bonds	(258,405)	0	(148,637)
Principal Paid on ODNR Debt	(35,007)	0	0
Interest Paid on ODNR Debt	(61,569)	0	0
Fiscal Charges on Bonds	0	0	(60,975)
Premium on Sale of Bonds	0	0	35,975
<i>Net Cash Used for Capital and Related Financing Activities</i>	<u>(2,686,037)</u>	<u>(160,117)</u>	<u>(3,664,462)</u>
<b><u>Cash Flows From Investing Activities:</u></b>			
Decrease in Fair Value of Cash Equivalents	(21,761)	0	0
Interest	72,524	0	1,154
<i>Net Cash Provided by Investing Activities</i>	<u>50,763</u>	<u>0</u>	<u>1,154</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(1,985,620)	84,815	(81,753)
Cash and Cash Equivalents at Beginning of Year	<u>10,007,874</u>	<u>3,180,494</u>	<u>18,524,425</u>
<i>Cash and Cash Equivalents at End of Year</i>	<u>\$8,022,254</u>	<u>\$3,265,309</u>	<u>\$18,442,672</u>

<i>Enterprise Funds</i>		<i>Governmental Activities</i>	
<i>All Other Enterprise Funds</i>	<i>Totals</i>	<i>Internal Service Funds</i>	
\$2,008,234	\$31,417,565		\$0
0	487,367		847,242
(371,843)	(5,343,609)		(276,230)
(50,460)	(1,216,629)		(312,727)
(1,493,845)	(22,664,709)		(40,804)
(12,396)	(120,064)		(3,500)
0	0		(288,183)
0	9,225		0
144	71,362		35,082
0	943,943		0
0	22,681		0
0	(23,173)		0
<u>79,834</u>	<u>3,583,959</u>		<u>(39,120)</u>
0	972,016		0
<u>(105,000)</u>	<u>(105,000)</u>		<u>0</u>
<u>(105,000)</u>	<u>867,016</u>		<u>0</u>
(23,166)	(4,926,883)		(5,051)
0	19,999		0
0	1,300,000		0
0	(2,398,280)		0
0	(407,042)		0
0	(35,007)		0
0	(61,569)		0
0	(60,975)		0
0	35,975		0
<u>(23,166)</u>	<u>(6,533,782)</u>		<u>(5,051)</u>
0	(21,761)		(5,730)
<u>0</u>	<u>73,678</u>		<u>18,212</u>
<u>0</u>	<u>51,917</u>		<u>12,482</u>
(48,332)	(2,030,890)		(31,689)
<u>930,043</u>	<u>32,642,836</u>		<u>649,437</u>
<u>\$881,711</u>	<u>\$30,611,946</u>		<u>\$617,748</u>

(Continued)

*City of Westerville, Ohio*  
Statement of Cash Flows  
Proprietary Funds  
For The Year Ended December 31, 2004  
(Continued)

	<i>Business Type Activities --</i>		
	<i>Water</i>	<i>Sewer</i>	<i>Electric</i>
<b><u>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:</u></b>			
Operating Income (Loss)	(\$667,401)	(\$491,060)	\$373,045
<b><u>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:</u></b>			
Depreciation and Amortization	749,173	421,142	2,136,342
Change in Provision for Uncollectable Accounts Receivable	601	3,038	15,875
Adjustment for Underground Lines and Capacity Charges	563,800	312,013	68,130
<b><u>Changes in Assets and Liabilities:</u></b>			
Increase in Accounts Receivable	(23,471)	(117,808)	(652,686)
Increase in Due from Other Funds	0	0	(36,145)
(Increase) Decrease in Material and Supplies Inventory	(8,206)	511	(47,337)
Increase (Decrease) in Accounts Payable	5,049	19,455	725,666
Increase in Claims Payable	0	0	0
Increase in Accrued Wages	5,892	3,430	23,386
Increase (Decrease) in Compensated Absences	7,185	2,711	(15,104)
Increase in Due to Other Funds	9,597	67	0
Increase in Intergovernmental Payable	7,435	91,433	23,887
Decrease in Deferred Revenue	0	0	(6,012)
Increase in Deposits Held and Due to Others	0	0	492
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>\$649,654</u>	<u>\$244,932</u>	<u>\$2,609,539</u>
<b><u>Noncash Capital and Related Financing Activities:</u></b>			
Trade-In Allowance of Equipment and Vehicles	\$600	\$8,500	\$15,000
Service Lines Donated by Developers and Capitalized at Fair Market Value	1,806,654	989,382	0
<i>Total Noncash Investing, Capital, and Financing Activities</i>	<u>\$1,807,254</u>	<u>\$997,882</u>	<u>\$15,000</u>

See accompanying notes to the basic financial statements

<u>Enterprise Funds</u>		<u>Governmental Activities -</u>
<u>All Other Enterprise Funds</u>	<u>Totals</u>	<u>Internal Service Funds</u>
(\$103,213)	(\$888,629)	(\$121,879)
216,180	3,522,837	20,456
872	20,386	0
0	943,943	0
(33,960)	(827,925)	(8,628)
0	(36,145)	0
0	(55,032)	(7,175)
(1,470)	748,700	8,353
0	0	43,501
1,985	34,693	3,937
(2,398)	(7,606)	20,148
562	10,226	0
1,276	124,031	2,167
0	(6,012)	0
0	492	0
<u>\$79,834</u>	<u>\$3,583,959</u>	<u>(\$39,120)</u>
\$0	\$24,100	\$0
<u>0</u>	<u>2,796,036</u>	<u>0</u>
<u>\$0</u>	<u>\$2,820,136</u>	<u>\$0</u>

*City of Westerville, Ohio*  
Statement of Fiduciary  
Assets and Liabilities  
Agency Funds  
December 31, 2004

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<b><u>Assets:</u></b>	
Equity in Pooled Cash and Cash Equivalent:	\$959,421
Cash and Cash Equivalents with Fiscal Agents:	7,932
Receivables:	
Property and Other Local Taxes	<u>926</u>
<i>Total Assets</i>	<u><u>\$968,279</u></u>
<b><u>Liabilities:</u></b>	
Accounts Payable	\$926
Undistributed Monies	740,204
Intergovernmental Payable	163,747
Deposits Held and Due to Others:	<u>63,402</u>
<i>Total Liabilities</i>	<u><u>\$968,279</u></u>

See accompanying notes to the basic financial statement

## *City of Westerville, Ohio*

Notes to the Basic Financial Statements

For the Year Ended December 31, 2004

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

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

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

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

### **THE REPORTING ENTITY**

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

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

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

## *City of Westerville, Ohio*

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

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

The City is associated with three organizations which are defined as a jointly governed organization, a related organization and a risk sharing pool. These organizations are the Westerville, Minerva Park, and Blendon Township Joint Hospital District, the Westerville Industry and Commerce Corporation (WICC), and the Central Ohio Risk Management Agency (CORMA) Self-Insurance Pool, Inc. These organizations are presented in Notes 18, 19 and 20 to the basic financial statements.

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

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

#### **BASIS OF PRESENTATION**

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

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

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

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

## *City of Westerville, Ohio*

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

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

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

#### **FUND FINANCIAL STATEMENTS**

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

#### **FUND ACCOUNTING**

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

#### **GOVERNMENTAL FUNDS**

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

General Fund – This fund accounts for all financial resources except those required to be accounted for in another fund. The General Fund balance is available to the City for any purpose provided it is expended or transferred according to the general laws of Ohio and the Charter of the City.

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

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

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

## *City of Westerville, Ohio*

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

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

##### **PROPRIETARY FUNDS**

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

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

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

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

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

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

##### **FIDUCIARY FUNDS**

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

# City of Westerville, Ohio

## Notes to the Basic Financial Statements (Continued)

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

#### **MEASUREMENT FOCUS**

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

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

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

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

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

#### **BASIS OF ACCOUNTING**

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

#### **REVENUES - EXCHANGE AND NON-EXCHANGE TRANSACTION**

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

## *City of Westerville, Ohio*

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

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

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

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

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

#### **DEFERRED REVENUES**

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

Property taxes for which there is an enforceable legal claim as of December 31, 2004, but were levied to finance 2005 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met have also been recorded as deferred revenue.

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

#### **EXPENSES/EXPENDITURES**

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

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

## *City of Westerville, Ohio*

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

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

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

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

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

The appropriation resolution 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 appropriation resolution 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 Council during the year.

##### **CASH AND CASH EQUIVALENTS**

To improve cash management, cash received by the City is pooled. Monies for all funds, including proprietary funds, are maintained in this pool. Individual fund integrity is maintained through the City's records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the financial statements.

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

During the year, investments were limited to federal agency securities, repurchase agreements and STAROhio. Except for nonparticipating investment contracts, such as repurchase agreements, investments are reported at fair value which is based on quoted market prices.

## *City of Westerville, Ohio*

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

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

The City has invested funds in the State Treasury Asset Reserve of Ohio (STAROhio) during 2004. STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price which is the price the investment could be sold for on December 31, 2004.

Interest allocation is determined by the Ohio Constitution, State statutes, and local ordinances adopted under City Charter. Under these provisions, the City's funds required to receive interest allocations are: 1) those which receive proceeds from the sale of notes and/or bonds; 2) special tax levy funds; 3) the Self-Insurance Internal Service Fund; 4) the Recreation Capital Improvement Capital Projects Fund; 5) the DARE Special Revenue Fund; 6) the Criminal Activity Forfeiture Special Revenue Fund; 7) the Drug Enforcement Special Revenue Fund; and 8) the Water Enterprise Fund. During 2004, the Sewer and Electric Enterprise Funds also earned interest. All remaining interest is credited to the General Fund. Interest revenue credited to the General Fund during 2004 amounted to \$1,924,303, which includes \$1,503,043 assigned from other funds.

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

#### **INVENTORY OF SUPPLIES**

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

#### **PREPAID ITEMS**

Payments made to vendors for services that will benefit periods beyond December 31, 2004, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

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

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

# City of Westerville, Ohio

## Notes to the Basic Financial Statements (Continued)

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

#### **CAPITAL ASSETS**

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

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

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

	<u>YEARS</u>
Buildings	40
Improvements Other Than Buildings	20-30
Machinery and Equipment	10-20
Furniture and Fixtures	10-20
Vehicles	3-8
Sewer, Water and Electric Lines	30-50
Infrastructure	20-50

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

#### **COMPENSATED ABSENCES**

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the City will compensate the employees for the benefits through paid time off or some other means. The City records a liability for all accumulated unused vacation time when earned for all employees.

# *City of Westerville, Ohio*

## Notes to the Basic Financial Statements (Continued)

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

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those that the City has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at year-end, taking into consideration any limits specified in the City's termination policy. The City records a liability for accumulated unused sick leave for employees and administrators after 10 years of service.

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

### **INTERFUND RECEIVABLES AND PAYABLES**

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

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

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

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

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

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

## *City of Westerville, Ohio*

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

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

##### **CONTRIBUTIONS OF CAPITAL**

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

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

Reserves of fund balance in governmental funds indicate that a portion of fund balance is not available for expenditure or is legally segregated for a specific future use. Land held for resale is equally offset by a fund balance reserve in the governmental funds which indicates that it does not constitute available expendable resources even though it is a component of net current assets. Fund balances are reserved for encumbrances, land held for resale, unclaimed monies and interfund loans between funds to the extent they will not be repaid in 2005.

##### **INTERFUND TRANSACTIONS**

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

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

##### **NET ASSETS**

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

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

# City of Westerville, Ohio

## Notes to the Basic Financial Statements (Continued)

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

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

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

#### **ESTIMATES**

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

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

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

For 2004, the City has implemented *GASB Statement No. 39, "Determining Whether Certain Organizations are Component Units"*. This statement further defines the guidelines of *GASB Statement No. 14, "The Financial Reporting Entity"*. The implementation of this new statement had no effect on the City's financial statements for 2004. The City also implemented *GASB Technical Bulletin No. 2004-2, "Recognition of Pension and Other Postemployment Benefit Expenditures/Expense and Liability by Cost-Sharing Employers"*.

#### **RESTATEMENT OF FUND BALANCE/NET ASSETS**

During 2004, accounting changes were discovered that resulted in the following restatement of fund balances/net assets at December 31, 2003:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Net Assets, December 31, 2003	\$87,799,626	\$101,370,420
Cash Adjustments	(3,140)	13,258
Land Held for Resale	(80,556)	0
Accrued Interest Receivable	0	6,742
Deferred Revenue	0	287,404
Accrued Interest Payable	0	87,772
Capital Assets, Net	2,323,687	789,312
Adjusted Fund Balance/Net Assets, December 31, 2003	<u>\$90,039,617</u>	<u>\$102,554,908</u>

**City of Westerville, Ohio**

Notes to the Basic Financial Statements  
(Continued)

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

	<u>General</u>	<u>Fire</u>	<u>Nonmajor</u>
Fund Balance, December 31, 2003	\$23,244,502	\$3,964,086	\$17,828,550
Cash Adjustments	(11,519)	0	7,719
Land Held for Resale	(80,556)	0	0
Advances From Other Funds	0	(333,000)	333,000
Adjusted Fund Balance, December 31, 2003	<u>\$23,152,427</u>	<u>\$3,631,086</u>	<u>\$18,169,269</u>

	<u>Water</u>	<u>Sewer</u>	<u>Electric</u>	<u>Nonmajor Enterprise</u>	<u>Internal Service Funds</u>
Net Assets, December 31, 2003	\$26,140,034	\$14,955,379	\$58,000,805	\$2,194,754	\$856,509
Cash Adjustments	3,051	1,200	8,548	459	660
Accrued Interest Receivable	6,742	0	0	0	0
Accrued Interest Payable	87,772	0	0	0	0
Deferred Revenue	161,033	126,371	0		0
Capital Assets, Net	(23,173)	0	791,469	21,016	0
Adjusted Net Assets December 31, 2003	<u>\$26,375,459</u>	<u>\$15,082,950</u>	<u>\$58,800,822</u>	<u>\$2,216,229</u>	<u>\$857,169</u>

**NOTE 4 – ACCOUNTABILITY AND COMPLIANCE**

**ACCOUNTABILITY**

At December 31, 2004, the Hotel Tax Special Revenue Fund, the County Line Road Improvement Capital Projects Fund, the Maxtown Road Improvement Capital Projects Fund, and the Cleveland Avenue Extension Improvement Capital Projects Fund had deficit balances of \$10,160, \$543,446, \$34,533 and \$807,819, respectively. These deficits were the result of advances from other funds being classified as a liability on the balance sheet as opposed to being classified as an other financing source. As the advances are repaid, the deficits will be eliminated.

**COMPLIANCE**

At December 31, 2004, the Tax Incentive/Redistribution Special Revenue Fund had final appropriations in excess of final estimated resources plus available balances as follows:

<u>Estimated Resources and Available Balance</u>	<u>Appropriations</u>	<u>Excess</u>
<u>\$447,111</u>	<u>\$454,625</u>	<u>(\$7,514)</u>

**City of Westerville, Ohio**

Notes to the Basic Financial Statements  
(Continued)

**NOTE 5 - BUDGETARY BASIS OF ACCOUNTING**

While reporting financial position and results of operations on the basis of generally accepted accounting principles (GAAP), the budgetary basis, as provided by law, is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The *Statement of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual* is presented for the General Fund, and each major special revenue fund, on the budgetary basis to provide a meaningful comparison of actual results with the budget.

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

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

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

	<i>Net Change In Fund Balance</i>		
	<u>General</u>	<u>Fire Operating</u>	<u>Parks and Recreation Operating</u>
GAAP Basis	(\$1,867,040)	\$1,126,292	\$216,260
<u>Increases (decreases) Due To:</u>			
Revenue Accruals	590,881	53,976	1,130
Expenditure Accruals	445,058	182,377	72,112
Encumbrances Outstanding			
At Year End (Budget Basis)	(401,995)	(177,546)	(405,477)
Advances	<u>(1,019,383)</u>	<u>0</u>	<u>0</u>
Budget Basis	<u><u>(\$2,252,479)</u></u>	<u><u>\$1,185,099</u></u>	<u><u>(\$115,975)</u></u>

## *City of Westerville, Ohio*

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

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#### **NOTE 6 - DEPOSITS AND INVESTMENTS**

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

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

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

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

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

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

1. United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;

## *City of Westerville, Ohio*

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

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

5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions; and
6. The State Treasurer's investment pool (STAR Ohio).

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

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

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

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

At year-end, the carrying amount of the City's deposits was \$1,208,080, and the bank balance was \$2,688,214. Of the bank balance, \$100,000 was covered by federal depository insurance. The remaining amounts were uninsured and uncollateralized. Although the balance was collateralized by securities held by the financial institutions' trust departments in the City's name and all State statutory requirements for the deposit of money had been followed, non compliance with federal requirements could potentially subject the City to a successful claim by the FDIC.

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

**City of Westerville, Ohio**

Notes to the Basic Financial Statements  
(Continued)

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

	<u>1</u>	<u>Category</u> <u>2</u>	<u>3</u>	<u>Fair</u> <u>Value</u>
U.S. Agency Securities	\$0	\$65,677,583	\$0	\$65,677,583
STAROhio	0	0	0	7,532,286
Total Investments	<u>\$0</u>	<u>\$65,677,583</u>	<u>\$0</u>	<u>\$73,209,869</u>

The classification of cash and cash equivalents, and investments on the financial statements is based on criteria set forth in *GASB Statement No. 9, "Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities that use Proprietary Fund Accounting."* A reconciliation between the classifications of cash and cash equivalents and investments on the basic financial statements and the classifications of deposits and investments presented above per *GASB Statement No. 3* is as follows:

	<u>Cash and Cash</u> <u>Equivalents/Deposits</u>	<u>Investments</u>
<i>GASB Statement No. 9</i>	\$74,417,949	\$0
Investments:		
U.S. Agency Securities	(65,677,583)	65,677,583
STAROhio	(7,532,286)	7,532,286
<i>GASB Statement No. 3</i>	<u>\$1,208,080</u>	<u>\$73,209,869</u>

**NOTE 7 - MUNICIPAL INCOME TAX**

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

**NOTE 8 - PROPERTY TAX**

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the City. Property tax revenue received during 2004 for real and public utility property taxes represents collections of 2003 taxes. Property tax payments received during 2004 for tangible personal property (other than public utility property) are for 2004 taxes.

**City of Westerville, Ohio**

Notes to the Basic Financial Statements  
(Continued)

**NOTE 8 - PROPERTY TAX** *(continued)*

2004 real property taxes are levied after October 1, 2004 on the assessed value as of January 1, 2004, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2004 real property taxes are collected in and intended to finance 2005.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2004 public utility property taxes became a lien December 31, 2003, are levied after October 1, 2004, and are collected in 2005 with real property taxes.

2004 tangible personal property taxes are levied after October 1, 2003, on the value as of December 31, 2003. Collections are made in 2004. Tangible personal property assessments are 25 percent of true value for capital assets and 23 percent of true value for inventory.

The full tax rate for all City operations for the Year Ended December 31, 2004, was \$18.06 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2004 property tax receipts were based are as follows:

<i>Category</i>	<i>Franklin County</i>	<i>Delaware County</i>	<i>Total</i>
Real Estate			
Residential and Agricultural	\$521,703,350	\$172,627,990	\$694,331,340
Commercial and Industrial	159,624,750	41,723,440	201,348,190
Tangible Personal Property	29,796,226	16,528,118	46,324,344
Public Utility Personal	15,628,330	4,002,580	19,630,910
<i>Totals</i>	<u>\$726,752,656</u>	<u>\$234,882,128</u>	<u>\$961,634,784</u>

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

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

The County Treasurers collect property taxes on behalf of all taxing districts in the county, including the City of Westerville. The County Auditors periodically remit to the City its portion of the taxes. Property taxes receivable represents real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2004, and for which there is an enforceable legal claim. Although total property tax collections for the next year are measurable, amounts to be received during the available period are not subject to reasonable estimation at December

**City of Westerville, Ohio**

Notes to the Basic Financial Statements  
(Continued)

**NOTE 8 - PROPERTY TAX** (continued)

31, nor are they intended to finance 2004 operations. The receivable is offset by deferred revenue. On a full accrual basis, collectible delinquent property taxes have been recorded as revenue while the remainder of the receivable is deferred.

**NOTE 9 - RECEIVABLES**

Receivables at December 31, 2004 consisted of taxes, interest, interfund, accounts (billings for user charged services including unbilled utility services), and intergovernmental receivables arising from grants, entitlements and shared revenues. All receivables are considered fully collectible except accounts receivable related to business-type services. Special assessments receivable expected to be collected in more than one year amounted to \$287,404. The City has no delinquent special assessments at December 31, 2004. A summary of accounts receivable related to business-type services is as follows:

	<u>Water</u>	<u>Sewer</u>	<u>Refuse</u>	<u>Electric</u>	<u>Swimming Pool</u>	<u>Total</u>
Accounts Receivable - Gross	\$552,733	\$732,053	\$295,596	\$4,217,925	\$61	\$5,798,368
Allowance for Uncollectibles	(10,627)	(17,643)	(7,414)	(105,006)	0	(140,690)
Net Accounts Receivable	<u>\$542,106</u>	<u>\$714,410</u>	<u>\$288,182</u>	<u>\$4,112,919</u>	<u>\$61</u>	<u>\$5,657,678</u>

A summary of the principal items of intergovernmental receivables follows:

	<u>Amounts</u>
Governmental Activities	
Local Government - Franklin County	\$751,636
Local Government - Delaware County	125,999
Local Government - State	153,228
Local Government - Revenue Assistance	81,698
Liquor Permits	6,947
Estate Taxes	147,541
Vests Grant	8,796
OPWC County Line Road Improvement Grant	388,225
Recreation Capital Improvement Grant	40,697
Franklin County Drug Force	1,909
Delaware County Share - Spring/Maxtown	147,088
Homestead And Rollback	638,587
Gasoline Tax - Cents Per Gallon	309,366
Gasoline Tax - Municipal Excise	259,032
Motor Vehicle License Tax	146,184
Permissive Motor Vehicle License Taxes	14,236
Blendon Township Fire Services	70,000
<i>Total Intergovernmental Receivable</i>	<u>\$3,291,169</u>

**City of Westerville, Ohio**

Notes to the Basic Financial Statements  
(Continued)

**NOTE 10 - CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2004, was as follows:

	<i>Restated Balance At 12/31/2003</i>	<i>Additions</i>	<i>Deletions</i>	<i>Balance At 12/31/2004</i>
Governmental Activities				
Capital Assets, Not Being Depreciated				
Land	\$6,042,474	\$520,619	\$0	\$6,563,093
Construction in Progress	10,679,791	14,362,567	(20,570,229)	4,472,129
Total Capital Assets, Not Being Depreciated	<u>16,722,265</u>	<u>14,883,186</u>	<u>(20,570,229)</u>	<u>11,035,222</u>
Depreciable Capital Assets:				
Land Improvements	12,685,936	1,576,118	0	14,262,054
Buildings	28,708,398	3,784,623	0	32,493,021
Furniture and Equipment	5,695,827	1,385,480	(128,777)	6,952,530
Vehicles	4,299,028	370,769	(215,884)	4,453,913
Infrastructure	16,408,339	14,450,234 *	0	30,858,573
Total Depreciable Capital Assets	<u>67,797,528</u>	<u>21,567,224</u>	<u>(344,661)</u>	<u>89,020,091</u>
Less Accumulated Depreciation:				
Land Improvements	(2,357,415)	(930,806)	0	(3,288,221)
Buildings	(5,218,213)	(751,336)	0	(5,969,549)
Furniture and Equipment	(4,090,206)	(511,625)	107,748	(4,494,083)
Vehicles	(3,231,423)	(418,902)	215,884	(3,434,441)
Infrastructure	(166,453)	(919,544)	0	(1,085,997)
Total Accumulated Depreciation	<u>(15,063,710)</u>	<u>(3,532,213)</u>	<u>323,632</u>	<u>(18,272,291)</u>
Depreciable Capital Assets, Net	<u>52,733,818</u>	<u>18,035,011</u>	<u>(21,029)</u>	<u>70,747,800</u>
Governmental Activities Capital Assets, Net	<u>\$69,456,083</u>	<u>\$32,918,197</u>	<u>(\$20,591,258)</u>	<u>\$81,783,022</u>

\* \$1,226,340 of the additions to infrastructure consisted of assets donated by developers.

## City of Westerville, Ohio

### Notes to the Basic Financial Statements

(Continued)

#### **NOTE 10 - CAPITAL ASSETS** (continued)

	<i>Restated Balance At 12/31/2003</i>	<i>Additions</i>	<i>Deletions</i>	<i>Balance At 12/31/2004</i>
Business-Type Activities				
Capital Assets, Not Being Depreciated				
Land	\$1,051,604	\$0	\$0	\$1,051,604
Construction in Progress	2,982,661	4,912,642	(6,161,827)	1,733,476
Total Capital Assets, Not Being Depreciated	4,034,265	4,912,642	(6,161,827)	2,785,080
Depreciable Capital Assets:				
Land Improvements	3,042,380	11,325	0	3,053,705
Buildings	6,445,604	0	0	6,445,604
Furniture and Equipment	6,026,841	318,948	(16,977)	6,328,812
Vehicles	1,580,843	343,882	(166,377)	1,758,348
Infrastructure				
Water Lines	28,079,622	2,368,836	0	30,448,458
Sewer Lines	21,064,872	1,068,064	0	22,132,936
Electric System	49,438,336	5,732,690	(255,063)	54,915,963
Total Depreciable Capital Assets	115,678,498	9,843,745	(438,417)	125,083,826
Less Accumulated Depreciation:				
Land Improvements	(784,571)	(216,891)	0	(1,001,462)
Buildings	(2,981,784)	(174,845)	0	(3,156,629)
Furniture and Equipment	(3,186,898)	(256,675)	16,977	(3,426,596)
Vehicles	(911,663)	(158,717)	153,374	(917,006)
Infrastructure				
Water Lines	(10,389,010)	(615,499)	0	(11,004,509)
Sewer Lines	(9,505,035)	(396,854)	0	(9,901,889)
Electric System	(16,293,592)	(1,703,356)	184,063	(17,812,885)
Total Accumulated Depreciation	(44,052,553)	(3,522,837)	354,414	(47,220,976)
Depreciable Capital Assets, Net	71,625,945	6,320,908	(84,003)	77,862,850
Business-Type Activities Capital Assets, Net	\$75,660,210	\$11,233,550	(\$6,245,830)	\$80,647,930

**City of Westerville, Ohio**

Notes to the Basic Financial Statements  
(Continued)

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

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:

Security of Person And Property	\$586,760
Public Health	7,263
Leisure Time Activites	1,463,781
Community Environment	26,723
Basic Utility Services	59,345
Transportation	994,036
General Government	394,305
Total Depreciation Expense	<u><u>\$3,532,213</u></u>

Business-type activities:

Water	\$749,173
Sewer	421,142
Electric	2,136,342
Refuse	163,184
Swimming Pool	52,996
Total Depreciation Expense	<u><u>\$3,522,837</u></u>

**NOTE 11 - DEFINED BENEFIT PENSION PLANS**

**OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM**

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

## *City of Westerville, Ohio*

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

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

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional and combined plans. Members of the member directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-6705 or (800) 222-7377.

For the year ended December 31, 2004, the members of all three plans, except those in law enforcement or public safety participating in the traditional plan, were required to contribute 8.5 percent of their annual covered salaries. Members participating in the traditional plan who were in law enforcement contributed 10.1 percent of their annual covered salary; members in public safety contributed 9 percent. The City's contribution rate for pension benefits for 2004 was 9.55 percent, except for those plan members in law enforcement or public safety. For those classifications, the City's pension contributions were 12.7 percent of covered payroll. The Ohio Revised Code provides statutory authority for member and employer contributions.

The City's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2004, 2003, and 2002 were \$1,302,119, \$1,095,958, and \$1,038,227, respectively; 97.79 percent has been contributed for 2004 and 100 percent for 2003 and 2002. Contributions to the member-directed plan for 2004 were \$24,838 made by the City and \$15,581 made by the plan members.

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

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

Plan members are required to contribute 10 percent of their annual covered salary to fund pension obligations while the City is required to contribute 11.75 percent for police officers and 16.25 percent for firefighters. Contributions are authorized by State statute. The City's contributions to OP&F for police and firefighters were \$584,204 and \$839,950 for the year ended December 31, 2004, \$556,612 and \$795,712 for the year ended December 31, 2003, and \$504,922, and \$731,034 for the year ended December 31, 2002. The full amount has been contributed for 2003 and 2002. 95.74 percent for police and 95.47 percent for firefighters has been contributed for 2004 with the remainder being reported as a liability.

## *City of Westerville, Ohio*

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

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#### **NOTE 12 - POSTEMPLOYMENT BENEFITS**

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

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and primary survivor recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in *GASB Statement No. 12*. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2004 local government employer contribution rate was 13.55 percent of covered payroll (16.7 percent for public safety and law enforcement); 4.00 percent of covered payroll was the portion that was used to fund health care.

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2003, include a rate of return on investments of 8.00 percent, an annual increase in active employee total payroll of 4.00 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50 percent and 6.3 percent based on additional annual pay increases. Health care premiums were assumed to increase at the projected wage inflation rate plus an additional factor ranging from 1.00 to 6.00 percent annually for the next eight years and 4.00 percent annually after eight years.

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

The number of active contributing participants in the traditional and combined plans was 369,885. Actual employer contributions for 2004 which were used to fund postemployment benefits were \$545,390. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2003, (the latest information available) were \$10.5 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$26.9 billion and \$16.4 billion, respectively.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. The HCPP restructures OPERS' health care coverage to improve the financial solvency of the fund in response to increasing health care costs.

## *City of Westerville, Ohio*

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

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

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

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

The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in *GASB Statement No. 12*. The Ohio Revised Code provides the authority allowing the Ohio Police and Fire Pension Fund's board of trustees to provide health care coverage and states that health care costs paid from the funds of OP&F shall be included in the employer's contribution rate. Health care funding and accounting is on a pay-as-you-go basis. The total police employer contribution rate is 19.5 percent of covered payroll and the total firefighter employer contribution rate is 24 percent of covered payroll, of which 7.75 percent of covered payroll was applied to the postemployment health care program during 2004 and 2003. In addition, since July 1, 1992, most retirees and survivors have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. Beginning in 2001, all retirees and survivors have monthly health care contributions.

The City's actual contributions for 2004 that were used to fund postemployment benefits were \$385,326 for police and \$400,591 for firefighters. The OP&F's total health care expense for the year ended December 31, 2003, (the latest information available) was \$150,853,148, which was net of member contributions of \$17,207,506. The number of OP&F participants eligible to receive health care benefits as of December 31, 2003, was 13,662 for police and 10,474 for firefighters.

#### **NOTE 13 - EMPLOYEE BENEFITS**

##### **DEFERRED COMPENSATION**

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

## *City of Westerville, Ohio*

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

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#### **NOTE 13 - EMPLOYEE BENEFITS** (continued)

##### **COMPENSATED ABSENCES**

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

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

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

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

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

Bonded debt and other long-term obligations payable activity for the Year Ended December 31, 2004, were as follows:

# City of Westerville, Ohio

## Notes to the Basic Financial Statements (Continued)

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

<u>Types / Issues</u>	<u>Interest Rates</u>	<u>Balance 12/31/03</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance 12/31/04</u>	<u>Due Within One Year</u>
<b><u>Business-Type Activities</u></b>						
<b><u>General Obligation Bonds</u></b>						
1992 Water Works Refunding and Improvement Term Bonds	3.45 - 6.45 %	\$1,955,000	\$0	\$1,955,000	\$0	\$0
1998 Water Works Refunding and Improvement Bonds	3.10 - 5.25%	2,870,000	0	310,000	2,560,000	320,000
Accounting Gain on Refunding Issue		(165,582)	165,582	0	0	0
1998 Transportation Improvement Bonds	3.10 - 5.25%	1,123,380	0	53,280	1,070,100	54,945
1999 Electric System Improvement Bonds	3.80 - 5.55%	1,905,000	0	80,000	1,825,000	85,000
2004 Electric Capital Facilities Bonds	2.25 - 5.25%	0	1,300,000	0	1,300,000	45,000
Premium on Debt Issue		0	35,975	150	35,825	0
<b>Total General Obligation Bonds</b>		<b>7,687,798</b>	<b>1,501,557</b>	<b>2,398,430</b>	<b>6,790,925</b>	<b>504,945</b>
<b><u>Other Long-Term Obligations</u></b>						
Compensated Absences		762,527	430,596	438,202	754,921	365,893
ODNR Debt		1,910,896	0	35,007	1,875,889	36,135
<b>Total Other Long-Term Obligations</b>		<b>2,673,423</b>	<b>430,596</b>	<b>473,209</b>	<b>2,630,810</b>	<b>402,028</b>
<b>Total Business-Type Activities</b>		<b>\$10,361,221</b>	<b>\$1,932,153</b>	<b>\$2,871,639</b>	<b>\$9,421,735</b>	<b>\$906,973</b>
<b><u>Governmental Activities</u></b>						
<b><u>General Obligation Bonds</u></b>						
1974 Drainage System Improvement Bonds	5.375%	\$50,000	\$0	\$50,000	\$0	\$0
1986 Municipal Facilities Series A Bonds	7.375%	615,000	0	205,000	410,000	205,000
1986 Municipal Facilities Series B Bonds	7.375%	135,000	0	45,000	90,000	45,000
1998 Transportation Improvement Bonds	3.10 - 5.25%	2,171,620	0	106,720	2,064,900	110,055
1998 Recreation Facilities Bonds	3.10 - 5.25%	22,450,000	0	1,085,000	21,365,000	1,125,000
2003 Fire/EMS Improvement Bonds-Voted	2.00 - 4.65%	2,575,000	0	95,000	2,480,000	95,000
Discount on Debt Issue		(16,066)	0	(820)	(15,246)	0
2003 Fire/EMS Improvement Bonds-Blendon	2.00 - 4.65%	425,000	0	15,700	409,300	15,700
Discount on Debt Issue		(2,500)	0	(128)	(2,372)	0
2003 Municipal Facilities Improvement Bonds	2.00 - 4.65%	3,500,000	0	129,300	3,370,700	129,300
Discount on Debt Issue		(20,581)	0	(1,051)	(19,530)	0
<b>Total Governmental General Obligation Bonds</b>		<b>31,882,473</b>	<b>0</b>	<b>1,729,721</b>	<b>30,152,752</b>	<b>1,725,055</b>
<b><u>Other Long-Term Obligations</u></b>						
2001 County Line Road Right-of-Way Note	0.00%	296,015	0	98,672	197,343	197,343
Compensated Absences		2,976,469	2,224,695	1,891,510	3,309,654	1,638,479
Police Pension Liability		23,576	0	495	23,081	517
<b>Total Other Long-Term Obligations</b>		<b>3,296,060</b>	<b>2,224,695</b>	<b>1,990,677</b>	<b>3,530,078</b>	<b>1,836,339</b>
<b>Total Governmental Activities</b>		<b>\$35,178,533</b>	<b>\$2,224,695</b>	<b>\$3,720,398</b>	<b>\$33,682,830</b>	<b>\$3,561,394</b>

*City of Westerville, Ohio*

Notes to the Basic Financial Statements  
(Continued)

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

**1992 WATER WORKS REFUNDING AND IMPROVEMENT BONDS/DEFEASED DEBT:** The 1992 Water Works Refunding and Improvement Bonds included serial and term bonds in the total amount of \$8,540,000. In 1998, the City defeased \$3,015,000 of the 1992 Water Works Refunding and Improvement Serial Bonds by placing the net proceeds, \$3,284,067, of the 1998 Water Works Refunding and Improvement Bonds into an irrevocable trust with an escrow agent who in turn purchased U. S. Government Securities which were to be used to provide for all future debt service payments on the 1992 Series Serial Bonds. In December, 2003, the escrow agent paid the remaining principal of \$2,788,000 with monies held in the trust.

The 1992 Water Works Refunding and Improvement Term Bonds stated to mature on or after December 1, 2002, are subject to redemption by and at the option of the City, in whole or in part on any date on or after December 31, 2002, in integral multiples of \$5,000 at the following redemption prices (expressed as percentages of the principal amount redeemed), plus accrued interest to the redemption date:

<u>Redemption Dates</u>	<u>Redemption Prices</u>
December 1, 2002 through November 30, 2003	102%
December 1, 2003 through November 30, 2004	101%
December 1, 2004 and thereafter	100%

The City made the annual payment of \$195,000 and then chose to take advantage of the call provision and paid the outstanding balance after December 1, 2004 of \$1,760,000 at 100%.

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$269,067. One-thirteenth of this amount has been charged annually to interest expense, with the difference reported in the accompanying financial statements as a deduction from bonds payable. Since the old debt was retired in 2004, the total outstanding balance of \$165,582 was charged as of December 31, 2004.

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

**City of Westerville, Ohio**

Notes to the Basic Financial Statements  
(Continued)

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

General obligation bonds, other than the 1992 and 1998 Water Works Refunding and Improvement Bonds discussed above, outstanding at December 31, 2004 consisted of the following:

<u>Bond Issue</u>	<u>Original Issue</u>	<u>Maturity Date</u>	<u>12/31/2004 Balance</u>
1998 Transportation Improvement	\$1,333,320	December, 2018	\$1,070,100
1999 Electric System Improvement	2,200,000	December, 2019	1,825,000
2004 Electric Capital Facilities	1,300,000	December, 2024	1,300,000
1974 Drainage System Improvement - Voted	1,500,000	December, 2004	0
1986 Municipal Facilities Series A - Voted	4,045,000	December, 2006	410,000
1986 Municipal Facilities Series B	900,000	December, 2006	90,000
1998 Transportation Improvement	2,666,680	December, 2018	2,064,900
1998 Recreation Facilities	27,250,000	December, 2018	21,365,000
2003 Fire/EMS Improvement - Voted	2,575,000	December, 2023	2,480,000
2003 Fire/EMS Improvement Bonds - Blendon	425,000	December, 2023	409,300
2003 Municipal Facilities Improvement	3,500,000	December, 2023	3,370,700

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

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

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

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

**City of Westerville, Ohio**

Notes to the Basic Financial Statements  
(Continued)

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

**INDUSTRIAL DEVELOPMENT REVENUE BONDS:** The City has outstanding issues of industrial development revenue bonds in the aggregate principal amount of \$1,340,000 at December 31, 2004 for facilities used by private corporations or other entities. The City is not obligated in any way to pay debt charges on the bonds from any of its funds, and therefore they have been excluded entirely from the City's debt presentation. There has not been and is not any condition of default under the bonds or the related financing documents.

The City's overall legal debt margin was \$70,871,618, with an unvoted debt margin of \$22,789,879 at December 31, 2004.

**FUTURE DEBT SERVICE REQUIREMENTS:** The principal and interest requirements to retire the long-term debt obligations outstanding at December 31, 2004 are:

<i>Year</i>	<i>Governmental Activities</i>					
	<i>General Obligation Bonds</i>		<i>Police Pension</i>		<i>Long-Term Note</i>	
	<i>Principal</i>	<i>Interest</i>	<i>Principal</i>	<i>Interest</i>	<i>Principal</i>	<i>Interest</i>
2005	\$1,725,055	\$1,368,163	\$517	\$975	\$197,343	\$0
2006	1,783,390	1,296,759	539	953	0	0
2007	1,590,060	1,222,629	562	930	0	0
2008	1,648,395	1,163,358	586	906	0	0
2009	1,710,065	1,100,108	611	881	0	0
2010-2014	9,903,710	4,138,669	3,473	3,987	0	0
2015-2019	10,089,225	1,599,547	4,286	3,174	0	0
2020-2024	1,740,000	206,188	5,289	2,171	0	0
2025-2029	0	0	6,526	934	0	0
2030	0	0	692	15	0	0
<i>Totals</i>	<u>\$30,189,900</u>	<u>\$12,095,421</u>	<u>\$23,081</u>	<u>\$14,926</u>	<u>\$197,343</u>	<u>\$0</u>

**City of Westerville, Ohio**

Notes to the Basic Financial Statements  
(Continued)

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

<i>Year</i>	<i>Business-Type Activities</i>					
	<i>Refunding and Improvement Bonds</i>		<i>Electric System, Electric Facilities and Transportation Improvements</i>		<i>ODNR Debt</i>	
	<i>Principal</i>	<i>Interest</i>	<i>Principal</i>	<i>Interest</i>	<i>Principal</i>	<i>Interest</i>
2005	\$320,000	\$117,030	\$184,945	\$196,772	\$36,135	\$60,441
2006	335,000	104,550	196,610	189,621	37,299	59,277
2007	350,000	91,318	204,940	181,915	38,501	58,075
2008	360,000	77,317	206,605	173,613	39,741	56,835
2009	375,000	62,738	214,935	165,019	41,022	55,554
2010-2014	820,000	65,100	1,251,290	662,299	225,810	257,072
2015-2019	0	0	1,505,775	325,819	264,609	218,273
2020-2024	0	0	430,000	59,775	310,074	172,808
2025-2029	0	0	0	0	363,352	119,530
2030-2034	0	0	0	0	425,784	57,098
2035	0	0	0	0	93,562	3,015
<i>Totals</i>	<u>\$2,560,000</u>	<u>\$518,053</u>	<u>\$4,195,100</u>	<u>\$1,954,833</u>	<u>\$1,875,889</u>	<u>\$1,117,978</u>

## City of Westerville, Ohio

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

#### **NOTE 15 - CONSTRUCTION COMMITMENTS**

The City has entered into various contracts for the construction and acquisition of capital assets. At December 31, 2004, the significant outstanding construction commitments are:

<u>Projects</u>	<u>Contract Amount</u>	<u>Amount Expended</u>	<u>Balance At 12/31/04</u>
Central College Sewer Extension	\$172,000	\$44,868	\$127,132
Circuit 13 Reconductoring	161,480	0	161,480
Dog Park/Brooksedge Park	8,076	2,300	5,776
Hills & Dales Street Lighting	173,096	0	173,096
North State Street Improvements	686,557	548,960	137,597
Spring/Maxtown Intersection and Spring Widening	4,201,666	2,187,966	2,013,700
Traffic Signalization Schrock/Cooper Signal	5,090	0	5,090
Towers Park Improvements	12,775	0	12,775
Underground Cable Replacement	20,491	14,619	5,872
Water Distribution Pipeline	730,423	513,428	216,995
Water Plant Concrete Basin Repair	25,250	10,208	15,042
Westerville Community Center	16,010,191	15,854,918	155,273
Westerville Municipal Improvements - Phase I	250,925	246,453	4,472
Westerville Municipal Improvements - Phase II	911,852	849,989	61,863
<i>Totals</i>	<u>\$23,369,872</u>	<u>\$20,273,709</u>	<u>\$3,096,163</u>

#### **NOTE 16 - RISK MANAGEMENT**

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

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

*City of Westerville, Ohio*

Notes to the Basic Financial Statements  
(Continued)

**NOTE 16 - RISK MANAGEMENT** (continued)

As part of participating in CORMA, coverage is provided for up to \$10,000,000 annual total liability for liability claims and \$100,000,000 limit for property claims for the pool. Coverage is provided on a per member annual aggregate basis for general liability (\$900,000/\$2,000,000), law enforcement liability (\$900,000/\$2,000,000), public official liability (\$900,000/\$2,000,000), employment practices liability (\$1,900,000/\$2,000,000) and automobile liability (\$900,000). Pool retentions are \$25,000 per loss for property and \$450,000 aggregate for liability, with a \$100,000 per loss self-insurance retention. A third-party broker, with expertise in public entity pools, markets the program, identifies coverage lines and limits, and recommends the best insurer and insurance for procurement.

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

The changes in claims payable during the years December 31, 2003 and 2004 are:

	<u>Beginning of Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>End of Year Liability</u>
2003	\$0	\$224,297	\$222,224	\$2,073
2004	2,073	331,684	288,183	45,574

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

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

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

**City of Westerville, Ohio**

Notes to the Basic Financial Statements  
(Continued)

**NOTE 17 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

Interfund balances at December 31, 2004, consist of the following individual fund receivables and payables:

<i>Receivable</i>	<i>Payable</i>			<i>Totals</i>
	<i>Fire</i>	<i>Nonmajor</i>	<i>Nonmajor</i>	
	<i>Operating</i>	<i>Governmental</i>	<i>Business-type</i>	
General	\$333,000	\$5,978,789	\$780,000	\$7,091,789
Nonmajor Governmental Fund	0	12,937	0	12,937
<i>Totals</i>	<u>\$333,000</u>	<u>\$5,991,726</u>	<u>\$780,000</u>	<u>\$7,104,726</u>

The amount due to the non-major governmental funds from the non-major governmental funds resulted from a loan from the Cable Franchise Fee Special Revenue Fund to the Hotel Tax Special Revenue Fund. This loan is not expected to be repaid in 2005. The amount due to the General Fund from the non-major Business-type Fund results from a long-term loan to the Refuse Enterprise Fund to help fund operations. The amount payable from the Fire Operating Special Revenue Fund was originally advanced to the Safety Building Capital Projects Fund, but according to a stipulation addressed in ordinance 03-65, \$333,000 will be paid from revenues of the Fire Operating Special Revenue Fund. The balance of the amounts due to the General Fund results from loans to various capital projects funds for the purpose of funding construction projects. The General Fund will be reimbursed when funds become available in the non-major governmental funds. Of the total amount due to the General Fund at year-end, \$5,908,000 is not expected to be repaid in 2005.

Transfers made during the year ended December 31, 2004 were as follows:

<i>Transfers From</i>	<i>Transfers To</i>		<i>Totals</i>
	<i>Parks and</i>	<i>Nonmajor</i>	
	<i>Recreation</i>	<i>Governmental</i>	
General	\$2,607,167	\$4,637,621	\$7,244,788
Nonmajor Governmental Funds	998,097	2,443,657	3,441,754
<i>Totals</i>	<u>\$3,605,264</u>	<u>\$7,081,278</u>	<u>\$10,686,542</u>

Transfers from the General Fund represents subsidy monies for operations of the various funds receiving these monies. Transfers from various Nonmajor Governmental Funds were made to move available balances of restricted funds to support programs and projects accounted for in other funds. The funds receiving these transfers expended the money in a manner consistent with the nature of the transferring fund.

**City of Westerville, Ohio**

Notes to the Basic Financial Statements  
(Continued)

**NOTE 17 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS** (continued)

Due From Other Funds and Due To Other Funds consist of electric service provided by the Electric Enterprise Fund to various other funds of the City. Due to/from amounts at December 31, 2004 were as follows:

		<i>Due to</i>
		<u>Electric</u>
<i>Due From</i>	General	\$5,603
	Fire Operating	2,194
	Parks and Recreation Operating	18,004
	Nonmajor Governmental Funds	118
	Water	9,597
	Sewer	67
	Nonmajor Interprise Funds	<u>562</u>
	<i>Total</i>	<u><u>\$36,145</u></u>

**NOTE 18 - JOINTLY GOVERNED ORGANIZATION**

The Westerville, Minerva Park, and Blendon Township Joint Hospital District is a jointly governed organization managed by a nine member board consisting of three elected officials from each of the governmental entities comprising the Joint Hospital District. The Joint Hospital District possesses its own budgeting and taxing authority and does not receive contributions or payments from its members. The participating members do not retain an ongoing financial interest or an ongoing financial responsibility for the Joint Hospital District. Nothing was paid to the organization by the City in 2004.

**NOTE 19 - RELATED ORGANIZATION**

The Westerville Industry and Commerce Corporation (WICC) is a not-for-profit corporation formed to promote industrial, economic, commercial and civic development in and around the City. WICC is governed by a seven member self-perpetuating board of trustees of which four trustees are elected and/or appointed officials from the City. The board of trustees possesses its own contracting and budgeting authority, hires and fires personnel and does not depend on the City for operating subsidies. There were no financial transactions from the City to WICC during 2004.

**NOTE 20 - RISK SHARING POOL**

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

## *City of Westerville, Ohio*

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

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#### **NOTE 21 - CONTINGENT LIABILITIES**

##### **LITIGATION**

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

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

For the period January 1, 2004, to December 31, 2004, the City received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies or their designees. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the City believes such disallowance, if any, would be immaterial.

Combining Statements  
And  
Individual Fund Schedules

# City of Westerville, Ohio

## Nonmajor Fund Descriptions

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### ***SPECIAL REVENUE FUNDS***

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

#### ***Nonmajor Special Revenue Funds***

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

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

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

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

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

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

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

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

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

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

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

*(continued)*

*City of Westerville, Ohio*

***Nonmajor Fund Descriptions  
(continued)***

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***Nonmajor Special Revenue Funds (continued)***

*Drug Enforcement Fund* - To account for the proceeds from the sale of contraband and/or proceeds from property seized and forfeited as a result of a felony arrest, prosecution and conviction by the Westerville Police Department. Monies may be used for the following purposes: 1) To pay the costs of drug investigations or prosecutions, 2) To provide reasonable technical training or expertise, or 3) To provide matching funds to obtain federal grants to aid law enforcement activities.

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

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

***DEBT SERVICE FUND***

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

***Nonmajor Debt Service Fund***

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

***CAPITAL PROJECTS FUNDS***

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

***Nonmajor Capital Projects Funds***

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

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

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

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

*(continued)*

*City of Westerville, Ohio*

***Nonmajor Fund Descriptions  
(continued)***

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***Nonmajor Capital Projects Funds (continued)***

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

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

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

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

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

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

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

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

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

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

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

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

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

*City of Westerville, Ohio*  
Combining Balance Sheet  
Nonmajor Governmental Fund  
December 31, 2004

	<i>Nonmajor Special Revenue Funds</i>	<i>Nonmajor Debt Service Fund</i>	<i>Nonmajor Capital Projects Funds</i>	<i>Total Nonmajor Governmental Funds</i>
<b><u>Assets:</u></b>				
Equity in Pooled Cash and Cash Equivalent	\$3,568,407	\$89,866	\$14,585,136	\$18,243,409
Cash and Cash Equivalents with Fiscal Agent	680,880	59,679	0	740,559
Receivables:				
Property and Other Taxes	84,026	420,771	0	504,797
Municipal Income Tax:	565,522	0	0	565,522
Accounts	469	0	0	469
Accrued Interest	894	0	553	1,447
Intergovernmental Receivable	728,818	24,339	428,922	1,182,079
Materials and Supplies Inventory	133,320	0	0	133,320
Interfund Receivable	12,937	0	0	12,937
<i>Total Assets</i>	<u>\$5,775,273</u>	<u>\$594,655</u>	<u>\$15,014,611</u>	<u>\$21,384,539</u>
<b><u>Liabilities and Fund Balances</u></b>				
<b><u>Liabilities:</u></b>				
Accounts Payable	\$84,050	\$0	\$145,542	\$229,592
Contracts Payable	0	0	1,013,172	1,013,172
Retainage Payable	9,500	0	610,220	619,720
Accrued Wages	32,117	0	0	32,117
Intergovernmental Payable	20,476	0	0	20,476
Matured Bonds Payable	0	55,000	0	55,000
Matured Interest Payable	0	4,679	0	4,679
Due To Other Funds	118	0	0	118
Deferred Revenue	918,814	445,110	156,183	1,520,107
Interfund Payable	12,937	0	5,978,789	5,991,726
<i>Total Liabilities</i>	<u>1,078,012</u>	<u>504,789</u>	<u>7,903,906</u>	<u>9,486,707</u>
<b><u>Fund Balances:</u></b>				
Reserved for Encumbrances	91,335	0	4,064,883	4,156,218
Reserved for Interfund Receivable	12,937	0	0	12,937
Unreserved:				
Undesignated, Reported in				
Special Revenue Fund:	4,592,989	0	0	4,592,989
Debt Service Funds	0	89,866	0	89,866
Capital Projects Funds:	0	0	3,045,822	3,045,822
<i>Total Fund Balances</i>	<u>4,697,261</u>	<u>89,866</u>	<u>7,110,705</u>	<u>11,897,832</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$5,775,273</u>	<u>\$594,655</u>	<u>\$15,014,611</u>	<u>\$21,384,539</u>

*City of Westerville, Ohio*  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2004

	<i>Street Maintenance</i>	<i>State Highway</i>	<i>DARE</i>
<b><u>Assets:</u></b>			
Equity in Pooled Cash and Cash Equivalents	\$1,703,299	\$408,691	\$20,999
Cash and Cash Equivalents with Fiscal Agents	0	0	0
Receivables:			
Property and Other Taxes	0	0	0
Municipal Income Taxes	0	0	0
Accounts	469	0	0
Accrued Interest	0	0	128
Intergovernmental Receivable	660,988	53,594	0
Materials and Supplies Inventory	133,320	0	0
Interfund Receivable	0	0	0
<i>Total Assets</i>	<u>\$2,498,076</u>	<u>\$462,285</u>	<u>\$21,127</u>
<b><u>Liabilities and Fund Balances</u></b>			
<b><u>Liabilities:</u></b>			
Accounts Payable	\$62,291	\$0	\$0
Retainage Payable	0	0	0
Accrued Wages	31,705	0	0
Intergovernmental Payable	18,402	0	0
Due To Other Funds	118	0	0
Deferred Revenue	552,112	44,728	0
Interfund Payable	0	0	0
<i>Total Liabilities</i>	<u>664,628</u>	<u>44,728</u>	<u>0</u>
<b><u>Fund Balances:</u></b>			
Reserved for Encumbrances	19,470	0	0
Reserved for Interfund Receivable	0	0	0
Unreserved:			
Undesignated, Reported in:			
Special Revenue Funds (Deficit)	1,813,978	417,557	21,127
<i>Total Fund Balances (Deficit)</i>	<u>1,833,448</u>	<u>417,557</u>	<u>21,127</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$2,498,076</u>	<u>\$462,285</u>	<u>\$21,127</u>

<i>Permissive Motor Vehicle License</i>	<i>Mayor's Operating</i>	<i>Hotel Tax</i>	<i>OMVI Education</i>	<i>Tax Incentive/ Redistribution</i>	<i>Mayor's Court Computer</i>
\$337,515	\$1,389	\$0	\$12,858	\$1	\$37,547
680,880	0	0	0	0	0
0	0	2,777	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
14,236	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$1,032,631</u>	<u>\$1,389</u>	<u>\$2,777</u>	<u>\$12,858</u>	<u>\$1</u>	<u>\$37,547</u>
\$0	\$0	\$0	\$0	\$0	\$17
9,500	0	0	0	0	0
0	0	0	0	0	412
0	206	0	0	0	369
0	0	0	0	0	0
0	0	0	0	0	0
0	0	12,937	0	0	0
<u>9,500</u>	<u>206</u>	<u>12,937</u>	<u>0</u>	<u>0</u>	<u>798</u>
10,070	0	0	0	0	354
0	0	0	0	0	0
<u>1,013,061</u>	<u>1,183</u>	<u>(10,160)</u>	<u>12,858</u>	<u>1</u>	<u>36,395</u>
<u>1,023,131</u>	<u>1,183</u>	<u>(10,160)</u>	<u>12,858</u>	<u>1</u>	<u>36,749</u>
<u>\$1,032,631</u>	<u>\$1,389</u>	<u>\$2,777</u>	<u>\$12,858</u>	<u>\$1</u>	<u>\$37,547</u>

(continued)

**City of Westerville, Ohio**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**December 31, 2004**  
(Continued)

	<b><i>Cable TV Franchise Fee</i></b>	<b><i>Parks and Recreation Income Tax Allocation</i></b>	<b><i>Drug Enforcement</i></b>
<b><u>Assets:</u></b>			
Equity in Pooled Cash and Cash Equivalents	\$480,763	\$412,283	\$8,981
Cash and Cash Equivalents with Fiscal Agents	0	0	0
Receivables:			
Property and Other Taxes	81,249	0	0
Municipal Income Taxes	0	565,522	0
Accounts	0	0	0
Accrued Interest	0	0	43
Intergovernmental Receivable	0	0	0
Materials and Supplies Inventory	0	0	0
Interfund Receivable	12,937	0	0
<b>Total Assets</b>	<b><u>\$574,949</u></b>	<b><u>\$977,805</u></b>	<b><u>\$9,024</u></b>
<b><u>Liabilities and Fund Balances</u></b>			
<b><u>Liabilities:</u></b>			
Accounts Payable	\$20,347	\$0	\$0
Retainage Payable	0	0	0
Accrued Wages	0	0	0
Intergovernmental Payable	0	0	0
Due To Other Funds	0	0	0
Deferred Revenue	13,414	308,560	0
Interfund Payable	0	0	0
<b>Total Liabilities</b>	<b><u>33,761</u></b>	<b><u>308,560</u></b>	<b><u>0</u></b>
<b><u>Fund Balances:</u></b>			
Reserved for Encumbrances	48,136	0	0
Reserved for Interfund Receivable	12,937	0	0
Unreserved:			
Undesignated, Reported in:			
Special Revenue Funds (Deficit)	480,115	669,245	9,024
<b>Total Fund Balances (Deficit)</b>	<b><u>541,188</u></b>	<b><u>669,245</u></b>	<b><u>9,024</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$574,949</u></b>	<b><u>\$977,805</u></b>	<b><u>\$9,024</u></b>

<i>Criminal Activity Forfeiture</i>	<i>McVay Endowment</i>	<i>Total Nonmajor Special Revenue Funds</i>
\$133,422	\$10,659	\$3,568,407
0	0	680,880
0	0	84,026
0	0	565,522
0	0	469
723	0	894
0	0	728,818
0	0	133,320
0	0	12,937
<u>\$134,145</u>	<u>\$10,659</u>	<u>\$5,775,273</u>

\$1,395	\$0	\$84,050
0	0	9,500
0	0	32,117
1,499	0	20,476
0	0	118
0	0	918,814
0	0	12,937
<u>2,894</u>	<u>0</u>	<u>1,078,012</u>

13,305	0	91,335
0	0	12,937
<u>117,946</u>	<u>10,659</u>	<u>4,592,989</u>
<u>131,251</u>	<u>10,659</u>	<u>4,697,261</u>
<u>\$134,145</u>	<u>\$10,659</u>	<u>\$5,775,273</u>

City of Westerville, Ohio  
Combining Balance Sheet  
Nonmajor Capital Projects Funds  
December 31, 2004

	<i>General Capital Improvement</i>	<i>Recreation Improvement</i>	<i>County Line Road Improvement</i>
<b><u>Assets:</u></b>			
Equity in Pooled Cash and Cash Equivalents	\$2,520,660	\$118,683	\$935,137
Receivables:			
Accrued Interest	0	0	0
Intergovernmental Receivable	0	0	388,225
<i>Total Assets</i>	<u>\$2,520,660</u>	<u>\$118,683</u>	<u>\$1,323,362</u>
<b><u>Liabilities and Fund Balances</u></b>			
<b><u>Liabilities:</u></b>			
Accounts Payable	\$5,465	\$0	\$15,245
Contracts Payable	56,226	0	481,856
Retainage Payable	13,451	0	273,425
Deferred Revenue	0	0	115,486
Interfund Payable	0	0	980,796
<i>Total Liabilities</i>	<u>75,142</u>	<u>0</u>	<u>1,866,808</u>
<b><u>Fund Balances:</u></b>			
Reserved for Encumbrances	228,062	0	420,403
Unreserved:			
Undesignated, Reported in:			
Capital Projects Funds (Deficit)	2,217,456	118,683	(963,849)
<i>Total Fund Balances (Deficit)</i>	<u>2,445,518</u>	<u>118,683</u>	<u>(543,446)</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$2,520,660</u>	<u>\$118,683</u>	<u>\$1,323,362</u>

<i>Dempsey Road Improvement</i>	<i>Spring Road Improvement</i>	<i>Maxtown Road Improvement</i>	<i>Parks and Recreation Capital Improvement</i>	<i>North State Street Improvement</i>	<i>Cleveland Avenue Extension Improvement</i>
\$126,000	\$2,567,774	\$63,532	\$3,184,969	\$2,035,757	\$142,181
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$126,000</u>	<u>\$2,567,774</u>	<u>\$63,532</u>	<u>\$3,184,969</u>	<u>\$2,035,757</u>	<u>\$142,181</u>
\$0	\$7,739	\$4,065	\$22,155	\$88,641	\$0
0	248,010	0	4,718	73,958	0
0	161,690	0	19,500	44,206	0
0	0	0	0	0	0
0	1,722,000	94,000	873,000	1,331,000	950,000
<u>0</u>	<u>2,139,439</u>	<u>98,065</u>	<u>919,373</u>	<u>1,537,805</u>	<u>950,000</u>
0	2,169,309	27,419	200,288	233,244	0
126,000	(1,740,974)	(61,952)	2,065,308	264,708	(807,819)
126,000	428,335	(34,533)	2,265,596	497,952	(807,819)
<u>\$126,000</u>	<u>\$2,567,774</u>	<u>\$63,532</u>	<u>\$3,184,969</u>	<u>\$2,035,757</u>	<u>\$142,181</u>

(continued)

**City of Westerville, Ohio**  
 Combining Balance Sheet  
 Nonmajor Capital Projects Funds  
 December 31, 2004  
 (Continued)

	<b><i>Parks and Recreation Replacement and Reserve</i></b>	<b><i>Street Replacement and Reserve</i></b>	<b><i>Tree Replacement</i></b>
<b><u>Assets:</u></b>			
Equity in Pooled Cash and Cash Equivalents	\$506,568	\$606,000	\$58,233
Receivables:			
Accrued Interest	0	0	0
Intergovernmental Receivable	0	0	0
<b>Total Assets</b>	<b><u>\$506,568</u></b>	<b><u>\$606,000</u></b>	<b><u>\$58,233</u></b>
<b><u>Liabilities and Fund Balances</u></b>			
<b><u>Liabilities:</u></b>			
Accounts Payable	\$0	\$0	\$0
Contracts Payable	0	0	0
Retainage Payable	0	0	0
Deferred Revenue	0	0	0
Interfund Payable	0	0	0
<b>Total Liabilities</b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>0</u></b>
<b><u>Fund Balances:</u></b>			
Reserved for Encumbrances	30,467	0	0
Unreserved:			
Undesignated, Reported in:			
Capital Projects Funds (Deficit)	476,101	606,000	58,233
<b>Total Fund Balances (Deficit)</b>	<b><u>506,568</u></b>	<b><u>606,000</u></b>	<b><u>58,233</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$506,568</u></b>	<b><u>\$606,000</u></b>	<b><u>\$58,233</u></b>

<i>City Buildings Improvement</i>	<i>Safety Building Capital Improvement</i>	<i>Westar/Olentangy TIF</i>	<i>Perimeter Road Improvement</i>	<i>Recreation Capital Improvement</i>	<i>Total Nonmajor Capital Projects Funds</i>
\$631,021	\$656,490	\$12,620	\$327,830	\$91,681	\$14,585,136
0	0	0	0	553	553
0	0	0	0	40,697	428,922
<u>\$631,021</u>	<u>\$656,490</u>	<u>\$12,620</u>	<u>\$327,830</u>	<u>\$132,931</u>	<u>\$15,014,611</u>
\$1,506	\$726	\$0	\$0	\$0	\$145,542
141,256	7,148	0	0	0	1,013,172
97,948	0	0	0	0	610,220
0	0	0	0	40,697	156,183
0	0	0	0	27,993	5,978,789
<u>240,710</u>	<u>7,874</u>	<u>0</u>	<u>0</u>	<u>68,690</u>	<u>7,903,906</u>
162,911	591,475	0	0	1,305	4,064,883
227,400	57,141	12,620	327,830	62,936	3,045,822
390,311	648,616	12,620	327,830	64,241	7,110,705
<u>\$631,021</u>	<u>\$656,490</u>	<u>\$12,620</u>	<u>\$327,830</u>	<u>\$132,931</u>	<u>\$15,014,611</u>

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*City of Westerville, Ohio*  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended December 31, 2004

	<i>Nonmajor Special Revenue Funds</i>	<i>Nonmajor Debt Service Fund</i>	<i>Nonmajor Capital Projects Funds</i>	<i>Total Nonmajor Governmental Funds</i>
<b><u>Revenues:</u></b>				
Property Taxes	\$0	\$482,459	\$0	\$482,459
Municipal Income Taxes	3,478,216	0	0	3,478,216
Other Local Taxes	362,261	0	0	362,261
Payment in Lieu of Taxes	282,919	0	11,358	294,277
Intergovernmental	1,915,866	98,618	2,615,229	4,629,713
Charges for Services	83	0	0	83
Fees, Licenses and Permits	1,527	0	123,860	125,387
Fines and Forfeitures	116,318	0	0	116,318
Interest	5,062	0	62,961	68,023
Decrease in Fair Value of Investments	(1,795)	0	(3,879)	(5,674)
Other	17,506	5,256	8,753	31,515
<b>Total Revenues</b>	<b>6,177,963</b>	<b>586,333</b>	<b>2,818,282</b>	<b>9,582,578</b>
<b><u>Expenditures:</u></b>				
Current:				
Security of Persons and Property	77,254	0	0	77,254
Transportation	2,495,398	0	0	2,495,398
General Government	975,487	0	0	975,487
Capital Outlay	0	0	12,671,378	12,671,378
Debt Service:				
Principal Retirement	0	1,731,720	98,672	1,830,392
Interest and Fiscal Charges	0	1,439,969	3,661	1,443,630
<b>Total Expenditures</b>	<b>3,548,139</b>	<b>3,171,689</b>	<b>12,773,711</b>	<b>19,493,539</b>
Excess of Revenues Over (Under) Expenditures	2,629,824	(2,585,356)	(9,955,429)	(9,910,961)
<b><u>Other Financing Sources (Uses):</u></b>				
Transfers - In	47,532	2,641,584	4,392,162	7,081,278
Transfers - Out	(3,266,092)	0	(175,662)	(3,441,754)
<b>Total Other Financing Sources (Uses)</b>	<b>(3,218,560)</b>	<b>2,641,584</b>	<b>4,216,500</b>	<b>3,639,524</b>
Net Change in Fund Balances	(588,736)	56,228	(5,738,929)	(6,271,437)
Fund Balances Beginning of Year	5,285,997	33,638	12,849,634	18,169,269
<b>Fund Balances End of Year</b>	<b>\$4,697,261</b>	<b>\$89,866</b>	<b>\$7,110,705</b>	<b>\$11,897,832</b>

**City of Westerville, Ohio**  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2004

	<i>Street Maintenance</i>	<i>State Highway</i>	<i>DARE</i>
<b><u>Revenues:</u></b>			
Municipal Income Taxes	\$0	\$0	\$0
Other Local Taxes	0	0	0
Payment in Lieu of Taxes	0	0	0
Intergovernmental	1,375,267	111,509	8,878
Charges for Services	83	0	0
Fees, Licenses and Permits	0	0	0
Fines and Forfeitures	0	0	0
Interest	243	603	531
Decrease in Fair Value of Investments	0	0	(256)
Other	1,118	0	1,841
<i>Total Revenues</i>	<u>1,376,711</u>	<u>112,112</u>	<u>10,994</u>
<b><u>Expenditures:</u></b>			
Current:			
Security of Persons and Property	0	0	9,045
Transportation	1,603,760	46,638	0
General Government	0	0	0
<i>Total Expenditures</i>	<u>1,603,760</u>	<u>46,638</u>	<u>9,045</u>
Excess of Revenues Over (Under) Expenditures	<u>(227,049)</u>	<u>65,474</u>	<u>1,949</u>
<b><u>Other Financing Sources (Uses):</u></b>			
Transfers - In	0	0	0
Transfers - Out	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	(227,049)	65,474	1,949
Fund Balances (Deficit) Beginning of Year	<u>2,060,497</u>	<u>352,083</u>	<u>19,178</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$1,833,448</u>	<u>\$417,557</u>	<u>\$21,127</u>

<i>Permissive Motor Vehicle License</i>	<i>Mayor's Operating</i>	<i>Hotel Tax</i>	<i>OMVI Education</i>	<i>Tax Incentive/ Redistribution</i>
\$0	\$0	\$0	\$0	\$0
0	0	42,036	0	0
0	0	0	0	282,919
420,212	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	2,690	0
563	0	0	0	0
0	0	0	0	0
0	3,235	0	0	0
<u>420,775</u>	<u>3,235</u>	<u>42,036</u>	<u>2,690</u>	<u>282,919</u>
0	0	0	579	0
845,000	0	0	0	0
<u>0</u>	<u>2,300</u>	<u>43,280</u>	<u>0</u>	<u>454,624</u>
<u>845,000</u>	<u>2,300</u>	<u>43,280</u>	<u>579</u>	<u>454,624</u>
<u>(424,225)</u>	<u>935</u>	<u>(1,244)</u>	<u>2,111</u>	<u>(171,705)</u>
0	0	0	0	47,532
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>47,532</u>
(424,225)	935	(1,244)	2,111	(124,173)
<u>1,447,356</u>	<u>248</u>	<u>(8,916)</u>	<u>10,747</u>	<u>124,174</u>
<u>\$1,023,131</u>	<u>\$1,183</u>	<u>(\$10,160)</u>	<u>\$12,858</u>	<u>\$1</u>

(Continued)

**City of Westerville, Ohio**  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2004  
(Continued)

	<i>Mayor's Court Computer</i>	<i>Cable TV Franchise Fee</i>	<i>Parks and Recreation Income Tax Allocation</i>
<b><u>Revenues:</u></b>			
Municipal Income Taxes	\$0	\$0	\$3,478,216
Other Local Taxes	0	320,225	0
Payment in Lieu of Taxes	0	0	0
Intergovernmental	0	0	0
Charges for Services	0	0	0
Fees, Licenses and Permits	0	0	0
Fines and Forfeitures	32,229	0	0
Interest	0	0	0
Decrease in Fair Value of Investments	0	0	0
Other	0	0	0
<b>Total Revenues</b>	<b>32,229</b>	<b>320,225</b>	<b>3,478,216</b>
<b><u>Expenditures:</u></b>			
Current:			
Security of Persons and Property	0	0	0
Transportation	0	0	0
General Government	41,217	434,066	0
<b>Total Expenditures</b>	<b>41,217</b>	<b>434,066</b>	<b>0</b>
Excess of Revenues Over (Under) Expenditures	(8,988)	(113,841)	3,478,216
<b><u>Other Financing Sources (Uses):</u></b>			
Transfers - In	0	0	0
Transfers - Out	0	0	(3,266,092)
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>0</b>	<b>(3,266,092)</b>
Net Change in Fund Balances	(8,988)	(113,841)	212,124
Fund Balances (Deficit) Beginning of Year	45,737	655,029	457,121
<b>Fund Balances (Deficit) End of Year</b>	<b>\$36,749</b>	<b>\$541,188</b>	<b>\$669,245</b>

<i>Drug Enforcement</i>	<i>Criminal Activitiy Forfeiture</i>	<i>McVay Endowment</i>	<i>Total Nonmajor Special Revenue Funds</i>
\$0	\$0	\$0	\$3,478,216
0	0	0	362,261
0	0	0	282,919
0	0	0	1,915,866
0	0	0	83
1,527	0	0	1,527
0	81,399	0	116,318
234	2,888	0	5,062
(85)	(1,454)	0	(1,795)
0	0	11,312	17,506
1,676	82,833	11,312	6,177,963
0	66,077	1,553	77,254
0	0	0	2,495,398
0	0	0	975,487
0	66,077	1,553	3,548,139
1,676	16,756	9,759	2,629,824
0	0	0	47,532
0	0	0	(3,266,092)
0	0	0	(3,218,560)
1,676	16,756	9,759	(588,736)
7,348	114,495	900	5,285,997
\$9,024	\$131,251	\$10,659	\$4,697,261

*City of Westerville, Ohio*  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Capital Projects Funds  
For the Year Ended December 31, 2004

	<i>General Capital Improvement</i>	<i>Recreation Improvement</i>	<i>County Line Road Improvement</i>
<b><u>Revenues:</u></b>			
Payment in Lieu of Taxes	\$0	\$0	\$0
Intergovernmental	0	0	2,039,689
Fees, Licenses and Permits	0	84,500	0
Interest	0	0	0
Decrease in Fair Value of Investments	0	0	0
Other	0	3,753	0
<i>Total Revenues</i>	<u>0</u>	<u>88,253</u>	<u>2,039,689</u>
<b><u>Expenditures:</u></b>			
Capital Outlay	2,826,216	0	3,070,058
Debt Service:			
Principal Retirement	0	0	98,672
Interest and Fiscal Charges	0	0	0
<i>Total Expenditures</i>	<u>2,826,216</u>	<u>0</u>	<u>3,168,730</u>
Excess of Revenues Over (Under) Expenditures	<u>(2,826,216)</u>	<u>88,253</u>	<u>(1,129,041)</u>
<b><u>Other Financing Sources (Uses):</u></b>			
Transfers - In	2,180,500	0	175,662
Transfers - Out	(175,662)	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>2,004,838</u>	<u>0</u>	<u>175,662</u>
Net Change in Fund Balances	(821,378)	88,253	(953,379)
Fund Balances (Deficit) Beginning of Year	<u>3,266,896</u>	<u>30,430</u>	<u>409,933</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$2,445,518</u>	<u>\$118,683</u>	<u>(\$543,446)</u>

<i>Dempsey Road Improvement</i>	<i>Spring Road Improvement</i>	<i>Maxtown Road Improvement</i>	<i>Parks and Recreation Capital Improvement</i>	<i>North State Street Improvement</i>	<i>Cleveland Avenue Extension Improvement</i>
\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	209,520	109,091	0
0	0	0	0	0	0
0	0	0	19,421	0	0
0	0	0	0	0	0
0	0	0	5,000	0	0
0	0	0	233,941	109,091	0
0	1,485,324	582,795	246,773	624,184	0
0	0	0	0	0	0
0	0	0	3,661	0	0
0	1,485,324	582,795	250,434	624,184	0
0	(1,485,324)	(582,795)	(16,493)	(515,093)	0
0	1,680,000	0	0	0	0
0	0	0	0	0	0
0	1,680,000	0	0	0	0
0	194,676	(582,795)	(16,493)	(515,093)	0
126,000	233,659	548,262	2,282,089	1,013,045	(807,819)
\$126,000	\$428,335	(\$34,533)	\$2,265,596	\$497,952	(\$807,819)

(Continued)

**City of Westerville, Ohio**  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Capital Projects Funds  
For the Year Ended December 31, 2004  
(Continued)

	<b><i>Parks and Recreation Replacement and Reserve</i></b>	<b><i>Street Replacement and Reserve</i></b>	<b><i>Tree Replacement</i></b>
<b><u>Revenues:</u></b>			
Payment in Lieu of Taxes	\$0	\$0	\$0
Intergovernmental	0	0	0
Fees, Licenses and Permits	0	0	0
Interest	0	0	0
Decrease in Fair Value of Investments	0	0	0
Other	0	0	0
<b><i>Total Revenues</i></b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>0</u></b>
<b><u>Expenditures:</u></b>			
Capital Outlay	93,432	0	434
Debt Service:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
<b><i>Total Expenditures</i></b>	<b><u>93,432</u></b>	<b><u>0</u></b>	<b><u>434</u></b>
Excess of Revenues Over (Under) Expenditures	<u>(93,432)</u>	<u>0</u>	<u>(434)</u>
<b><u>Other Financing Sources (Uses):</u></b>			
Transfers - In	150,000	206,000	0
Transfers - Out	0	0	0
<b><i>Total Other Financing Sources (Uses)</i></b>	<b><u>150,000</u></b>	<b><u>206,000</u></b>	<b><u>0</u></b>
Net Change in Fund Balances	56,568	206,000	(434)
Fund Balances (Deficit) Beginning of Year	<u>450,000</u>	<u>400,000</u>	<u>58,667</u>
<b><i>Fund Balances (Deficit) End of Year</i></b>	<b><u><u>\$506,568</u></u></b>	<b><u><u>\$606,000</u></u></b>	<b><u><u>\$58,233</u></u></b>

<i>City Buildings Improvement</i>	<i>Safety Building Capital Improvement</i>	<i>Westar/Olentangy TIF</i>	<i>Perimeter Road Improvement</i>	<i>Recreation Capital Improvement</i>	<i>Total Nonmajor Capital Projects Funds</i>
\$0	\$0	\$11,358	\$0	\$0	\$11,358
0	0	1,262	0	255,667	2,615,229
0	0	0	39,360	0	123,860
18,501	21,916	0	0	3,123	62,961
0	0	0	0	(3,879)	(3,879)
0	0	0	0	0	8,753
<u>18,501</u>	<u>21,916</u>	<u>12,620</u>	<u>39,360</u>	<u>254,911</u>	<u>2,818,282</u>
1,411,106	2,249,440	0	0	81,616	12,671,378
0	0	0	0	0	98,672
0	0	0	0	0	3,661
<u>1,411,106</u>	<u>2,249,440</u>	<u>0</u>	<u>0</u>	<u>81,616</u>	<u>12,773,711</u>
<u>(1,392,605)</u>	<u>(2,227,524)</u>	<u>12,620</u>	<u>39,360</u>	<u>173,295</u>	<u>(9,955,429)</u>
0	0	0	0	0	4,392,162
0	0	0	0	0	(175,662)
0	0	0	0	0	4,216,500
<u>(1,392,605)</u>	<u>(2,227,524)</u>	<u>12,620</u>	<u>39,360</u>	<u>173,295</u>	<u>(5,738,929)</u>
1,782,916	2,876,140	0	288,470	(109,054)	12,849,634
<u>\$390,311</u>	<u>\$648,616</u>	<u>\$12,620</u>	<u>\$327,830</u>	<u>\$64,241</u>	<u>\$7,110,705</u>

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

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***ENTERPRISE FUNDS***

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

***Nonmajor Enterprise Funds***

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

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

*City of Westerville, Ohio*  
Combining Statement of Fund Net Assets  
Nonmajor Enterprise Funds  
December 31, 2004

	<i>Refuse</i>	<i>Swimming Pool</i>	<i>Total Nonmajor Enterprise Funds</i>
<b><u>Assets:</u></b>			
<i>Current Assets:</i>			
Equity in Pooled Cash and Cash Equivalents	\$627,372	\$254,339	\$881,711
<i>Receivables:</i>			
Accounts, Net	288,182	61	288,243
<i>Total Current Assets</i>	<u>915,554</u>	<u>254,400</u>	<u>1,169,954</u>
<i>Non-current Assets:</i>			
<i>Capital Assets:</i>			
Nondepreciable Capital Assets	12,500	101,450	113,950
Depreciable Capital Assets, Net	1,301,775	463,482	1,765,257
<i>Total Non-current Assets</i>	<u>1,314,275</u>	<u>564,932</u>	<u>1,879,207</u>
<i>Total Assets</i>	<u>2,229,829</u>	<u>819,332</u>	<u>3,049,161</u>
<b><u>Liabilities:</u></b>			
<i>Current Liabilities:</i>			
Accounts Payable	121,663	2,418	124,081
Accrued Wages	3,832	1,703	5,535
Intergovernmental Payable	2,189	2,655	4,844
Due to Other Funds	0	562	562
Compensated Absences Payable	8,912	1,469	10,381
<i>Total Current Liabilities</i>	<u>136,596</u>	<u>8,807</u>	<u>145,403</u>
<i>Long-Term Liabilities:</i>			
Interfund Payable	780,000	0	780,000
Compensated Absences Payable	8,432	2,310	10,742
<i>Total Long-Term Liabilities</i>	<u>788,432</u>	<u>2,310</u>	<u>790,742</u>
<i>Total Liabilities</i>	<u>925,028</u>	<u>11,117</u>	<u>936,145</u>
<b><u>Net Assets:</u></b>			
Invested in Capital Assets	1,314,275	564,932	1,879,207
Unrestricted (Deficit)	(9,474)	243,283	233,809
<i>Total Net Assets</i>	<u>\$1,304,801</u>	<u>\$808,215</u>	<u>\$2,113,016</u>

*City of Westerville, Ohio*  
Combining Statement of Revenues,  
Expenses and Changes in Fund Net Assets  
Nonmajor Enterprise Funds  
For the Year Ended December 31, 2004

	<i>Refuse</i>	<i>Swimming Pool</i>	<i>Total Nonmajor Enterprise Funds</i>
<b><u>Operating Revenues:</u></b>			
Charges for Services	\$1,716,930	\$330,189	\$2,047,119
Other Operating Revenues	52	92	144
<i>Total Operating Revenues</i>	<u>1,716,982</u>	<u>330,281</u>	<u>2,047,263</u>
<b><u>Operating Expenses:</u></b>			
Personal Services	95,336	277,370	372,706
Contractual Services	1,444,564	65,486	1,510,050
Materials and Supplies	2,748	42,995	45,743
Other	5,797	0	5,797
Depreciation and Amortization	163,184	52,996	216,180
<i>Total Operating Expenses</i>	<u>1,711,629</u>	<u>438,847</u>	<u>2,150,476</u>
Change in Net Assets	5,353	(108,566)	(103,213)
Net Assets Beginning of Year	<u>1,299,448</u>	<u>916,781</u>	<u>2,216,229</u>
<i>Net Assets End of Year</i>	<u><u>\$1,304,801</u></u>	<u><u>\$808,215</u></u>	<u><u>\$2,113,016</u></u>

*City of Westerville, Ohio*  
Combining Statement of Cash Flows  
Nonmajor Enterprise Funds  
For The Year Ended December 31, 2004

	<u>Refuse</u>	<u>Swimming Pool</u>	<u>Total Nonmajor Enterprise Funds</u>
<b><u>Increases (Decreases) in Cash and Cash Equivalents:</u></b>			
<b><u>Cash Flows from Operating Activities:</u></b>			
Cash Received from Customers	\$1,678,045	\$330,189	\$2,008,234
Cash Payments for Personal Services	(98,599)	(273,244)	(371,843)
Cash Payments for Materials and Supplies	(2,781)	(47,679)	(50,460)
Cash Payments for Other Services and Charges	(1,441,495)	(52,350)	(1,493,845)
Interfund Services Used	(99)	(12,297)	(12,396)
Other Operating Revenues	52	92	144
<i>Net Cash Provided by (Used for) Operating Activities</i>	135,123	(55,289)	79,834
<b><u>Cash Flows from Non-Capital Financing Activities:</u></b>			
Advances to Other Funds	(105,000)	0	(105,000)
<b><u>Cash Flows from Capital and Related Financing Activities:</u></b>			
Acquisition and Construction of Capital Assets	0	(23,166)	(23,166)
Net Increase (Decrease) in Cash and Cash Equivalents	30,123	(78,455)	(48,332)
Cash and Cash Equivalents at Beginning of Year	597,249	332,794	930,043
<i>Cash and Cash Equivalents at End of Year</i>	\$627,372	\$254,339	\$881,711
<b><u>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:</u></b>			
Operating Income (Loss)	\$5,353	(\$108,566)	(\$103,213)
<b><u>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:</u></b>			
Depreciation and Amortization	163,184	52,996	216,180
Change in Provision for Uncollectable Accounts Receivable	872	0	872
<b><u>Changes in Assets and Liabilities:</u></b>			
Increase in Accounts Receivable	(33,960)	0	(33,960)
Increase (Decrease) in Accounts Payable	2,937	(4,407)	(1,470)
Increase in Accrued Wages	1,939	46	1,985
Increase (Decrease) in Compensated Absences	(6,177)	3,779	(2,398)
Increase in Due to Other Funds	0	562	562
Increase in Intergovernmental Payable	975	301	1,276
<i>Net Cash Provided by (Used for) Operating Activities</i>	\$135,123	(\$55,289)	\$79,834

*City of Westerville, Ohio*

*Fund Descriptions*

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***INTERNAL SERVICE FUNDS***

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

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

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

*City of Westerville, Ohio*  
Combining Statement of Fund Net Assets  
Internal Service Funds  
December 31, 2004

	<i>Garage</i>	<i>Self- Insurance</i>	<i>Total Internal Service Funds</i>
<b><u>Assets</u></b>			
<i>Current Assets:</i>			
Equity in Pooled Cash and Cash Equivalents	\$78,047	\$539,701	\$617,748
Receivables:			
Accounts	0	8,628	8,628
Accrued Interest	0	4,042	4,042
Materials and Supplies Inventory	33,484	0	33,484
<i>Total Current Assets</i>	<u>111,531</u>	<u>552,371</u>	<u>663,902</u>
<i>Non-current Assets:</i>			
Capital Assets:			
Depreciable Capital Assets, Net	236,021	0	236,021
<i>Total Assets</i>	<u>347,552</u>	<u>552,371</u>	<u>899,923</u>
<b><u>Liabilities</u></b>			
<i>Current Liabilities:</i>			
Accounts Payable	26,868	0	26,868
Accrued Wages	9,644	0	9,644
Intergovernmental Payable	5,607	0	5,607
Claims Payable	0	45,574	45,574
Compensated Absences Payable	19,118	0	19,118
<i>Total Current Liabilities</i>	<u>61,237</u>	<u>45,574</u>	<u>106,811</u>
<i>Long-Term Liabilities:</i>			
Compensated Absences Payable	43,371	0	43,371
<i>Total Liabilities</i>	<u>104,608</u>	<u>45,574</u>	<u>150,182</u>
<b><u>Net Assets</u></b>			
Invested in Capital Assets	236,021	0	236,021
Unrestricted	6,923	506,797	513,720
<i>Total Net Assets</i>	<u>\$242,944</u>	<u>\$506,797</u>	<u>\$749,741</u>

*City of Westerville, Ohio*  
Combining Statement of Revenues,  
Expenses and Changes in Fund Net Assets  
Internal Service Funds  
For the Year Ended December 31, 2004

	<i>Garage</i>	<i>Self- Insurance</i>	<i>Total Internal Service Funds</i>
<b><u>Operating Revenues:</u></b>			
Charges for Services	\$597,242	\$258,628	\$855,870
Other Operating Revenues	7,759	27,323	35,082
<i>Total Operating Revenues</i>	<u>605,001</u>	<u>285,951</u>	<u>890,952</u>
<b><u>Operating Expenses:</u></b>			
Personal Services	302,482	0	302,482
Contractual Services	42,851	0	42,851
Materials and Supplies	315,358	0	315,358
Claims	0	331,684	331,684
Depreciation and Amortization	20,456	0	20,456
<i>Total Operating Expenses</i>	<u>681,147</u>	<u>331,684</u>	<u>1,012,831</u>
<i>Operating Loss</i>	<u>(76,146)</u>	<u>(45,733)</u>	<u>(121,879)</u>
<b><u>Non-Operating Revenues (Expenses):</u></b>			
Interest	0	20,181	20,181
Decrease in Fair Value	0	(5,730)	(5,730)
<i>Total Non-Operating Revenues (Expenses)</i>	<u>0</u>	<u>14,451</u>	<u>14,451</u>
Change in Net Assets	(76,146)	(31,282)	(107,428)
Net Assets Beginning of Year	<u>319,090</u>	<u>538,079</u>	<u>857,169</u>
<i>Net Assets End of Year</i>	<u><u>\$242,944</u></u>	<u><u>\$506,797</u></u>	<u><u>\$749,741</u></u>

*City of Westerville, Ohio*  
Combining Statement of Cash Flows  
Internal Service Funds  
For The Year Ended December 31, 2004

	<u>Garage</u>	<u>Self- Insurance</u>	<u>Total Internal Service Funds</u>
<b><u>Increases (Decreases) in Cash and Cash Equivalents:</u></b>			
<b><u>Cash Flows from Operating Activities:</u></b>			
Internal Services Provided	\$597,242	\$250,000	\$847,242
Cash Payments for Personal Services	(276,230)	0	(276,230)
Cash Payments for Materials and Supplies	(312,727)	0	(312,727)
Cash Payments for Other Services and Charges	(40,804)	0	(40,804)
Internal Services Used	(3,500)	0	(3,500)
Cash Payments for Claims	0	(288,183)	(288,183)
Other Operating Revenues	7,759	27,323	35,082
<i>Net Cash Provided by Operating Activities</i>	<u>(28,260)</u>	<u>(10,860)</u>	<u>(39,120)</u>
<b><u>Cash Flows from Capital and Related Financing Activities:</u></b>			
Acquisition and Construction of Capital Assets	(5,051)	0	(5,051)
<b><u>Cash Flows From Investing Activities:</u></b>			
Decrease in Fair Value of Cash Equivalents	0	(5,730)	(5,730)
Interest	0	18,212	18,212
<i>Net Cash Provided by Investing Activities</i>	<u>0</u>	<u>12,482</u>	<u>12,482</u>
Net Increase in Cash and Cash Equivalents	(33,311)	1,622	(31,689)
Cash and Cash Equivalents at Beginning of Year	111,358	538,079	649,437
<i>Cash and Cash Equivalents at End of Year</i>	<u>\$78,047</u>	<u>\$539,701</u>	<u>\$617,748</u>
<b><u>Reconciliation of Operating Loss to Net Cash Used for Operating Activities:</u></b>			
Operating Loss	(\$76,146)	(\$45,733)	(\$121,879)
<b><u>Adjustments to Reconcile Operating Loss to Net Cash Used for Operating Activities:</u></b>			
Depreciation and Amortization	20,456	0	20,456
<b><u>Changes in Assets and Liabilities:</u></b>			
Increase in Accounts Receivable	0	(8,628)	(8,628)
Increase in Material and Supplies Inventory	(7,175)	0	(7,175)
Increase in Accounts Payable	8,353	0	8,353
Increase in Claims Payable	0	43,501	43,501
Increase in Accrued Wages	3,937	0	3,937
Increase in Compensated Absences	20,148	0	20,148
Increase in Intergovernmental Payable	2,167	0	2,167
<i>Net Cash Used for Operating Activities</i>	<u>(\$28,260)</u>	<u>(\$10,860)</u>	<u>(\$39,120)</u>

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# *City of Westerville, Ohio*

## *Fund Descriptions*

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### ***AGENCY FUNDS***

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

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

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

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

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

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

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

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

*City of Westerville, Ohio*

Combining Statement of Assets and Liabilities  
Agency Funds

December 31, 2004

	<i>Hotel Tax</i>	<i>Payroll Revolving</i>	<i>Columbus Sewer Capacity</i>
<b><u>Assets:</u></b>			
Equity In Pooled Cash And Cash Equivalents	\$0	\$740,204	\$133,304
Cash and Cash Equivalents With Fiscal Agents	0	0	0
Property and Other Local Taxes Receivable	926	0	0
<i>Total Assets</i>	\$926	\$740,204	\$133,304
 <b><u>Liabilities:</u></b>			
Accounts Payable	\$926	\$0	\$0
Undistributed Monies	0	740,204	0
Intergovernmental Payable	0	0	133,304
Deposits Held And Due To Others	0	0	0
<i>Total Liabilities</i>	\$926	\$740,204	\$133,304

<i>State Building Standards</i>	<i>Performance Bond</i>	<i>Mayor's Court</i>	<i>Public Use Fees</i>	<i>Totals</i>
\$925	\$61,488	\$0	\$23,500	\$959,421
0	0	7,932	0	7,932
0	0	0	0	926
<u>\$925</u>	<u>\$61,488</u>	<u>\$7,932</u>	<u>\$23,500</u>	<u>\$968,279</u>
\$0	\$0	\$0	\$0	\$926
0	0	0	0	740,204
925	0	6,018	23,500	163,747
0	61,488	1,914	0	63,402
<u>\$925</u>	<u>\$61,488</u>	<u>\$7,932</u>	<u>\$23,500</u>	<u>\$968,279</u>

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

For The Year Ended December 31, 2004

<b>Hotel Tax</b>	<i>Balance January 1, 2004</i>	<i>Additions</i>	<i>Deductions</i>	<i>Balance December 31, 2004</i>
<b>Hotel Tax</b>				
<u><i>Assets:</i></u>				
Equity In Pooled Cash And Cash Equivalents	\$0	\$13,927	\$13,927	\$0
Receivables:				
Property and Other Local Taxes	840	926	840	926
<i>Total Assets</i>	<u>\$840</u>	<u>\$14,853</u>	<u>\$14,767</u>	<u>\$926</u>
<u><i>Liabilities:</i></u>				
Accounts Payable	<u>\$840</u>	<u>\$14,853</u>	<u>\$14,767</u>	<u>\$926</u>
<b>Payroll Revolving Fund</b>				
<u><i>Assets:</i></u>				
Equity In Pooled Cash And Cash Equivalents	\$583,219	\$17,025,433	\$16,868,448	\$740,204
<u><i>Liabilities:</i></u>				
Undistributed Monies	<u>\$583,219</u>	<u>\$17,025,433</u>	<u>\$16,868,448</u>	<u>\$740,204</u>
<b>Columbus Sewer Capacity</b>				
<u><i>Assets:</i></u>				
Equity In Pooled Cash And Cash Equivalents	\$123,304	\$342,500	\$332,500	\$133,304
<u><i>Liabilities:</i></u>				
Intergovernmental Payable	<u>\$123,304</u>	<u>\$342,500</u>	<u>\$332,500</u>	<u>\$133,304</u>
<b>State Building Standards</b>				
<u><i>Assets:</i></u>				
Equity In Pooled Cash And Cash Equivalents	\$873	\$12,746	\$12,694	\$925
<u><i>Liabilities:</i></u>				
Intergovernmental Payable	<u>\$873</u>	<u>\$12,746</u>	<u>\$12,694</u>	<u>\$925</u>
<b>Performance Bond</b>				
<u><i>Assets:</i></u>				
Equity In Pooled Cash And Cash Equivalents	\$145,047	\$60,950	\$144,509	\$61,488
<u><i>Liabilities:</i></u>				
Deposits Held And Due To Others	<u>\$145,047</u>	<u>\$60,950</u>	<u>\$144,509</u>	<u>\$61,488</u>

(continued)

*City of Westerville, Ohio*  
Combining Statement Of Changes In Assets And Liabilities  
Agency Funds  
(Continued)  
For The Year Ended December 31, 2004

<b>Mayor's Court</b>	<i>Balance January 1, 2004</i>	<i>Additions</i>	<i>Deductions</i>	<i>Balance December 31, 2004</i>
<b>Assets:</b>				
Cash and Cash Equivalents with Fiscal Agents	\$11,526	\$7,932	\$11,526	\$7,932
<b>Liabilities:</b>				
Intergovernmental Payable	\$5,562	\$6,018	\$5,562	\$6,018
Deposits Held And Due To Others	5,964	1,914	5,964	1,914
<i>Total Liabilities</i>	<u>\$11,526</u>	<u>\$7,932</u>	<u>\$11,526</u>	<u>\$7,932</u>
<b>Public Use Fees</b>				
<b>Assets:</b>				
Equity In Pooled Cash And Cash Equivalents	\$23,500	\$0	\$0	\$23,500
<b>Liabilities:</b>				
Intergovernmental Payable	\$23,500	\$0	\$0	\$23,500
<b>TOTAL - ALL AGENCY FUNDS</b>				
<b>Assets:</b>				
Equity In Pooled Cash and Cash Equivalents	\$875,943	\$17,455,556	\$17,372,078	\$959,421
Cash with Fiscal and Escrow Agents	11,526	7,932	11,526	7,932
Receivables:				
Property and Other Local Taxes	840	926	840	926
<i>Total Assets</i>	<u>\$888,309</u>	<u>\$17,464,414</u>	<u>\$17,384,444</u>	<u>\$968,279</u>
<b>Liabilities:</b>				
Accounts Payable	\$840	\$14,853	\$14,767	\$926
Undistributed Monies	583,219	17,025,433	16,868,448	740,204
Intergovernmental Payable	153,239	361,264	350,756	163,747
Deposits Held And Due To Others	151,011	62,864	150,473	63,402
<i>Total Liabilities</i>	<u>\$888,309</u>	<u>\$17,464,414</u>	<u>\$17,384,444</u>	<u>\$968,279</u>

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*City of Westerville, Ohio*

***General Governmental Capital Assets***

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

**City of Westerville, Ohio**  
Schedule of Governmental Activities Capital Assets  
By Program and Department  
December 31, 2004

<i>Program / Department</i>	<i>Land</i>	<i>Land Improvements</i>	<i>Buildings</i>
Security of Persons and Property			
Police	\$0	\$0	\$5,088,910
Fire	110,512	0	5,313,609
Communications	0	0	0
Total Security of Persons and Property	<u>110,512</u>	<u>0</u>	<u>10,402,519</u>
Public Health			
Cemetery Maintenance	0	60,463	21,695
Leisure Time Activities			
Parks and Recreation	3,970,335	14,111,134	18,702,709
Community Development			
Planning, Engineering and Building	0	0	5,355
Total Community Development	<u>0</u>	<u>0</u>	<u>5,355</u>
Basic Utility Services			
Storm Sewer	522,794	5,666	0
Transportation			
Street Maintenance	0	56,481	64,500
Traffic Signal Maintenance and Repair	0	0	0
Total Transportation	<u>0</u>	<u>56,481</u>	<u>64,500</u>
General Government			
City Manager	0	0	0
Legislative	0	0	0
Cable TV Commission	0	0	0
Finance	0	0	0
Management Information Systems	0	0	39,600
Income Tax	0	0	0
Mayor's Court	0	0	0
Lands and Buildings	1,959,452	28,310	2,619,415
Total General Government	<u>1,959,452</u>	<u>28,310</u>	<u>2,659,015</u>
Total General Capital Assets	6,563,093	14,262,054	31,855,793
Less Accumulated Depreciation	0	(3,288,221)	(5,551,834)
General Capital Assets - Net of Accumulated Depreciation	<u>6,563,093</u>	<u>10,973,833</u>	<u>26,303,959</u>
Internal Service Fund Capital Assets	0	0	637,228
Less Accumulated Depreciation	0	0	(417,715)
Net Internal Service Fund Capital Assets	<u>0</u>	<u>0</u>	<u>219,513</u>
Totals Before Construction in Progress	<u>\$6,563,093</u>	<u>\$10,973,833</u>	<u>\$26,523,472</u>
Construction In Progress			
Total Governmental Activities Capital Assets			

<i>Furniture and Equipment</i>	<i>Vehicles</i>	<i>Infrastructure</i>	<i>Totals</i>
\$1,081,627	\$722,831	\$0	\$6,893,368
586,037	1,992,201	0	8,002,359
1,217,048	0	0	1,217,048
2,884,712	2,715,032	0	16,112,775
0	0	0	82,158
1,015,518	704,674	0	38,504,370
70,625	152,416	0	228,396
70,625	152,416	0	228,396
55,669	23,896	3,567,347	4,175,372
409,782	685,247	27,291,226	28,507,236
67,515	26,841	0	94,356
477,297	712,088	27,291,226	28,601,592
59,448	0	0	59,448
14,623	0	0	14,623
806,739	69,721	0	876,460
29,605	59,063	0	88,668
1,166,040	0	0	1,205,640
18,960	0	0	18,960
74,067	0	0	74,067
207,889	0	0	4,815,066
2,377,371	128,784	0	7,152,932
6,881,192	4,436,890	30,858,573	94,857,595
(4,438,848)	(3,417,824)	(1,085,997)	(17,782,724)
2,442,344	1,019,066	29,772,576	77,074,871
71,338	17,023	0	725,589
(55,235)	(16,617)	0	(489,567)
16,103	406	0	236,022
\$2,458,447	\$1,019,472	\$29,772,576	\$77,310,893
			4,472,129
			\$81,783,022

**City of Westerville, Ohio**  
Schedule of Changes in Governmental Activities Capital Assets  
By Program and Department  
For the Year Ended December 31, 2004

Program / Department	Balance 1/1/2004	Additions	Deletions	Balance 12/31/2004
Security of Persons and Property				
Police	\$5,265,520	\$1,753,754	\$125,906	\$6,893,368
Fire	5,695,030	2,316,829	9,500	8,002,359
Communications	478,350	738,698	0	1,217,048
Total Security of Persons and Property	<u>11,438,900</u>	<u>4,809,281</u>	<u>135,406</u>	<u>16,112,775</u>
Public Health				
Cemetery Maintenance	67,183	14,975	0	82,158
Leisure Time Activities				
Parks and Recreation	36,793,566	1,780,472	69,668	38,504,370
Community Development				
Planning, Engineering and Building	233,479	5,364	10,447	228,396
Basic Utility Services				
Storm Sewer	2,928,862	1,246,510	0	4,175,372
Transportation				
Street Maintenance	15,247,329	13,355,669	95,762	28,507,236
Traffic Signal Maintenance and Repair	94,356	0	0	94,356
Total Transportation	<u>15,341,685</u>	<u>13,355,669</u>	<u>95,762</u>	<u>28,601,592</u>
General Government				
City Manager	37,343	22,105	0	59,448
Legislative	14,623	0	0	14,623
Cable TV Commission	809,313	95,462	28,315	876,460
Finance	93,731	0	5,063	88,668
Management Information Systems	986,855	218,785	0	1,205,640
Income Tax	18,960	0	0	18,960
Mayor's Court	68,517	5,550	0	74,067
Lands and Buildings	4,286,447	528,619	0	4,815,066
Total General Government	<u>6,315,789</u>	<u>870,521</u>	<u>33,378</u>	<u>7,152,932</u>
Total General Capital Assets	73,119,464	22,082,792	344,661	94,857,595
Less Accumulated Depreciation	(14,594,598)	(3,511,758)	(323,632)	(17,782,724)
Total General Capital Assets (Net of Accumulated Depreciation) Allocated To Programs	<u>58,524,866</u>	<u>18,571,034</u>	<u>21,029</u>	<u>77,074,871</u>
Internal Service Fund Capital Assets	720,538	5,051	0	725,589
Less Accumulated Depreciation	(469,112)	(20,455)	0	(489,567)
Net Internal Service Fund Capital Assets	<u>251,426</u>	<u>(15,404)</u>	<u>0</u>	<u>236,022</u>
Totals Before Construction in Progress	58,776,292	18,555,630	21,029	77,310,893
Construction In Progress	10,679,791	14,362,567	20,570,229	4,472,129
Total Governmental Activities Capital Assets	<u>\$69,456,083</u>	<u>\$32,918,197</u>	<u>\$20,591,258</u>	<u>\$81,783,022</u>

**City of Westerville, Ohio**

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

**General Fund**

For the Year Ended December 31, 2004

	<i>Budget</i>		<i>Actuals</i>			<i>Variance Positive (Negative)</i>
	<i>Original</i>	<i>Final</i>	<i>Cash Transactions</i>	<i>Encumbrances</i>	<i>Total</i>	
<b><u>Revenues:</u></b>						
Property Taxes	\$2,770,784	\$2,789,012	\$2,790,282		\$2,790,282	\$1,270
Municipal Income Tax	15,014,250	14,657,871	14,620,379		14,620,379	(37,492)
Intergovernmental	4,359,522	5,228,484	5,200,170		5,200,170	(28,314)
Charges for Services	887,910	807,172	806,312		806,312	(860)
Fees, Licenses and Permits	635,350	662,916	683,545		683,545	20,629
Fines and Forfeitures	432,100	386,616	386,616		386,616	0
Interest	1,228,000	1,876,000	1,971,989		1,971,989	95,989
Miscellaneous	53,050	70,957	71,632		71,632	675
<b>Total Revenues</b>	<b>25,380,966</b>	<b>26,479,028</b>	<b>26,530,925</b>		<b>26,530,925</b>	<b>51,897</b>
<b><u>Expenditures:</u></b>						
Current Operations and Maintenance						
Security of Persons and Property						
Police Department						
Police Services						
Personal Services	8,262,006	8,225,729	7,415,577	0	7,415,577	810,152
Supplies and Materials	385,724	383,059	309,669	27,221	336,890	46,169
Other Services and Charges	580,844	575,016	394,748	28,487	423,235	151,781
Capital Outlay	337,333	373,151	311,022	19,267	330,289	42,862
Other Financing Uses	1,493	1,493	1,492	0	1,492	1
<b>Total Police Department</b>	<b>9,567,400</b>	<b>9,558,448</b>	<b>8,432,508</b>	<b>74,975</b>	<b>8,507,483</b>	<b>1,050,965</b>
Communications						
Personal Services	977,141	977,141	879,939	0	879,939	97,202
Supplies and Materials	21,944	21,897	21,222	551	21,773	124
Other Services and Charges	223,885	157,137	86,648	26,785	113,433	43,704
Capital Outlay	13,833	13,833	8,425	625	9,050	4,783
<b>Total Communications</b>	<b>1,236,803</b>	<b>1,170,008</b>	<b>996,234</b>	<b>27,961</b>	<b>1,024,195</b>	<b>145,813</b>
Fire Hydrant Maintenance						
Supplies and Materials	8,788	8,449	6,283	1,296	7,579	870
Capital Outlay	31,692	31,692	23,142	7,980	31,122	570
<b>Total Fire Hydrant Maintenance</b>	<b>40,480</b>	<b>40,141</b>	<b>29,425</b>	<b>9,276</b>	<b>38,701</b>	<b>1,440</b>
<b>Total Security of Persons and Property</b>	<b>10,844,683</b>	<b>10,768,597</b>	<b>9,458,167</b>	<b>112,212</b>	<b>9,570,379</b>	<b>1,198,218</b>
Public Health						
Cemetery Maintenance						
Supplies and Materials	1,450	1,450	965	400	1,365	85
Other Services and Charges	53,160	53,160	42,509	1,200	43,709	9,451
Capital Outlay	17,100	17,100	14,975	0	14,975	2,125
<b>Total Public Health</b>	<b>71,710</b>	<b>71,710</b>	<b>58,449</b>	<b>1,600</b>	<b>60,049</b>	<b>11,661</b>
Community Development						
Planning, Engineering, and Building Department						
Building, Planning and Zoning						
Personal Services	1,950,464	1,950,464	1,852,533	0	1,852,533	97,931
Supplies and Materials	49,744	49,002	30,157	3,395	33,552	15,450
Other Services and Charges	357,019	348,106	271,097	25,332	296,429	51,677
Capital Outlay	18,150	18,150	12,295	0	12,295	5,855
Other Financing Uses	1,000	1,000	137	0	137	863
<b>Total Building, Planning and Zoning</b>	<b>2,376,377</b>	<b>2,366,722</b>	<b>2,166,219</b>	<b>28,727</b>	<b>2,194,946</b>	<b>171,776</b>
<b>Total Community Development</b>	<b>\$2,376,377</b>	<b>\$2,366,722</b>	<b>\$2,166,219</b>	<b>\$28,727</b>	<b>\$2,194,946</b>	<b>\$171,776</b>

(Continued)

**City of Westerville, Ohio**

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

**General Fund**

For the Year Ended December 31, 2004

(Continued)

	<i>Budget</i>		<i>Actuals</i>			<i>Variance Positive (Negative)</i>
	<i>Original</i>	<i>Final</i>	<i>Cash Transactions</i>	<i>Encumbrances</i>	<i>Total</i>	
Basic Utility Services						
General Public Services						
Storm Sewer Maintenance and Improvements						
Personal Services	\$233,013	\$233,013	\$170,902	\$5,793	\$176,695	\$56,318
Supplies and Materials	50,837	47,810	21,840	4,973	26,813	20,997
Other Services and Charges	83,815	82,390	22,663	3,136	25,799	56,591
Capital Outlay	14,500	14,500	8,000	0	8,000	6,500
Total Basic Utility Services	382,165	377,713	223,405	13,902	237,307	140,406
General Government						
City Manager						
Administration						
Personal Services	922,743	922,743	864,331	0	864,331	58,412
Supplies and Materials	12,108	16,067	12,993	11	13,004	3,063
Other Services and Charges	1,321,403	1,320,114	1,273,441	35,506	1,308,947	11,167
Capital Outlay	3,000	3,000	2,390	0	2,390	610
Total Administration	2,259,254	2,261,924	2,153,155	35,517	2,188,672	73,252
Economic Development						
Personal Services	98,104	98,104	95,162	0	95,162	2,942
Supplies and Materials	4,180	4,170	2,824	0	2,824	1,346
Other Services and Charges	104,922	104,856	81,961	9,329	91,290	13,566
Capital Outlay	1,600	1,600	1,076	0	1,076	524
Other Financing Uses	200,000	200,000	200,000	0	200,000	0
Total Economic Development	408,806	408,730	381,023	9,329	390,352	18,378
Total City Manager	2,668,060	2,670,654	2,534,178	44,846	2,579,024	91,630
Legislative						
Personal Services	120,778	120,778	119,591	0	119,591	1,187
Supplies and Materials	10,657	10,457	7,946	0	7,946	2,511
Other Services and Charges	99,078	98,826	89,105	1,959	91,064	7,762
Capital Outlay	3,000	3,000	0	0	0	3,000
Total Legislative	233,513	233,061	216,642	1,959	218,601	14,460
Management Information Systems						
Personal Services	810,488	845,488	809,399	0	809,399	36,089
Supplies and Materials	29,700	28,570	15,925	4,303	20,228	8,342
Other Services and Charges	602,089	622,018	555,748	21,745	577,493	44,525
Capital Outlay	147,701	275,622	206,366	55,093	261,459	14,163
Total Management Information Systems	1,589,978	1,771,698	1,587,438	81,141	1,668,579	103,119
Finance Department						
Administration and Accounting						
Personal Services	651,346	651,346	599,475	0	599,475	51,871
Supplies and Materials	25,883	25,523	23,098	1,976	25,074	449
Other Services and Charges	340,570	339,097	288,743	15,001	303,744	35,353
Capital Outlay	25,608	25,608	8,162	17,185	25,347	261
Total Administration	1,043,407	1,041,574	919,478	34,162	953,640	87,934
Income Tax						
Personal Services	355,920	290,370	268,150	0	268,150	22,220
Supplies and Materials	58,180	56,490	30,725	12,106	42,831	13,659
Other Services and Charges	65,818	65,019	40,913	2,050	42,963	22,056
Capital Outlay	16,000	31,550	12,000	15,295	27,295	4,255
Other Financing Uses	690,000	755,500	753,858	0	753,858	1,642
Total Income Tax	\$1,185,918	\$1,198,929	\$1,105,646	\$29,451	\$1,135,097	\$63,832

(Continued)

**City of Westerville, Ohio**

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

**General Fund**

For the Year Ended December 31, 2004

(Continued)

	<i>Budget</i>		<i>Actuals</i>			<i>Variance</i>
	<i>Original</i>	<i>Final</i>	<i>Cash Transactions</i>	<i>Encumbrances</i>	<i>Total</i>	<i>Positive (Negative)</i>
Utility Billing Services						
Personal Services	\$537,407	\$521,907	\$444,945	\$0	\$444,945	\$76,962
Supplies and Materials	24,763	24,714	20,243	3,659	23,902	812
Other Services and Charges	56,630	54,279	32,080	5,165	37,245	17,034
Capital Outlay	10,431	10,431	1,431	4,086	5,517	4,914
Total Utility Billing Services	629,231	611,331	498,699	12,910	511,609	99,722
Mayor's Court						
Personal Services	267,249	257,249	243,515	425	243,940	13,309
Supplies and Materials	12,630	12,594	7,723	1,184	8,907	3,687
Other Services and Charges	247,807	254,017	227,860	19,876	247,736	6,281
Total Mayor's Court	527,686	523,860	479,098	21,485	500,583	23,277
Law Administration						
Personal Services	84,234	84,234	83,711	0	83,711	523
Other Services and Charges	285,950	285,950	211,647	0	211,647	74,303
Total Law Administration	370,184	370,184	295,358	0	295,358	74,826
Buildings and Grounds						
Personal Services	351,661	351,661	324,395	0	324,395	27,266
Supplies and Materials	57,405	56,267	35,773	7,411	43,184	13,083
Other Services and Charges	235,504	211,005	188,956	12,189	201,145	9,860
Capital Outlay	27,105	27,105	26,637	0	26,637	468
Total Buildings and Grounds	671,675	646,038	575,761	19,600	595,361	50,677
Total Finance Department	4,428,101	4,391,916	3,874,040	117,608	3,991,648	400,268
Total General Government	8,919,652	9,067,329	8,212,298	245,554	8,457,852	609,477
<i>Total Expenditures</i>	22,594,587	22,652,071	20,118,538	401,995	20,520,533	2,131,538
Excess of Revenues Over Expenditures	2,786,379	3,826,957	6,412,387	(401,995)	6,010,392	2,183,435
<b><i>Other Financing Sources (Uses):</i></b>						
Proceeds from Sale of Fixed Assets	0	1,299	1,300		1,300	1
Advances - In	3,256,503	2,127,615	2,127,617		2,127,617	2
Advances - Out	0	(3,147,000)	(3,147,000)	0	(3,147,000)	0
Transfers - Out	(5,661,685)	(7,341,685)	(7,244,788)	0	(7,244,788)	96,897
<i>Total Other Financing Sources (Uses)</i>	(2,405,182)	(8,359,771)	(8,262,871)	0	(8,262,871)	96,900
Net Change in Fund Balance	381,197	(4,532,814)	(1,850,484)	(401,995)	(2,252,479)	2,280,335
Fund Balance at Beginning of Year	13,899,605	13,971,431	14,373,466	(402,035)	13,971,431	0
Prior Year Encumbrances Carried Over	473,861	402,035	0	402,035	402,035	0
Fund Balance at End of Year	\$14,754,663	\$9,840,652	\$12,522,982	(\$401,995)	\$12,120,987	\$2,280,335

**City of Westerville, Ohio**  
Schedule of Revenues, Expenditures and Changes in Fund  
Balance - Budget (Non-GAAP Budgetary Basis) and Actual  
**Fire Operating Special Revenue Fund**  
For the Year Ended December 31, 2004

	<i>Budget</i>		<i>Actual</i>		<i>Variance Positive (Negative)</i>	
	<i>Original</i>	<i>Final</i>	<i>Cash Transactions</i>	<i>Encumbrances</i>		<i>Total</i>
<b><u>Revenues:</u></b>						
Property Taxes	\$7,578,984	\$7,470,065	\$7,475,854		\$7,475,854	\$5,789
Intergovernmental	2,007,370	2,384,476	2,384,478		2,384,478	2
Charges for Services	1,500	153	153		153	0
Fees, Licenses and Permits	0	50	50		50	0
Interest	99,000	108,500	155,328		155,328	46,828
Miscellaneous	0	14,577	14,578		14,578	1
<i>Total Revenues</i>	<u>9,686,854</u>	<u>9,977,821</u>	<u>10,030,441</u>		<u>10,030,441</u>	<u>52,620</u>
<b><u>Expenditures:</u></b>						
Current Operations and Maintenance						
Security of Persons and Property						
Fire Department						
Operations						
Personal Services	7,882,742	7,882,742	7,619,509	0	7,619,509	263,233
Supplies and Materials	402,736	359,927	277,495	49,824	327,319	32,608
Other Services and Charges	889,147	844,689	609,022	42,453	651,475	193,214
Capital Outlay	219,837	332,434	161,770	85,269	247,039	85,395
<i>Total Expenditures</i>	<u>9,394,462</u>	<u>9,419,792</u>	<u>8,667,796</u>	<u>177,546</u>	<u>8,845,342</u>	<u>574,450</u>
Net Change in Fund Balance	292,392	558,029	1,362,645	(177,546)	1,185,099	627,070
Fund Balance at Beginning of Year	4,059,939	4,151,369	4,244,298	(92,929)	4,151,369	0
Prior Year Encumbrances Carried Over	184,359	92,929	0	92,929	92,929	0
Fund Balance at End of Year	<u>\$4,536,690</u>	<u>\$4,802,327</u>	<u>\$5,606,943</u>	<u>(\$177,546)</u>	<u>\$5,429,397</u>	<u>\$627,070</u>

**City of Westerville, Ohio**

Schedule of Revenues, Expenditures and Changes in Fund  
Balance - Budget (Non-GAAP Budgetary Basis) and Actual  
**Parks and Recreation Operating Special Revenue Fund**

For the Year Ended December 31, 2004

	<b>Budget</b>		<b>Actual</b>			<b>Variance Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Cash</b>		<b>Total</b>	
			<b>Transactions</b>	<b>Encumbrances</b>		
<b>Revenues:</b>						
Intergovernmental	\$250,000	\$150,000	\$150,000		\$150,000	\$0
Charges for Services	2,549,100	2,571,615	2,563,063		2,563,063	(8,552)
Fees, Licenses and Permits	72,000	75,752	75,752		75,752	0
Miscellaneous	177,500	25,955	25,956		25,956	1
<b>Total Revenues</b>	<b>3,048,600</b>	<b>2,823,322</b>	<b>2,814,771</b>		<b>2,814,771</b>	<b>(8,551)</b>
<b>Expenditures:</b>						
Current Operations and Maintenance						
Leisure Time Activities						
Parks and Recreation						
Administration						
Personal Services	513,278	513,278	487,588	0	487,588	25,690
Supplies and Materials	24,810	24,592	15,883	3,183	19,066	5,526
Other Services and Charges	101,213	100,926	93,758	2,352	96,110	4,816
Capital Outlay	3,815	3,815	3,010	0	3,010	805
<b>Total Administration</b>	<b>643,116</b>	<b>642,611</b>	<b>600,239</b>	<b>5,535</b>	<b>605,774</b>	<b>36,837</b>
Recreation Services						
Personal Services	2,122,940	2,121,591	1,933,854	2,230	1,936,084	185,507
Supplies and Materials	213,051	209,595	171,711	19,349	191,060	18,535
Other Services and Charges	917,617	900,983	778,215	68,159	846,374	54,609
Capital Outlay	49,608	49,608	23,181	19,425	42,606	7,002
Other Financing Uses	20,000	20,000	5,502	0	5,502	14,498
<b>Total Recreation Services</b>	<b>3,323,216</b>	<b>3,301,777</b>	<b>2,912,463</b>	<b>109,163</b>	<b>3,021,626</b>	<b>280,151</b>
Parks						
Personal Services	1,184,637	1,184,637	1,095,084	0	1,095,084	89,553
Supplies and Materials	291,163	287,815	226,366	52,915	279,281	8,534
Other Services and Charges	337,447	334,818	272,664	30,572	303,236	31,582
Capital Outlay	881,591	876,617	401,940	167,728	569,668	306,949
<b>Total Parks</b>	<b>2,694,838</b>	<b>2,683,887</b>	<b>1,996,054</b>	<b>251,215</b>	<b>2,247,269</b>	<b>436,618</b>
Senior Center						
Personal Services	434,179	434,179	406,872	0	406,872	27,307
Supplies and Materials	41,487	41,194	28,402	2,864	31,266	9,928
Other Services and Charges	82,289	80,919	55,140	18,124	73,264	7,655
Capital Outlay	159,584	159,113	119,222	18,576	137,798	21,315
<b>Total Senior Center</b>	<b>717,539</b>	<b>715,405</b>	<b>609,636</b>	<b>39,564</b>	<b>649,200</b>	<b>66,205</b>
Urban Forestry Services						
Supplies and Materials	6,105	5,557	5,554	0	5,554	3
Other Services and Charges	6,867	6,587	6,587	0	6,587	0
<b>Total Urban Forestry Services</b>	<b>12,972</b>	<b>12,144</b>	<b>12,141</b>	<b>0</b>	<b>12,141</b>	<b>3</b>
<b>Total Expenditures</b>	<b>7,391,681</b>	<b>7,355,824</b>	<b>6,130,533</b>	<b>405,477</b>	<b>6,536,010</b>	<b>819,814</b>
Excess of Revenues						
Under Expenditures	(4,343,081)	(4,532,502)	(3,315,762)	(405,477)	(3,721,239)	811,263
<b>Other Financing Sources:</b>						
Transfers - In	3,605,264	3,605,264	3,605,264		3,605,264	0
<b>Net Change in Fund Balance</b>	<b>(737,817)</b>	<b>(927,238)</b>	<b>289,502</b>	<b>(405,477)</b>	<b>(115,975)</b>	<b>811,263</b>
Fund Balance at Beginning of Year	4,616,949	4,652,806	5,136,195	(483,389)	4,652,806	0
Prior Year Encumbrances Carried Over	519,246	483,389	0	483,389	483,389	0
<b>Fund Balance at End of Year</b>	<b>\$4,398,378</b>	<b>\$4,208,957</b>	<b>\$5,425,697</b>	<b>(\$405,477)</b>	<b>\$5,020,220</b>	<b>\$811,263</b>

**City of Westerville, Ohio**

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

**Water Enterprise Fund**

For the Year Ended December 31, 2004

	<i>Budget</i>		<i>Actual</i>			<i>Variance Positive (Negative)</i>
	<i>Original</i>	<i>Final</i>	<i>Cash Transactions</i>	<i>Encumbrances</i>	<i>Total</i>	
<b><i>Revenues:</i></b>						
Charges for Services	\$2,900,000	\$2,700,000	\$2,698,687		\$2,698,687	(\$1,313)
Underground Line Charge	700,000	517,900	563,800		563,800	45,900
Assessments	0	0	878		878	878
Other Charges	8,000	16,903	16,644		16,644	(259)
Sale of Meters	35,000	29,882	31,752		31,752	1,870
Interest	0	1,520	1,992		1,992	472
Miscellaneous	32,060	32,795	32,845		32,845	50
<b>Total Revenues</b>	<b>3,675,060</b>	<b>3,299,000</b>	<b>3,346,598</b>		<b>3,346,598</b>	<b>47,598</b>
<b><i>Expenses:</i></b>						
<b>Personal Services</b>						
Water Treatment	849,792	849,792	739,469	0	739,469	110,323
System Improvements	571,187	571,187	473,747	0	473,747	97,440
<b>Total Personal Services</b>	<b>1,420,979</b>	<b>1,420,979</b>	<b>1,213,216</b>	<b>0</b>	<b>1,213,216</b>	<b>207,763</b>
<b>Supplies and Materials</b>						
Water Treatment	341,015	317,486	210,133	27,947	238,080	79,406
System Improvements	51,308	50,889	43,569	6,478	50,047	842
<b>Total Supplies and Materials</b>	<b>392,323</b>	<b>368,375</b>	<b>253,702</b>	<b>34,425</b>	<b>288,127</b>	<b>80,248</b>
<b>Other Services and Charges</b>						
Water Treatment	582,566	579,155	428,986	29,551	458,537	120,618
System Improvements	113,276	109,796	65,926	3,310	69,236	40,560
<b>Total Other Services and Charges</b>	<b>695,842</b>	<b>688,951</b>	<b>494,912</b>	<b>32,861</b>	<b>527,773</b>	<b>161,178</b>
<b>Capital Outlay</b>						
Water Treatment	1,381,819	1,379,185	426,978	779,418	1,206,396	172,789
System Improvements	739,808	834,500	358,990	50,825	409,815	424,685
<b>Total Capital Outlay</b>	<b>2,121,627</b>	<b>2,213,685</b>	<b>785,968</b>	<b>830,243</b>	<b>1,616,211</b>	<b>597,474</b>
<b>Other</b>						
Refunds	0	13,210	13,210	0	13,210	0
<b>Debt Service:</b>						
Debt Retirement	505,000	505,000	505,000	0	505,000	0
Interest and Other Charges	315,559	315,559	315,559	0	315,559	0
ODNR Debt	35,008	35,008	35,007	0	35,007	1
<b>Total Debt Service</b>	<b>855,567</b>	<b>855,567</b>	<b>855,566</b>	<b>0</b>	<b>855,566</b>	<b>1</b>
<b>Total Expenses</b>	<b>5,486,338</b>	<b>5,560,767</b>	<b>3,616,574</b>	<b>897,529</b>	<b>4,514,103</b>	<b>1,046,664</b>
<b>Excess of Revenues</b>						
Under Expenses	(1,811,278)	(2,261,767)	(269,976)	(897,529)	(1,167,505)	1,094,262
Transfers - In	326,500	326,500	326,500		326,500	0
<b>Net Change in Fund Equity</b>	<b>(1,484,778)</b>	<b>(1,935,267)</b>	<b>56,524</b>	<b>(897,529)</b>	<b>(841,005)</b>	<b>1,094,262</b>
Fund Equity at Beginning of Year	6,960,661	7,026,192	7,160,434	(134,242)	7,026,192	0
Prior Year Encumbrances Carried Over	199,773	134,242	0	134,242	134,242	0
<b>Fund Equity at End of Year</b>	<b>\$5,675,656</b>	<b>\$5,225,167</b>	<b>\$7,216,958</b>	<b>(\$897,529)</b>	<b>\$6,319,429</b>	<b>\$1,094,262</b>

**City of Westerville, Ohio**  
Schedule of Revenues, Expenses and Changes in Fund  
Equity - Budget (Non-GAAP Budgetary Basis) and Actual  
**Water System Capital Improvement Enterprise Fund**  
For the Year Ended December 31, 2004

	<i>Budget</i>		<i>Actual</i>		<i>Variance Positive (Negative)</i>	
	<i>Original</i>	<i>Final</i>	<i>Cash Transactions</i>	<i>Encumbrances</i>		<i>Total</i>
<b><u>Revenues:</u></b>						
Interest	\$0	\$55,892	\$70,532		\$70,532	\$14,640
<b><u>Expenses:</u></b>						
Debt Service:						
Debt Retirement	0	1,760,000	1,760,000	0	1,760,000	0
Interest and Other Charges	0	4,415	4,415	0	4,415	0
<i>Total Expenses</i>	0	1,764,415	1,764,415	0	1,764,415	0
Excess of Revenues Under Expenses	0	(1,708,523)	(1,693,883)	0	(1,693,883)	14,640
Transfers - Out	(326,500)	(326,500)	(326,500)	0	(326,500)	0
Net Change in Fund Equity	(326,500)	(2,035,023)	(2,020,383)	0	(2,020,383)	14,640
Fund Equity at Beginning of Year	2,829,416	2,829,416	2,829,416	0	2,829,416	0
Fund Equity at End of Year	\$2,502,916	\$794,393	\$809,033	\$0	\$809,033	\$14,640

**City of Westerville, Ohio**  
Schedule of Revenues, Expenses and Changes in Fund  
Equity - Budget (Non-GAAP Budgetary Basis) and Actual  
**Sewer Enterprise Fund**  
For the Year Ended December 31, 2004

	<i>Budget</i>		<i>Actual</i>			<i>Variance Positive (Negative)</i>
	<i>Original</i>	<i>Final</i>	<i>Cash Transactions</i>	<i>Encumbrances</i>	<i>Total</i>	
<b><u>Revenues:</u></b>						
Charges for Services	\$4,428,345	\$4,145,000	\$4,164,951		\$4,164,951	\$19,951
Tap-In Fees	15,000	6,675	9,225		9,225	2,550
Capacity Charges	155,000	285,662	312,013		312,013	26,351
Assessments	0	0	690		690	690
Proceeds of Bonds	390,000	0	0		0	0
<b>Total Revenues</b>	<b>4,988,345</b>	<b>4,437,337</b>	<b>4,486,879</b>		<b>4,486,879</b>	<b>49,542</b>
<b><u>Expenses:</u></b>						
Personal Services						
System Improvements	587,317	587,317	540,793	0	540,793	46,524
Supplies and Materials						
System Improvements	24,624	23,140	19,498	3,443	22,941	199
Other Services and Charges						
Sewer Treatment	4,649,668	4,630,050	3,614,053	919,342	4,533,395	96,655
System Improvements	140,782	134,920	46,105	30,500	76,605	58,315
<b>Total Other Services and Charges</b>	<b>4,790,450</b>	<b>4,764,970</b>	<b>3,660,158</b>	<b>949,842</b>	<b>4,610,000</b>	<b>154,970</b>
Capital Outlay						
System Improvements	808,300	835,050	166,215	225,874	392,089	442,961
Other						
Refunds	0	15,400	15,400	0	15,400	0
Debt Service:						
Interest and Other Charges	9,500	9,500	0	0	0	9,500
<b>Total Expenses</b>	<b>6,220,191</b>	<b>6,235,377</b>	<b>4,402,064</b>	<b>1,179,159</b>	<b>5,581,223</b>	<b>654,154</b>
Net Change in Fund Equity	(1,231,846)	(1,798,040)	84,815	(1,179,159)	(1,094,344)	703,696
Fund Equity at Beginning of Year	2,140,187	2,167,151	3,180,494	(1,013,343)	2,167,151	0
Prior Year Encumbrances Carried Over	1,040,307	1,013,343	0	1,013,343	1,013,343	0
<b>Fund Equity at End of Year</b>	<b>\$1,948,648</b>	<b>\$1,382,454</b>	<b>\$3,265,309</b>	<b>(\$1,179,159)</b>	<b>\$2,086,150</b>	<b>\$703,696</b>

**City of Westerville, Ohio**

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

**Electric Enterprise Fund**

For the Year Ended December 31, 2004

	<i>Budget</i>		<i>Actual</i>		<i>Variance Positive (Negative)</i>
	<i>Original</i>	<i>Final</i>	<i>Cash Transactions</i>	<i>Encumbrances Total</i>	
<b><u>Revenues:</u></b>					
Charges for Services	\$23,177,000	\$22,615,096	\$22,946,749	\$22,946,749	\$331,653
Underground Line Charge	10,000	68,130	68,130	68,130	0
Other Charges	204,500	53,000	35,855	35,855	(17,145)
Proceeds of Bonds	3,000,000	1,300,000	1,300,000	1,300,000	0
Accrued Interest on Bonds	0	883	882	882	(1)
Premium on Bonds	0	35,976	35,975	35,975	(1)
Sale of Fixed Assets	0	19,999	19,999	19,999	0
Interest	0	877	1,154	1,154	277
Grants	20,000	972,016	972,016	972,016	0
Miscellaneous	897,000	44,930	38,373	38,373	(6,557)
<i>Total Revenues</i>	<u>27,308,500</u>	<u>25,110,907</u>	<u>25,419,133</u>	<u>25,419,133</u>	<u>308,226</u>
<b><u>Expenses:</u></b>					
Personal Services					
Electric System Maintenance	3,588,398	3,569,398	3,217,757	0	351,641
Supplies and Materials					
Electric System Maintenance	545,587	620,914	516,750	63,446	40,718
Other Services and Charges					
Purchased Power	18,235,895	18,081,546	16,380,753	1,277,619	423,174
Electric System Maintenance	1,659,342	1,622,169	714,099	260,831	647,239
<i>Total Other Services and Charges</i>	<u>19,895,237</u>	<u>19,703,715</u>	<u>17,094,852</u>	<u>1,538,450</u>	<u>1,070,413</u>
Capital Outlay					
Electric System Maintenance	8,756,356	8,895,505	4,327,753	1,799,050	2,768,702
Debt Service:					
Debt Retirement	133,280	133,280	133,280	0	0
Interest and Other Charges	222,020	201,521	149,519	0	52,002
Bond Issuance Costs	60,975	60,975	60,975	0	0
<i>Total Debt Service</i>	<u>416,275</u>	<u>395,776</u>	<u>343,774</u>	<u>0</u>	<u>52,002</u>
<i>Total Expenses</i>	<u>33,201,853</u>	<u>33,185,308</u>	<u>25,500,886</u>	<u>3,400,946</u>	<u>4,283,476</u>
Net Change in Fund Equity	(5,893,353)	(8,074,401)	(81,753)	(3,400,946)	4,591,702
Fund Equity at Beginning of Year	13,696,298	13,922,240	18,524,425	(4,602,185)	0
Prior Year Encumbrances Carried Over	4,828,127	4,602,185	0	4,602,185	0
<b>Fund Equity at End of Year</b>	<u><u>\$12,631,072</u></u>	<u><u>\$10,450,024</u></u>	<u><u>\$18,442,672</u></u>	<u><u>(\$3,400,946)</u></u>	<u><u>\$4,591,702</u></u>

**City of Westerville, Ohio**  
Schedule of Revenues, Expenditures and Changes in Fund  
Balance - Budget (Non-GAAP Budgetary Basis) and Actual  
**Street Maintenance Special Revenue Fund**  
For the Year Ended December 31, 2004

	<i>Budget</i>		<i>Actual</i>		<i>Variance Positive (Negative)</i>	
	<i>Original</i>	<i>Final</i>	<i>Cash Transactions</i>	<i>Encumbrances</i>		<i>Total</i>
<b><u>Revenues:</u></b>						
Intergovernmental	\$1,275,500	\$1,348,500	\$1,366,897		\$1,366,897	\$18,397
Charges for Services	0	82	83		83	1
Interest	0	182	243		243	61
Miscellaneous	0	1,118	1,118		1,118	0
<i>Total Revenues</i>	<u>1,275,500</u>	<u>1,349,882</u>	<u>1,368,341</u>		<u>1,368,341</u>	<u>18,459</u>
<b><u>Expenditures:</u></b>						
Current Operations and Maintenance						
Transportation						
Right of Way Maintenance						
Personal Services	997,277	997,277	891,908	0	891,908	105,369
Supplies and Materials	411,947	354,015	273,469	58,694	332,163	21,852
Other Services and Charges	430,993	419,225	279,538	22,689	302,227	116,998
Capital Outlay	112,330	112,330	90,720	496	91,216	21,114
<i>Total Expenditures</i>	<u>1,952,547</u>	<u>1,882,847</u>	<u>1,535,635</u>	<u>81,879</u>	<u>1,617,514</u>	<u>265,333</u>
Net Change in Fund Balance	(677,047)	(532,965)	(167,294)	(81,879)	(249,173)	283,792
Fund Balance at Beginning of Year	1,761,322	1,831,022	1,870,592	(39,570)	1,831,022	0
Prior Year Encumbrances Carried Over	109,270	39,570	0	39,570	39,570	0
Fund Balance at End of Year	<u>\$1,193,545</u>	<u>\$1,337,627</u>	<u>\$1,703,298</u>	<u>(\$81,879)</u>	<u>\$1,621,419</u>	<u>\$283,792</u>

**City of Westerville, Ohio**  
Schedule of Revenues, Expenditures and Changes in Fund  
Balance - Budget (Non-GAAP Budgetary Basis) and Actual  
**State Highway Special Revenue Fund**  
For the Year Ended December 31, 2004

	<i>Budget</i>		<i>Actual</i>		<i>Variance Positive (Negative)</i>	
	<i>Original</i>	<i>Final</i>	<i>Cash Transactions</i>	<i>Encumbrances</i>		<i>Total</i>
<b><u>Revenues:</u></b>						
Intergovernmental	\$119,668	\$109,338	\$110,830		\$110,830	\$1,492
Interest	0	394	603		603	209
<i>Total Revenues</i>	119,668	109,732	111,433		111,433	1,701
<b><u>Expenditures:</u></b>						
Current Operations and Maintenance						
Transportation						
Right of Way Maintenance						
Capital Outlay	47,072	46,638	46,638	0	46,638	0
Net Change in Fund Balance	72,596	63,094	64,795	0	64,795	1,701
Fund Balance at Beginning of Year	336,823	337,257	343,895	(6,638)	337,257	0
Prior Year Encumbrances Carried Over	7,072	6,638	0	6,638	6,638	0
Fund Balance at End of Year	\$416,491	\$406,989	\$408,690	\$0	\$408,690	\$1,701

**City of Westerville, Ohio**  
Schedule of Revenues, Expenditures and Changes in Fund  
Balance - Budget (Non-GAAP Budgetary Basis) and Actual  
**DARE Special Revenue Fund**  
For the Year Ended December 31, 2004

	<u>Budget</u>		<u>Actual</u>		<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Cash Transactions</u>	<u>Encumbrances</u> <u>Total</u>	
<b><u>Revenues:</u></b>					
Intergovernmental	\$0	\$8,877	\$8,878	\$8,878	\$1
Interest	0	407	548	548	141
Miscellaneous	0	1,840	1,841	1,841	1
<i>Total Revenues</i>	0	11,124	11,267	11,267	143
<b><u>Expenditures:</u></b>					
Current Operations and Maintenance					
Security of Persons and Property					
Police Department					
Police Services					
Supplies and Materials	2,934	9,988	9,988	0	9,988
Net Change in Fund Balance	(2,934)	1,136	1,279	0	1,279
Fund Balance at Beginning of Year	16,903	16,915	19,837	(2,922)	16,915
Prior Year Encumbrances Carried Over	2,934	2,922	0	2,922	2,922
Fund Balance at End of Year	\$16,903	\$20,973	\$21,116	\$0	\$21,116

**City of Westerville, Ohio**  
Schedule of Revenues, Expenditures and Changes in Fund  
Balance - Budget (Non-GAAP Budgetary Basis) and Actual  
**Permissive Motor Vehicle License Special Revenue Fund**  
For the Year Ended December 31, 2004

	<i>Budget</i>		<i>Actual</i>		<i>Variance Positive (Negative)</i>	
	<i>Original</i>	<i>Final</i>	<i>Cash Transactions</i>	<i>Encumbrances</i>		<i>Total</i>
<b><u>Revenues:</u></b>						
Intergovernmental	\$327,500	\$297,870	\$297,870		\$297,870	\$0
Interest	0	361	563		563	202
<i>Total Revenues</i>	327,500	298,231	298,433		298,433	202
<b><u>Expenditures:</u></b>						
Current Operations and Maintenance						
Transportation						
Right of Way Maintenance						
Capital Outlay	846,570	845,570	835,500	10,070	845,570	0
Net Change in Fund Balance	(519,070)	(547,339)	(537,067)	(10,070)	(547,137)	202
Fund Balance at Beginning of Year	628,012	629,012	874,582	(245,570)	629,012	0
Prior Year Encumbrances Carried Over	246,570	245,570	0	245,570	245,570	0
Fund Balance at End of Year	\$355,512	\$327,243	\$337,515	(\$10,070)	\$327,445	\$202

**City of Westerville, Ohio**  
 Schedule of Revenues, Expenditures and Changes in Fund  
 Balance - Budget (Non-GAAP Budgetary Basis) and Actual  
**Mayor's Operating Special Revenue Fund**  
 For the Year Ended December 31, 2004

	<i>Budget</i>		<i>Actual</i>		<i>Variance Positive (Negative)</i>	
	<i>Original</i>	<i>Final</i>	<i>Cash Transactions</i>	<i>Encumbrances</i>		<i>Total</i>
<b><u>Revenues:</u></b>						
Miscellaneous	\$0	\$3,235	\$3,235		\$3,235	\$0
<b><u>Expenditures:</u></b>						
Current Operations and Maintenance						
General Government						
Other Government						
Other Services and Charges	0	2,301	2,094	206	2,300	1
Net Change in Fund Balance	0	934	1,141	(206)	935	1
Fund Balance at Beginning of Year	249	249	249	0	249	0
Fund Balance at End of Year	\$249	\$1,183	\$1,390	(\$206)	\$1,184	\$1

**City of Westerville, Ohio**  
Schedule of Revenues, Expenditures and Changes in Fund  
Balance - Budget (Non-GAAP Budgetary Basis) and Actual  
**Hotel Tax Special Revenue Fund**  
For the Year Ended December 31, 2004

	<i>Budget</i>		<i>Actual</i>		<i>Variance Positive (Negative)</i>	
	<i>Original</i>	<i>Final</i>	<i>Cash Transactions</i>	<i>Encumbrances</i>		<i>Total</i>
<b><u>Revenues:</u></b>						
Other Local Taxes	\$48,000	\$48,000	\$43,280		\$43,280	(\$4,720)
<b><u>Expenditures:</u></b>						
Current Operations and Maintenance						
General Government						
Other Government						
Other Services and Charges	48,000	48,000	43,280	0	43,280	4,720
Net Change in Fund Balance	0	0	0	0	0	0
Fund Balance at Beginning of Year	0	0	0	0	0	0
Fund Balance at End of Year	\$0	\$0	\$0	\$0	\$0	\$0

**City of Westerville, Ohio**  
Schedule of Revenues, Expenditures and Changes in Fund  
Balance - Budget (Non-GAAP Budgetary Basis) and Actual  
**OMVI Education Special Revenue Fund**  
For the Year Ended December 31, 2004

	<i>Budget</i>		<i>Actual</i>		<i>Variance Positive (Negative)</i>	
	<i>Original</i>	<i>Final</i>	<i>Cash Transactions</i>	<i>Encumbrances</i>		<i>Total</i>
<b><u>Revenues:</u></b>						
Fees, Licenses and Permits	\$0	\$2,594	\$2,594		\$2,594	\$0
<b><u>Expenditures:</u></b>						
Current Operations and Maintenance						
Security of Persons and Property						
Police Department						
Police Services						
Supplies and Materials	0	580	579	0	579	1
Net Change in Fund Balance	0	2,014	2,015	0	2,015	1
Fund Balance at Beginning of Year	10,562	10,562	10,562	0	10,562	0
Fund Balance at End of Year	\$10,562	\$12,576	\$12,577	\$0	\$12,577	\$1

**City of Westerville, Ohio**  
Schedule of Revenues, Expenditures and Changes in Fund  
Balance - Budget (Non-GAAP Budgetary Basis) and Actual  
**Tax Incentive / Redistribution Special Revenue Fund**  
For the Year Ended December 31, 2004

	<i>Budget</i>		<i>Actual</i>		<i>Variance Positive (Negative)</i>	
	<i>Original</i>	<i>Final</i>	<i>Cash Transactions</i>	<i>Encumbrances</i>		<i>Total</i>
<b><u>Revenues:</u></b>						
Payment in Lieu of Taxes	\$0	\$282,919	\$282,919		\$282,919	\$0
<b><u>Expenditures:</u></b>						
Current Operations and Maintenance						
General Government						
Other Government						
Other Services and Charges	0	454,625	454,624	0	454,624	1
Net Change in Fund Balance	0	(171,706)	(171,705)	0	(171,705)	1
<b><u>Other Financing Sources:</u></b>						
Transfers - In	142,689	40,018	47,532		47,532	7,514
Net Change in Fund Balance	142,689	(131,688)	(124,173)	0	(124,173)	7,515
Fund Balance at Beginning of Year	124,174	124,174	124,174	0	124,174	0
Fund Balance at End of Year	\$266,863	(\$7,514)	\$1	\$0	\$1	\$7,515

**City of Westerville, Ohio**  
Schedule of Revenues, Expenditures and Changes in Fund  
Balance - Budget (Non-GAAP Budgetary Basis) and Actual  
**Mayor's Court Computer Special Revenue Fund**  
For the Year Ended December 31, 2004

	<i>Budget</i>		<i>Actual</i>		<i>Variance Positive (Negative)</i>	
	<i>Original</i>	<i>Final</i>	<i>Cash Transactions</i>	<i>Encumbrances</i>		<i>Total</i>
<b><u>Revenues:</u></b>						
Fines and Forfeitures	\$30,000	\$32,134	\$32,134		\$32,134	\$0
<b><u>Expenditures:</u></b>						
Current Operations and Maintenance						
General Government						
Other Government						
Personal Services	0	16,268	16,268	0	16,268	0
Supplies and Materials	0	869	497	371	868	1
Other Services and Charges	0	6,700	6,700	0	6,700	0
Capital Outlay	0	25,493	25,492	0	25,492	1
<i>Total Expenditures</i>	0	49,330	48,957	371	49,328	2
Net Change in Fund Balance	30,000	(17,196)	(16,823)	(371)	(17,194)	2
Fund Balance at Beginning of Year	43,300	43,500	51,700	(8,200)	43,500	0
Prior Year Encumbrances Carried Over	8,400	8,200	0	8,200	8,200	0
Fund Balance at End of Year	\$81,700	\$34,504	\$34,877	(\$371)	\$34,506	\$2

**City of Westerville, Ohio**  
Schedule of Revenues, Expenditures and Changes in Fund  
Balance - Budget (Non-GAAP Budgetary Basis) and Actual  
**Cable TV Franchise Fee Special Revenue Fund**  
For the Year Ended December 31, 2004

	<i>Budget</i>		<i>Actual</i>		<i>Variance Positive (Negative)</i>	
	<i>Original</i>	<i>Final</i>	<i>Cash Transactions</i>	<i>Encumbrances</i>		<i>Total</i>
<b><u>Revenues:</u></b>						
Other Local Taxes	\$300,000	\$317,385	\$317,386		\$317,386	\$1
<b><u>Expenditures:</u></b>						
Current Operations and Maintenance						
General Government						
Other Government						
Supplies and Materials	13,910	13,466	10,639	0	10,639	2,827
Other Services and Charges	194,834	206,747	157,169	27,151	184,320	22,427
Capital Outlay	125,000	320,000	260,986	41,332	302,318	17,682
<i>Total Expenditures</i>	<u>333,744</u>	<u>540,213</u>	<u>428,794</u>	<u>68,483</u>	<u>497,277</u>	<u>42,936</u>
Net Change in Fund Balance	(33,744)	(222,828)	(111,408)	(68,483)	(179,891)	42,937
Fund Balance at Beginning of Year	568,374	576,905	592,173	(15,268)	576,905	0
Prior Year Encumbrances Carried Over	23,799	15,268	0	15,268	15,268	0
Fund Balance at End of Year	<u>\$558,429</u>	<u>\$369,345</u>	<u>\$480,765</u>	<u>(\$68,483)</u>	<u>\$412,282</u>	<u>\$42,937</u>

**City of Westerville, Ohio**  
Schedule of Revenues, Expenditures and Changes in Fund  
Balance - Budget (Non-GAAP Budgetary Basis) and Actual  
**Parks and Recreation Income Tax Allocation Special Revenue Fund**  
For the Year Ended December 31, 2004

	<i>Budget</i>		<i>Actual</i>			<i>Variance Positive (Negative)</i>
	<i>Original</i>	<i>Final</i>	<i>Cash Transactions</i>	<i>Encumbrances</i>	<i>Total</i>	
<b><u>Revenues:</u></b>						
Income Taxes	\$3,494,118	\$3,419,118	\$3,412,998		\$3,412,998	(\$6,120)
<b><u>Expenditures:</u></b>	0	0	0		0	0
Net Change in Fund Balance	3,494,118	3,419,118	3,412,998	0	3,412,998	(6,120)
<b><u>Other Financing Sources Uses:</u></b>						
Transfers - Out	(3,266,092)	(3,266,092)	(3,266,092)	0	(3,266,092)	0
Net Change in Fund Balance	228,026	153,026	146,906	0	146,906	(6,120)
Fund Balance at Beginning of Year	265,377	265,377	265,377	0	265,377	0
Fund Balance at End of Year	\$493,403	\$418,403	\$412,283	\$0	\$412,283	(\$6,120)

**City of Westerville, Ohio**  
Schedule of Revenues, Expenditures and Changes in Fund  
Balance - Budget (Non-GAAP Budgetary Basis) and Actual  
**Drug Enforcement Special Revenue Fund**  
For the Year Ended December 31, 2004

	<i>Budget</i>		<i>Actual</i>		<i>Variance Positive (Negative)</i>	
	<i>Original</i>	<i>Final</i>	<i>Cash Transactions</i>	<i>Encumbrances</i>		<i>Total</i>
<b><u>Revenues:</u></b>						
Fees, Licenses and Permits	\$0	\$1,526	\$1,527		\$1,527	\$1
Interest	0	175	239		239	64
<i>Total Revenues</i>	0	1,701	1,766		1,766	65
<b><u>Expenditures:</u></b>	0	0	0		0	0
Net Change in Fund Balance	0	1,701	1,766	0	1,766	65
Fund Balance at Beginning of Year	7,255	7,255	7,255	0	7,255	0
Fund Balance at End of Year	\$7,255	\$8,956	\$9,021	\$0	\$9,021	\$65

**City of Westerville, Ohio**  
Schedule of Revenues, Expenditures and Changes in Fund  
Balance - Budget (Non-GAAP Budgetary Basis) and Actual  
**Criminal Activity Forfeiture Special Revenue Fund**  
For the Year Ended December 31, 2004

	<i>Budget</i>		<i>Actual</i>		<i>Variance Positive (Negative)</i>	
	<i>Original</i>	<i>Final</i>	<i>Cash Transactions</i>	<i>Encumbrances</i>		<i>Total</i>
<b><u>Revenues:</u></b>						
Fines and Forfeitures	\$0	\$81,398	\$81,399		\$81,399	\$1
Interest	0	2,325	2,985		2,985	660
<i>Total Revenues</i>	<u>0</u>	<u>83,723</u>	<u>84,384</u>		<u>84,384</u>	<u>661</u>
<b><u>Expenditures:</u></b>						
Current Operations and Maintenance						
Security of Persons and Property						
Police Department						
Police Services						
Supplies and Materials	1,473	31,642	29,927	1,713	31,640	2
Other Services and Charges	0	7,601	5,147	2,453	7,600	1
Capital Outlay	5,275	40,250	29,716	10,534	40,250	0
<i>Total Expenditures</i>	<u>6,748</u>	<u>79,493</u>	<u>64,790</u>	<u>14,700</u>	<u>79,490</u>	<u>3</u>
Net Change in Fund Balance	(6,748)	4,230	19,594	(14,700)	4,894	664
Fund Balance at Beginning of Year	107,750	107,749	114,498	(6,749)	107,749	0
Prior Year Encumbrances Carried Over	6,748	6,749	0	6,749	6,749	0
Fund Balance at End of Year	<u>\$107,750</u>	<u>\$118,728</u>	<u>\$134,092</u>	<u>(\$14,700)</u>	<u>\$119,392</u>	<u>\$664</u>

**City of Westerville, Ohio**  
Schedule of Revenues, Expenditures and Changes in Fund  
Balance - Budget (Non-GAAP Budgetary Basis) and Actual  
**McVay Endowment Special Revenue Fund**  
For the Year Ended December 31, 2004

	<i>Budget</i>		<i>Actual</i>		<i>Variance Positive (Negative)</i>	
	<i>Original</i>	<i>Final</i>	<i>Cash Transactions</i>	<i>Encumbrances</i>		<i>Total</i>
<b><u>Revenues:</u></b>						
Miscellaneous	\$0	\$11,310	\$11,312		\$11,312	\$2
<b><u>Expenditures:</u></b>						
Current Operations and Maintenance						
Security of Persons and Property						
Police Department						
Police Services						
Supplies and Materials	0	1,553	1,553	0	1,553	0
Net Change in Fund Balance	0	9,757	9,759	0	9,759	2
Fund Balance at Beginning of Year	900	900	900	0	900	0
Fund Balance at End of Year	\$900	\$10,657	\$10,659	\$0	\$10,659	\$2

**City of Westerville, Ohio**  
Schedule of Revenues, Expenditures and Changes in Fund  
Balance - Budget (Non-GAAP Budgetary Basis) and Actual  
**General Bond Retirement Debt Service Fund**  
For the Year Ended December 31, 2004

	<i>Budget</i>		<i>Actuals</i>			<i>Variance Positive (Negative)</i>
	<i>Original</i>	<i>Final</i>	<i>Cash Transactions</i>	<i>Encumbrances</i>	<i>Total</i>	
<b><u>Revenues:</u></b>						
Property Taxes	\$538,667	\$482,230	\$482,459		\$482,459	\$229
Intergovernmental	33,618	98,617	98,618		98,618	1
Miscellaneous	0	5,256	5,256		5,256	0
<i>Total Revenues</i>	<u>572,285</u>	<u>586,103</u>	<u>586,333</u>		<u>586,333</u>	<u>230</u>
<b><u>Expenditures:</u></b>						
Debt Service						
Principal Retirement	1,731,720	1,731,720	1,731,720	0	1,731,720	0
Interest and Fiscal Charges	1,439,973	1,439,973	1,439,969	0	1,439,969	4
Total Expenditures	<u>3,171,693</u>	<u>3,171,693</u>	<u>3,171,689</u>	<u>0</u>	<u>3,171,689</u>	<u>4</u>
Excess of Revenues Under Expenditures	(2,599,408)	(2,585,590)	(2,585,356)	0	(2,585,356)	234
<b><u>Other Financing Sources:</u></b>						
Transfers - In	2,641,584	2,641,584	2,641,584		2,641,584	0
Net Change in Fund Balance	42,176	55,994	56,228	0	56,228	234
Fund Balance at Beginning of Year	33,638	33,638	33,638	0	33,638	0
Fund Balance at End of Year	<u>\$75,814</u>	<u>\$89,632</u>	<u>\$89,866</u>	<u>\$0</u>	<u>\$89,866</u>	<u>\$234</u>

**City of Westerville, Ohio**  
Schedule of Revenues, Expenditures and Changes in Fund  
Balance - Budget (Non-GAAP Budgetary Basis) and Actual  
**General Capital Improvement Capital Projects Fund**  
For the Year Ended December 31, 2004

	<u>Budget</u>		<u>Actuals</u>			<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Cash Transactions</u>	<u>Encumbrances</u>	<u>Total</u>	
<b><u>Revenues:</u></b>	\$0	\$0	\$0		\$0	\$0
<b><u>Expenditures:</u></b>						
Capital Outlay	4,204,821	4,300,305	3,152,961	289,753	3,442,714	857,591
Excess of Revenues Under Expenditures	(4,204,821)	(4,300,305)	(3,152,961)	(289,753)	(3,442,714)	857,591
<b><u>Other Financing Sources (Uses):</u></b>						
Transfers - In	2,180,500	2,180,500	2,180,500		2,180,500	0
Transfers - Out	(100,000)	(175,662)	(175,662)	0	(175,662)	0
<i>Total Other Financing Sources (Uses)</i>	2,080,500	2,004,838	2,004,838	0	2,004,838	0
Net Change in Fund Balance	(2,124,321)	(2,295,467)	(1,148,123)	(289,753)	(1,437,876)	857,591
Fund Balance at Beginning of Year	2,825,462	2,891,978	3,668,783	(776,805)	2,891,978	0
Prior Year Encumbrances Carried Over	843,321	776,805	0	776,805	776,805	0
Fund Balance at End of Year	<u>\$1,544,462</u>	<u>\$1,373,316</u>	<u>\$2,520,660</u>	<u>(\$289,753)</u>	<u>\$2,230,907</u>	<u>\$857,591</u>

**City of Westerville, Ohio**  
Schedule of Revenues, Expenditures and Changes in Fund  
Balance - Budget (Non-GAAP Budgetary Basis) and Actual  
**Recreation Improvement Capital Projects Fund**  
For the Year Ended December 31, 2004

	<i>Budget</i>		<i>Actuals</i>		<i>Variance Positive (Negative)</i>	
	<i>Original</i>	<i>Final</i>	<i>Cash Transactions</i>	<i>Encumbrances</i>		<i>Total</i>
<b><u>Revenues:</u></b>						
Fees, Licenses and Permits	\$0	\$84,500	\$84,500		\$84,500	\$0
Miscellaneous	0	6,753	6,753		6,753	0
<i>Total Revenues</i>	0	91,253	91,253		91,253	0
<b><u>Expenditures:</u></b>	0	0	0		0	0
Net Change in Fund Balance	0	91,253	91,253	0	91,253	0
Fund Balance at Beginning of Year	27,432	27,432	27,432	0	27,432	0
Fund Balance at End of Year	\$27,432	\$118,685	\$118,685	\$0	\$118,685	\$0

**City of Westerville, Ohio**

Schedule of Revenues, Expenditures and Changes in Fund  
Balance - Budget (Non-GAAP Budgetary Basis) and Actual  
**County Line Road Improvement Capital Projects Fund**  
For the Year Ended December 31, 2004

	<u>Budget</u>		<u>Actuals</u>			<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Cash Transactions</u>	<u>Encumbrances</u>	<u>Total</u>	
<b><u>Revenues:</u></b>						
Intergovernmental	\$0	\$1,766,949	\$1,766,950		\$1,766,950	\$1
<b><u>Expenditures:</u></b>						
Capital Outlay	3,644,101	3,614,434	2,696,926	917,504	3,614,430	4
Debt Service:						
Debt Retirement	0	98,672	98,672	0	98,672	0
<b>Total Expenditures</b>	<b>3,644,101</b>	<b>3,713,106</b>	<b>2,795,598</b>	<b>917,504</b>	<b>3,713,102</b>	<b>4</b>
Excess of Revenues Under Expenditures	(3,644,101)	(1,946,157)	(1,028,648)	(917,504)	(1,946,152)	5
<b><u>Other Financing Sources (Uses):</u></b>						
Advances - Out	0	(1,766,950)	(1,766,950)	0	(1,766,950)	0
Transfers - In	100,000	175,662	175,662		175,662	0
<b>Total Other Financing Sources (Uses)</b>	<b>100,000</b>	<b>(1,591,288)</b>	<b>(1,591,288)</b>	<b>0</b>	<b>(1,591,288)</b>	<b>0</b>
Net Change in Fund Balance	(3,544,101)	(3,537,445)	(2,619,936)	(917,504)	(3,537,440)	5
Fund Balance at Beginning of Year	10,972	17,629	3,555,073	(3,537,444)	17,629	0
Prior Year Encumbrances Carried Over	3,544,101	3,537,444	0	3,537,444	3,537,444	0
Fund Balance at End of Year	\$10,972	\$17,628	\$935,137	(\$917,504)	\$17,633	\$5

**City of Westerville, Ohio**  
Schedule of Revenues, Expenditures and Changes in Fund  
Balance - Budget (Non-GAAP Budgetary Basis) and Actual  
**Dempsey Road Improvement Capital Projects Fund**  
For the Year Ended December 31, 2004

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

**City of Westerville, Ohio**  
Schedule of Revenues, Expenditures and Changes in Fund  
Balance - Budget (Non-GAAP Budgetary Basis) and Actual  
**Spring Road Improvement Capital Projects Fund**  
For the Year Ended December 31, 2004

	<u>Budget</u>		<u>Actuals</u>			<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Cash Transactions</u>	<u>Encumbrances</u>	<u>Total</u>	
<b><u>Revenues:</u></b>	\$0	\$0	\$0		\$0	\$0
<b><u>Expenditures:</u></b>						
Capital Outlay	97,000	3,499,000	1,067,885	2,425,059	3,492,944	6,056
Excess of Revenues Under Expenditures	(97,000)	(3,499,000)	(1,067,885)	(2,425,059)	(3,492,944)	6,056
<b><u>Other Financing Sources:</u></b>						
Advances - In	0	1,722,000	1,722,000		1,722,000	0
Transfers - In	0	1,680,000	1,680,000		1,680,000	0
<i>Total Other Financing Sources</i>	0	3,402,000	3,402,000	0	3,402,000	0
Net Change in Fund Balance	(97,000)	(97,000)	2,334,115	(2,425,059)	(90,944)	6,056
Fund Balance at Beginning of Year	233,659	233,659	233,659	0	233,659	0
Fund Balance at End of Year	\$136,659	\$136,659	\$2,567,774	(\$2,425,059)	\$142,715	\$6,056

**City of Westerville, Ohio**  
Schedule of Revenues, Expenditures and Changes in Fund  
Balance - Budget (Non-GAAP Budgetary Basis) and Actual  
**Maxtown Road Improvement Capital Projects Fund**  
For the Year Ended December 31, 2004

	<i>Budget</i>		<i>Actuals</i>		<i>Variance Positive (Negative)</i>	
	<i>Original</i>	<i>Final</i>	<i>Cash Transactions</i>	<i>Encumbrances</i>		<i>Total</i>
<b><u>Revenues:</u></b>	\$0	\$0	\$0		\$0	
<b><u>Expenditures:</u></b>						
Capital Outlay	593,940	673,202	628,237	31,484	659,721	13,481
Excess of Revenues Under Expenditures	(593,940)	(673,202)	(628,237)	(31,484)	(659,721)	13,481
<b><u>Other Financing Sources:</u></b>						
Advances - In	0	94,000	94,000		94,000	0
Net Change in Fund Balance	(593,940)	(579,202)	(534,237)	(31,484)	(565,721)	13,481
Fund Balance at Beginning of Year	3,831	18,569	597,771	(579,202)	18,569	0
Prior Year Encumbrances Carried Over	593,940	579,202	0	579,202	579,202	0
Fund Balance at End of Year	\$3,831	\$18,569	\$63,534	(\$31,484)	\$32,050	\$13,481

**City of Westerville, Ohio**  
Schedule of Revenues, Expenditures and Changes in Fund  
Balance - Budget (Non-GAAP Budgetary Basis) and Actual  
**Parks and Recreation Capital Improvement Capital Projects Fund**  
For the Year Ended December 31, 2004

	<i>Budget</i>		<i>Actuals</i>			<i>Variance Positive (Negative)</i>
	<i>Original</i>	<i>Final</i>	<i>Cash Transactions</i>	<i>Encumbrances</i>	<i>Total</i>	
<b><u>Revenues:</u></b>						
Intergovernmental	\$0	\$209,520	\$209,520		\$209,520	\$0
Interest	0	15,250	19,421		19,421	4,171
Miscellaneous	0	5,000	5,000		5,000	0
<i>Total Revenues</i>	<u>0</u>	<u>229,770</u>	<u>233,941</u>		<u>233,941</u>	<u>4,171</u>
<b><u>Expenditures:</u></b>						
Capital Outlay	703,700	661,479	331,261	227,161	558,422	103,057
Debt Service:						
Interest and Other Charges	0	112,886	112,885	0	112,885	1
<i>Total Expenditures</i>	<u>703,700</u>	<u>774,365</u>	<u>444,146</u>	<u>227,161</u>	<u>671,307</u>	<u>103,058</u>
Net Change in Fund Balance	(703,700)	(544,595)	(210,205)	(227,161)	(437,366)	107,229
Fund Balance at Beginning of Year	2,691,475	2,893,196	3,395,175	(501,979)	2,893,196	0
Prior Year Encumbrances Carried Over	703,700	501,979	0	501,979	501,979	0
Fund Balance at End of Year	<u>\$2,691,475</u>	<u>\$2,850,580</u>	<u>\$3,184,970</u>	<u>(\$227,161)</u>	<u>\$2,957,809</u>	<u>\$107,229</u>

**City of Westerville, Ohio**

Schedule of Revenues, Expenditures and Changes in Fund  
Balance - Budget (Non-GAAP Budgetary Basis) and Actual  
**North State Street Improvement Capital Projects Fund**  
For the Year Ended December 31, 2004

	<i>Budget</i>		<i>Actuals</i>			<i>Variance Positive (Negative)</i>
	<i>Original</i>	<i>Final</i>	<i>Cash Transactions</i>	<i>Encumbrances</i>	<i>Total</i>	
<b><u>Revenues:</u></b>						
Intergovernmental	\$0	\$109,090	\$109,091		\$109,091	\$1
<b><u>Expenditures:</u></b>						
Capital Outlay	128,892	1,506,892	444,828	395,843	840,671	666,221
Excess of Revenues Under Expenditures	(128,892)	(1,397,802)	(335,737)	(395,843)	(731,580)	666,222
<b><u>Other Financing Sources:</u></b>						
Advances - In	0	1,331,000	1,331,000		1,331,000	0
Net Change in Fund Balance	(128,892)	(66,802)	995,263	(395,843)	599,420	666,222
Fund Balance at Beginning of Year	911,603	911,603	1,040,495	(128,892)	911,603	0
Prior Year Encumbrances Carried Over	128,892	128,892	0	128,892	128,892	0
Fund Balance at End of Year	<u>\$911,603</u>	<u>\$973,693</u>	<u>\$2,035,758</u>	<u>(\$395,843)</u>	<u>\$1,639,915</u>	<u>\$666,222</u>

**City of Westerville, Ohio**  
Schedule of Revenues, Expenditures and Changes in Fund  
Balance - Budget (Non-GAAP Budgetary Basis) and Actual  
**Cleveland Avenue Extension Improvement Capital Projects Fund**  
For the Year Ended December 31, 2004

	<i>Budget</i>		<i>Actuals</i>			<i>Variance Positive (Negative)</i>
	<i>Original</i>	<i>Final</i>	<i>Cash Transactions</i>	<i>Encumbrances</i>	<i>Total</i>	
<b><u>Revenues:</u></b>	\$0	\$0	\$0		\$0	\$0
<b><u>Expenditures:</u></b>	0	0	0	0	0	0
Net Change in Fund Balance	0	0	0	0	0	0
Fund Balance at Beginning of Year	142,182	142,182	142,182	0	142,182	0
Fund Balance at End of Year	<u>\$142,182</u>	<u>\$142,182</u>	<u>\$142,182</u>	<u>\$0</u>	<u>\$142,182</u>	<u>\$0</u>

**City of Westerville, Ohio**  
Schedule of Revenues, Expenditures and Changes in Fund  
Balance - Budget (Non-GAAP Budgetary Basis) and Actual  
**Parks and Recreation Replacement and Reserve Capital Projects Fund**  
For the Year Ended December 31, 2004

	<i>Budget</i>		<i>Actuals</i>			<i>Variance Positive (Negative)</i>
	<i>Original</i>	<i>Final</i>	<i>Cash Transactions</i>	<i>Encumbrances</i>	<i>Total</i>	
<b><u>Revenues:</u></b>	\$0	\$0	\$0		\$0	\$0
<b><u>Expenditures:</u></b>						
Capital Outlay	127,800	127,800	93,432	30,467	123,899	3,901
Excess of Revenues Under Expenditures	(127,800)	(127,800)	(93,432)	(30,467)	(123,899)	3,901
<b><u>Other Financing Sources:</u></b>						
Transfers - In	150,000	150,000	150,000		150,000	0
Net Change in Fund Balance	22,200	22,200	56,568	(30,467)	26,101	3,901
Fund Balance at Beginning of Year	450,000	450,000	450,000	0	450,000	0
Fund Balance at End of Year	<u>\$472,200</u>	<u>\$472,200</u>	<u>\$506,568</u>	<u>(\$30,467)</u>	<u>\$476,101</u>	<u>\$3,901</u>

**City of Westerville, Ohio**

Schedule of Revenues, Expenditures and Changes in Fund  
Balance - Budget (Non-GAAP Budgetary Basis) and Actual  
**Street Replacement and Reserve Capital Projects Fund**  
For the Year Ended December 31, 2004

	<i>Budget</i>		<i>Actuals</i>			<i>Variance Positive (Negative)</i>
	<i>Original</i>	<i>Final</i>	<i>Cash Transactions</i>	<i>Encumbrances</i>	<i>Total</i>	
<b><u>Revenues:</u></b>	\$0	\$0	\$0		\$0	\$0
<b><u>Expenditures:</u></b>	0	0	0	0	0	0
Excess of Revenues Over Expenditures	0	0	0	0	0	0
<b><u>Other Financing Sources:</u></b>						
Transfers - In	206,000	206,000	206,000		206,000	0
Net Change in Fund Balance	206,000	206,000	206,000	0	206,000	0
Fund Balance at Beginning of Year	400,000	400,000	400,000	0	400,000	0
Fund Balance at End of Year	\$606,000	\$606,000	\$606,000	\$0	\$606,000	\$0

**City of Westerville, Ohio**  
 Schedule of Revenues, Expenditures and Changes in Fund  
 Balance - Budget (Non-GAAP Budgetary Basis) and Actual  
**Tree Replacement Capital Projects Fund**  
 For the Year Ended December 31, 2004

	<i>Budget</i>		<i>Actuals</i>			<i>Variance Positive (Negative)</i>
	<i>Original</i>	<i>Final</i>	<i>Cash Transactions</i>	<i>Encumbrances</i>	<i>Total</i>	
<b><u>Revenues:</u></b>	\$0	\$0	\$0		\$0	\$0
<b><u>Expenditures:</u></b>						
Capital Outlay	434	434	434	0	434	0
Net Change in Fund Balance	(434)	(434)	(434)	0	(434)	0
Fund Balance at Beginning of Year	58,233	58,233	58,667	(434)	58,233	0
Prior Year Encumbrances Carried Over	434	434	0	434	434	0
Fund Balance at End of Year	\$58,233	\$58,233	\$58,233	\$0	\$58,233	\$0

**City of Westerville, Ohio**  
Schedule of Revenues, Expenditures and Changes in Fund  
Balance - Budget (Non-GAAP Budgetary Basis) and Actual  
**City Buildings Improvements Capital Projects Fund**  
For the Year Ended December 31, 2004

	<i>Budget</i>		<i>Actuals</i>			<i>Variance Positive (Negative)</i>
	<i>Original</i>	<i>Final</i>	<i>Cash Transactions</i>	<i>Encumbrances</i>	<i>Total</i>	
<b><u>Revenues:</u></b>						
Interest	\$0	\$16,000	\$18,501		\$18,501	\$2,501
<b><u>Expenditures:</u></b>						
Capital Outlay	634,670	1,615,868	1,311,347	304,521	1,615,868	0
Net Change in Fund Balance	(634,670)	(1,599,868)	(1,292,846)	(304,521)	(1,597,367)	2,501
Fund Balance at Beginning of Year	1,289,197	1,297,260	1,923,867	(626,607)	1,297,260	0
Prior Year Encumbrances Carried Over	634,670	626,607	0	626,607	626,607	0
Fund Balance at End of Year	\$1,289,197	\$323,999	\$631,021	(\$304,521)	\$326,500	\$2,501

**City of Westerville, Ohio**  
Schedule of Revenues, Expenditures and Changes in Fund  
Balance - Budget (Non-GAAP Budgetary Basis) and Actual  
**Safety Building Capital Improvement Capital Projects Fund**  
For the Year Ended December 31, 2004

	<i>Budget</i>		<i>Actuals</i>			<i>Variance Positive (Negative)</i>
	<i>Original</i>	<i>Final</i>	<i>Cash Transactions</i>	<i>Encumbrances</i>	<i>Total</i>	
<b><u>Revenues:</u></b>						
Interest	\$0	\$20,000	\$21,916		\$21,916	\$1,916
<b><u>Expenditures:</u></b>						
Capital Outlay	2,227,215	2,872,311	2,273,687	598,623	2,872,310	1
Net Change in Fund Balance	(2,227,215)	(2,852,311)	(2,251,771)	(598,623)	(2,850,394)	1,917
Fund Balance at Beginning of Year	681,047	681,047	2,908,262	(2,227,215)	681,047	0
Prior Year Encumbrances Carried Over	2,227,215	2,227,215	0	2,227,215	2,227,215	0
Fund Balance at End of Year	\$681,047	\$55,951	\$656,491	(\$598,623)	\$57,868	\$1,917

**City of Westerville, Ohio**  
Schedule of Revenues, Expenditures and Changes in Fund  
Balance - Budget (Non-GAAP Budgetary Basis) and Actual  
**Westar / Olentangy TIF Capital Projects Fund**  
For the Year Ended December 31, 2004

	<i>Budget</i>		<i>Actuals</i>			<i>Variance Positive (Negative)</i>
	<i>Original</i>	<i>Final</i>	<i>Cash Transactions</i>	<i>Encumbrances</i>	<i>Total</i>	
<b><u>Revenues:</u></b>						
Payment in Lieu of Taxes	\$5,565	\$11,357	\$11,358		\$11,358	\$1
Intergovernmental	618	1,261	1,262		1,262	1
<i>Total Revenues</i>	6,183	12,618	12,620		12,620	2
<b><u>Expenditures:</u></b>	0	0	0	0	0	0
Net Change in Fund Balance	6,183	12,618	12,620	0	12,620	2
Fund Balance at Beginning of Year	0	0	0	0	0	0
Fund Balance at End of Year	\$6,183	\$12,618	\$12,620	\$0	\$12,620	\$2

**City of Westerville, Ohio**  
Schedule of Revenues, Expenditures and Changes in Fund  
Balance - Budget (Non-GAAP Budgetary Basis) and Actual  
**Perimeter Road Improvement Capital Projects Fund**  
For the Year Ended December 31, 2004

	<i>Budget</i>		<i>Actuals</i>			<i>Variance Positive (Negative)</i>
	<i>Original</i>	<i>Final</i>	<i>Cash Transactions</i>	<i>Encumbrances</i>	<i>Total</i>	
<b><u>Revenues:</u></b>						
Fees, Licenses and Permits	\$0	\$24,060	\$39,360		\$39,360	\$15,300
<b><u>Expenditures:</u></b>	0	0	0	0	0	0
Net Change in Fund Balance	0	24,060	39,360	0	39,360	15,300
Fund Balance at Beginning of Year	288,472	288,472	288,472	0	288,472	0
Fund Balance at End of Year	\$288,472	\$312,532	\$327,832	\$0	\$327,832	\$15,300

**City of Westerville, Ohio**

Schedule of Revenues, Expenditures and Changes in Fund  
Balance - Budget (Non-GAAP Budgetary Basis) and Actual  
**Recreation Capital Improvement Capital Projects Fund**  
For the Year Ended December 31, 2004

	<u>Budget</u>		<u>Actuals</u>			<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>	<u>Cash Transactions</u>	<u>Encumbrances</u>	<u>Total</u>	
<b><u>Revenues:</u></b>						
Intergovernmental	\$0	\$255,666	\$255,667		\$255,667	\$1
Interest	0	5,275	6,089		6,089	814
<b>Total Revenues</b>	<b>0</b>	<b>260,941</b>	<b>261,756</b>		<b>261,756</b>	<b>815</b>
<b><u>Expenditures:</u></b>						
Capital Outlay	397,073	380,880	379,574	1,305	380,879	1
Excess of Revenues Under Expenditures	(397,073)	(119,939)	(117,818)	(1,305)	(119,123)	816
<b><u>Other Financing Uses:</u></b>						
Advances - Out	0	(255,667)	(255,667)	0	(255,667)	0
Net Change in Fund Balance	(397,073)	(375,606)	(373,485)	(1,305)	(374,790)	816
Fund Balance at Beginning of Year	68,605	84,798	465,678	(380,880)	84,798	0
Prior Year Encumbrances Carried Over	397,073	380,880	0	380,880	380,880	0
Fund Balance at End of Year	\$68,605	\$90,072	\$92,193	(\$1,305)	\$90,888	\$816

**City of Westerville, Ohio**  
Schedule of Revenues, Expenses and Changes in Fund  
Equity - Budget (Non-GAAP Budgetary Basis) and Actual  
**Refuse Enterprise Fund**  
For the Year Ended December 31, 2004

	<i>Budget</i>		<i>Actual</i>			<i>Variance Positive (Negative)</i>
	<i>Original</i>	<i>Final</i>	<i>Cash Transactions</i>	<i>Encumbrances</i>	<i>Total</i>	
<b><u>Revenues:</u></b>						
Charges for Services	\$1,681,650	\$1,681,650	\$1,678,045		\$1,678,045	(\$3,605)
Miscellaneous	100	48	52		52	4
<i>Total Revenues</i>	<u>1,681,750</u>	<u>1,681,698</u>	<u>1,678,097</u>		<u>1,678,097</u>	<u>(3,601)</u>
<b><u>Expenses:</u></b>						
Personal Services						
Refuse Operations	101,792	101,792	98,599	0	98,599	3,193
Supplies and Materials						
Refuse Operations	3,790	3,790	2,781	0	2,781	1,009
Other Services and Charges						
Refuse Disposal	1,553,694	1,553,694	1,425,072	119,879	1,544,951	8,743
Refuse Operations	35,230	35,081	16,522	2,151	18,673	16,408
<i>Total Other Services and Charges</i>	<u>1,588,924</u>	<u>1,588,775</u>	<u>1,441,594</u>	<u>122,030</u>	<u>1,563,624</u>	<u>25,151</u>
Capital Outlay						
Refuse Operations	7,726	5,000	0	0	0	5,000
<i>Total Expenses</i>	<u>1,702,232</u>	<u>1,699,357</u>	<u>1,542,974</u>	<u>122,030</u>	<u>1,665,004</u>	<u>34,353</u>
Excess of Revenues Over (Under) Expenses	(20,482)	(17,659)	135,123	(122,030)	13,093	30,752
Advances - Out	(105,000)	(105,000)	(105,000)	0	(105,000)	0
Net Change in Fund Equity	(125,482)	(122,659)	30,123	(122,030)	(91,907)	30,752
Fund Equity at Beginning of Year	475,639	478,514	597,249	(118,735)	478,514	0
Prior Year Encumbrances Carried Over	121,610	118,735	0	118,735	118,735	0
Fund Equity at End of Year	<u>\$471,767</u>	<u>\$474,590</u>	<u>\$627,372</u>	<u>(\$122,030)</u>	<u>\$505,342</u>	<u>\$30,752</u>

**City of Westerville, Ohio**  
Schedule of Revenues, Expenses and Changes in Fund  
Equity - Budget (Non-GAAP Budgetary Basis) and Actual  
**Swimming Pool Enterprise Fund**  
For the Year Ended December 31, 2004

	<i>Budget</i>		<i>Actual</i>			<i>Variance Positive (Negative)</i>
	<i>Original</i>	<i>Final</i>	<i>Cash Transactions</i>	<i>Encumbrances</i>	<i>Total</i>	
<b><u>Revenues:</u></b>						
Charges for Services	\$380,000	\$330,188	\$330,189		\$330,189	\$1
Miscellaneous	700	92	92		92	0
<i>Total Revenues</i>	<u>380,700</u>	<u>330,280</u>	<u>330,281</u>		<u>330,281</u>	<u>1</u>
<b><u>Expenses:</u></b>						
Personal Services						
Swimming Pool	334,405	334,405	273,244	951	274,195	60,210
Supplies and Materials						
Swimming Pool	70,881	70,373	47,679	1,713	49,392	20,981
Other Services and Charges						
Swimming Pool	97,357	95,412	78,842	2,964	81,806	13,606
Capital Outlay						
Swimming Pool	30,691	30,691	8,971	2,000	10,971	19,720
<i>Total Expenses</i>	<u>533,334</u>	<u>530,881</u>	<u>408,736</u>	<u>7,628</u>	<u>416,364</u>	<u>114,517</u>
Net Change in Fund Equity	(152,634)	(200,601)	(78,455)	(7,628)	(86,083)	114,518
Fund Equity at Beginning of Year	305,515	307,968	332,794	(24,826)	307,968	0
Prior Year Encumbrances Carried Over	27,279	24,826	0	24,826	24,826	0
Fund Equity at End of Year	<u>\$180,160</u>	<u>\$132,193</u>	<u>\$254,339</u>	<u>(\$7,628)</u>	<u>\$246,711</u>	<u>\$114,518</u>

**City of Westerville, Ohio**  
Schedule of Revenues, Expenses and Changes in Fund  
Balance - Budget (Non-GAAP Budgetary Basis) and Actual  
**Garage Internal Service Fund**  
For the Year Ended December 31, 2004

	<i>Budget</i>		<i>Actual</i>		<i>Variance Positive (Negative)</i>	
	<i>Original</i>	<i>Final</i>	<i>Cash Transactions</i>	<i>Encumbrances</i>		<i>Total</i>
<b><u>Revenues:</u></b>						
Charges for Services	\$655,000	\$655,000	\$597,242		\$597,242	(\$57,758)
Other Charges	0	4,093	7,658		7,658	3,565
Miscellaneous	0	101	101		101	0
<i>Total Revenues</i>	<u>655,000</u>	<u>659,194</u>	<u>605,001</u>		<u>605,001</u>	<u>(54,193)</u>
<b><u>Expenses:</u></b>						
Personal Services						
Garage Operations	299,812	299,812	276,230	0	276,230	23,582
Supplies and Materials						
Garage Operations	348,873	370,094	309,151	25,860	335,011	35,083
Other Services and Charges						
Garage Operations	66,407	63,629	44,304	6,461	50,765	12,864
Capital Outlay						
Garage Operations	2,000	25,200	8,627	12,638	21,265	3,935
<i>Total Expenses</i>	<u>717,092</u>	<u>758,735</u>	<u>638,312</u>	<u>44,959</u>	<u>683,271</u>	<u>75,464</u>
Net Change in Fund Balance	(62,092)	(99,541)	(33,311)	(44,959)	(78,270)	21,271
Fund Balance at Beginning of Year	81,879	93,436	111,359	(17,923)	93,436	0
Prior Year Encumbrances Carried Over	29,480	17,923	0	17,923	17,923	0
Fund Balance at End of Year	<u>\$49,267</u>	<u>\$11,818</u>	<u>\$78,048</u>	<u>(\$44,959)</u>	<u>\$33,089</u>	<u>\$21,271</u>

**City of Westerville, Ohio**  
Schedule of Revenues, Expenses and Changes in Fund  
Balance - Budget (Non-GAAP Budgetary Basis) and Actual  
**Self-Insurance Internal Service Fund**  
For the Year Ended December 31, 2004

	<i>Budget</i>		<i>Actual</i>			<i>Variance Positive (Negative)</i>
	<i>Original</i>	<i>Final</i>	<i>Cash Transactions</i>	<i>Encumbrances</i>	<i>Total</i>	
<b><u>Revenues:</u></b>						
Charges for Services	\$250,000	\$250,000	\$250,000		\$250,000	\$0
Other Charges	\$0	\$27,322	\$27,323		\$27,323	\$1
Interest	0	12,850	18,212		18,212	5,362
<i>Total Revenues</i>	<u>250,000</u>	<u>290,172</u>	<u>295,535</u>		<u>295,535</u>	<u>5,363</u>
<b><u>Expenses:</u></b>						
Other Services and Charges						
Self Insurance	47,227	337,390	288,183	49,205	337,388	2
Capital Outlay						
Self Insurance	9,885	0	0	0	0	0
<i>Total Expenses</i>	<u>57,112</u>	<u>337,390</u>	<u>288,183</u>	<u>49,205</u>	<u>337,388</u>	<u>2</u>
Net Change in Fund Balance	192,888	(47,218)	7,352	(49,205)	(41,853)	5,365
Fund Balance at Beginning of Year	478,982	519,473	536,094	(16,621)	519,473	0
Prior Year Encumbrances Carried Over	57,112	16,621	0	16,621	16,621	0
Fund Balance at End of Year	<u>\$728,982</u>	<u>\$488,876</u>	<u>\$543,446</u>	<u>(\$49,205)</u>	<u>\$494,241</u>	<u>\$5,365</u>

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## Statistical Section

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

*City of Westerville, Ohio*

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

<i>Year</i>	<i>Security Of Persons And Property</i>	<i>Public Health</i>	<i>Leisure Time Activities</i>	<i>Community Development</i>	<i>Basic Utility Services</i>
1995	\$9,246,468	\$23,730	\$2,070,908	\$959,645	\$742,695
1996	10,374,814	18,301	1,901,526	1,059,743	266,707
1997	10,534,866	25,371	3,673,790	1,380,460	491,403
1998	12,167,701	28,278	2,538,639	1,459,063	268,518
1999	11,992,399	66,685	2,626,899	1,945,609	175,710
2000	13,274,945	41,875	3,042,156	1,820,948	172,554
2001	14,576,189	64,476	3,935,183	1,873,543	189,730
2002	16,240,667	43,072	5,225,703	2,037,680	308,077
2003	17,042,390	46,113	5,765,100	2,054,743	257,312
2004	18,492,909	55,412	6,202,645	2,260,454	232,736

Source: City Financial Records - GAAP basis financial data

(1) Includes all governmental funds.

<i>Transportation</i>	<i>General Government</i>	<i>Capital Outlay</i>	<i>Debt Service</i>	<i>Total</i>
\$1,281,770	\$3,884,800	\$7,458,263	\$619,158	\$26,287,437
1,437,409	4,256,735	7,660,831	594,030	27,570,096
1,227,234	6,971,469	5,630,529	568,900	30,504,022
1,603,619	5,435,131	13,821,921	827,342	38,150,212
1,784,131	5,506,546	22,382,376	2,662,194	49,142,549
1,878,920	5,940,576	15,675,951	2,823,577	44,671,502
2,051,760	6,992,962	17,331,013	2,785,520	49,800,376
1,645,043	7,267,158	6,723,329	2,858,833	42,349,562
1,674,169	8,189,150	8,171,645	2,990,087	46,190,709
2,495,398	9,423,507	12,671,378	3,275,514	55,109,953

**City of Westerville, Ohio**

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

<i>Year</i>	<i>Property Taxes (2)</i>	<i>Municipal Income Taxes</i>	<i>Other Local Taxes</i>	<i>Payments In Lieu Of Taxes</i>	<i>Inter-Governmental</i>	<i>Charges For Services</i>
1995	\$5,252,242	\$9,253,013	\$94,386	\$0	\$4,266,432	\$1,967,631
1996	6,393,849	10,336,759	97,591	0	3,883,376	2,016,145
1997	7,188,967	10,842,532	99,625	0	4,361,583	2,310,482
1998	7,014,107	11,768,223	92,278	0	6,166,534	2,452,965
1999	7,117,419	15,054,734	89,536	0	6,368,610	1,901,639
2000	7,573,929	16,293,144	84,260	0	6,740,701	1,570,159
2001	7,933,107	17,010,117	73,650	0	8,251,942	1,873,729
2002	8,006,605	17,044,400	58,460	0	8,549,939	2,750,166
2003	10,430,292	17,779,422	363,723	219,691	10,068,502	2,714,383
2004	10,748,595	18,359,467	362,261	294,277	12,338,083	3,370,392

Source: City Financial Records - GAAP basis financial data

(1) Includes all governmental funds.

(2) Includes real estate and personal property taxes.

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

<i>Fees, Licenses and Permits</i>	<i>Fines And Forfeitures</i>	<i>Special Assessments</i>	<i>Interest</i>	<i>Net Increase/ Decrease in Fair Value of Investments (3)</i>	<i>Miscellaneous</i>	<i>Total</i>
\$598,287	\$340,004	\$76,813	\$3,809,763	\$0	\$88,185	\$25,746,756
604,572	360,010	76,744	4,530,745	0	87,365	28,387,156
498,223	439,227	77,348	4,253,994	0	170,086	30,242,067
486,490	331,127	77,597	4,992,406	0	480,157	33,861,884
644,933	475,577	76,395	5,265,192	(1,589,939)	125,322	35,529,418
944,522	362,585	76,935	5,060,136	298,703	641,796	39,646,870
1,004,198	402,814	67,942	4,216,092	2,141,613	202,033	43,177,237
1,169,884	503,779	67,805	3,171,205	(323,124)	264,280	41,263,399
852,988	569,604	0	2,545,711	(997,606)	167,963	44,714,673
867,242	499,091	0	2,153,282	(827,981)	148,019	48,312,728

*City of Westerville, Ohio*

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

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

Source: City Financial Records - GAAP basis financial data

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

<i>Transportation</i>	<i>General Government</i>	<i>Interest and Fiscal Charges</i>	<i>Total</i>
\$1,698,334	\$8,941,895	\$1,340,456	\$38,687,693
3,359,353	8,482,028	1,446,681	42,480,719

*City of Westerville, Ohio*

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

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

Source: City Financial Records - GAAP basis financial data

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

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

*City of Westerville, Ohio*

Property Tax Levies And Collections  
Last Ten Years  
Table 5

<i>Collection Year</i>	<i>Total Current Tax Levy (1)</i>	<i>Current Tax (1) Collections</i>	<i>Percent of Levy Collected (1)</i>	<i>Delinquent Tax Collections (1)</i>	<i>Tax Collected Delaware County (2)</i>
1995	\$5,348,691	\$5,252,242	98.20%	\$118,089	\$730,965
1996	6,277,593	6,120,217	97.49%	200,837	1,037,980
1997	6,650,380	6,520,066	98.04%	203,705	1,232,121
1998	6,421,364	6,295,786	98.04%	119,029	1,385,451
1999	6,502,629	6,299,611	96.88%	139,307	1,448,097
2000	6,449,184	6,306,357	97.79%	139,304	1,556,103
2001	6,846,544	6,575,146	96.04%	167,683	1,677,472
2002	6,750,991	6,408,731	94.93%	141,351	1,726,314
2003	8,846,108	8,404,735	95.01%	210,460	2,289,736
2004	9,320,227	8,908,894	95.59%	226,691	2,654,132

(1) Source: Franklin County Auditor's Office

Total Current Tax Levy includes rollback and homestead exemptions.

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

(3) Comparison of Franklin County only.

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

<i><b>Total Tax Collections</b></i>	<i><b>Percentage of Total Tax Collections To Total Tax Levy (3)</b></i>	<i><b>Outstanding Delinquent Taxes (4)</b></i>	<i><b>Percentage Of Outstanding Delinquent Taxes To Total Tax Levy (3)</b></i>
\$6,101,296	100.40%	\$156,312	2.92%
7,359,034	100.69%	305,025	4.86%
7,955,892	101.10%	257,347	3.87%
7,800,266	99.90%	259,456	4.04%
7,887,015	99.02%	285,849	4.40%
8,001,764	99.95%	293,721	4.55%
8,420,301	98.49%	271,398	3.96%
8,276,396	97.02%	342,260	5.07%
10,904,931	97.39%	441,373	4.99%
11,789,717	98.02%	411,333	4.41%

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

<i>Collection Year</i>	<i>City</i>		<i>Outside Ten Mill Limitation</i>		
	<i>Inside Ten Mill Limitation</i>				
	<i>General Fund</i>	<i>Debt Retirement</i>	<i>General Charter</i>	<i>Debt Retirement</i>	<i>Fire Operating</i>
1995	\$2.50	\$0.15	\$0.60	\$0.73	\$8.40
1996	2.50	0.15	0.60	0.69	10.50
1997	2.50	0.15	0.60	0.62	10.85
1998	2.50	0.15	0.60	0.59	10.85
1999	2.55	0.10	0.60	0.55	10.85
2000	2.55	0.10	0.60	0.47	10.85
2001	2.57	0.08	0.60	0.44	10.85
2002	2.57	0.08	0.60	0.40	10.85
2003	2.58	0.07	0.60	0.35	14.25
2004	2.65	0.00	0.60	0.56	14.25

Source: Franklin County Auditor

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<i>Total City</i>	<i>Franklin County</i>	<i>City Schools</i>	<i>Total</i>
\$12.38	\$14.57	\$60.82	\$87.77
14.44	14.82	61.03	90.29
14.72	15.12	61.31	91.15
14.69	15.22	61.32	91.23
14.65	17.54	61.15	93.34
14.57	17.64	63.50	95.71
14.54	17.64	63.50	95.68
14.50	17.64	63.40	95.54
17.85	17.64	64.20	99.69
18.06	17.64	64.00	99.70

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

<i>Collection Year</i>	<i>Real Property</i>	<i>Public Utility Real and Personal</i>	<i>Tangible Personal Property</i>	<i>Total</i>	<i>Estimated True Values</i>
1995	\$543,767,890	\$20,634,990	\$69,172,503	\$633,575,383	\$1,853,761,407
1996	566,273,200	25,826,110	68,273,643	660,372,953	1,920,365,853
1997	613,734,270	25,250,700	69,974,828	708,959,798	2,062,119,775
1998	630,808,440	25,924,830	62,219,839	718,953,109	2,080,649,219
1999	645,665,490	22,504,370	66,114,875	734,284,735	2,134,791,191
2000	730,938,230	23,198,260	77,437,297	831,573,787	2,424,505,790
2001	759,777,270	25,005,670	78,058,573	862,841,513	2,511,442,026
2002	782,946,190	21,627,750	74,734,200	879,308,140	2,560,502,903
2003	883,041,660	20,857,380	46,595,889	950,494,929	2,749,268,561
2004	895,679,530	19,630,910	46,324,344	961,634,784	2,791,957,424

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

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

<b><i>Collection Year</i></b>	<b><i>Special Assessment Billings (1)</i></b>	<b><i>Total Assessments Collected (2)</i></b>	<b><i>Percentage Collected</i></b>	<b><i>Total Outstanding Delinquent</i></b>
1995	\$76,744	\$76,813	100.09%	\$841
1996	76,744	76,744	100.00%	841
1997	76,744	77,348	100.79%	237
1998	76,961	77,597	100.83%	207
1999	77,368	76,395	98.74%	973
2000	76,935	76,935	100.00%	0
2001	67,942	67,942	100.00%	0
2002	69,000	69,000	100.00%	0
2003(3)	0	0	0.00%	0
2004	0	0	0.00%	0

Source: Franklin County Auditor

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

(2) Prepayments of future assessments are not included.

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

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

TABLE 9

<i>Year</i>	<i>Population</i>	<i>Assessed Value</i>	<i>Gross Bonded Debt (1)</i>	<i>Debt Service Monies Available</i>
1995	34,074	\$633,575,383	\$3,190,000	\$181,331
1996	34,412	659,797,543	2,895,000	107,521
1997	34,883	708,959,798	2,600,000	54,563
1998	34,948	718,953,109	32,190,000	173,256
1999	35,926	734,284,735	26,784,529	959
2000	35,318	831,573,787	29,635,100	17,229
2001	35,908	862,841,513	28,270,750	34,272
2002	36,435	879,308,140	26,870,005	86,435
2003	36,850	950,494,929	31,921,620	33,638
2004	36,328	961,634,784	30,189,900	89,866

Sources: City of Westerville, Department of Finance.  
Franklin County Auditor's Office

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

<i><b>Net Bonded Debt</b></i>	<i><b>Ratio of Net Bonded Debt to Assessed Valuation</b></i>	<i><b>Net Bonded Debt Per Capita</b></i>
\$3,008,669	0.47%	\$88.30
2,787,479	0.42%	81.00
2,545,437	0.36%	72.97
32,016,744	4.45%	916.13
26,783,570	3.65%	745.52
29,617,871	3.56%	838.61
28,237,448	3.27%	786.38
26,783,570	3.05%	735.11
31,887,982	3.35%	865.35
30,100,034	3.13%	828.56

*City of Westerville, Ohio*

Legal Debt Margin

December 31, 2004

TABLE 10

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Total assessed valuation		\$961,634,784
Overall debt limitation - 10.5% of assessed valuation		100,971,652
Gross indebtedness authorized by council	\$39,041,313	
Less debt outside limitation:	<u>(8,851,413)</u>	
Debt within 10.5% limitation	30,189,900	
Less amount available in debt service fund	<u>(89,866)</u>	
Net debt within 10.5% limitation		<u>30,100,034</u>
Legal debt margin within 10.5% limitation		<u><u>\$70,871,618</u></u>

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Unvoted debt limitation - 5.5% of assessed valuation		\$52,889,913
Gross indebtedness authorized by council	\$39,041,313	
Less debt outside limitation:	<u>(8,851,413)</u>	
Debt within 5.5% limitation	30,189,900	
Less: amount available in debt service fund	<u>(89,866)</u>	
Net debt within 5.5% limitation		<u>30,100,034</u>
Legal debt margin within 5.5% limitation		<u><u>\$22,789,879</u></u>

*City of Westerville, Ohio*  
 Computation Of Direct And Overlapping Debt  
 December 31, 2004  
 TABLE 11

<u>Jurisdiction</u>	<u>Net Debt Outstanding (1)</u>	<u>Percentage Applicable To City Of Westerville</u>	<u>Amount Applicable To City Of Westerville</u>
<b><u>Direct</u></b>			
City of Westerville	\$30,100,034	100.00%	<u>\$30,100,034</u>
<b><u>Overlapping</u></b>			
Westerville City Schools	123,524,632	44.38%	54,820,232
Franklin County	<u>136,279,117</u>	3.88%	<u>5,287,630</u>
<i>Total Overlapping</i>	<u>259,803,749</u>		<u>60,107,862</u>
<i>Total Direct And Overlapping Debt</i>	<u>\$289,903,783</u>		<u>\$90,207,896</u>

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

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

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

<i>Year</i>	<i>Principal (1)</i>	<i>Interest And Fiscal Charges</i>	<i>Debt Service On General Obligation Bonded Debt</i>	<i>General Government Expenditures</i>	<i>Ratio</i>
1995	\$295,000	\$247,019	\$542,019	\$26,287,437	2.06%
1996	295,000	226,263	521,263	27,570,096	1.89%
1997	295,000	205,506	500,506	30,504,022	1.64%
1998	300,000	184,750	484,750	38,150,212	1.27%
1999	1,222,500	1,375,657	2,598,157	49,142,549	5.29%
2000	1,332,400	1,432,125	2,764,525	44,671,502	6.19%
2001	1,363,380	1,377,073	2,740,453	49,800,376	5.50%
2002	1,401,715	1,317,666	2,719,381	42,349,562	6.42%
2003	1,448,385	1,320,351	2,768,736	46,190,709	5.99%
2004	1,731,720	1,439,087	3,170,807	55,109,953	5.75%

Source: City of Westerville, Department of Finance

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

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

<b>Year</b>	<b>Population (1)</b>	<b>Unemployment Rates (2)</b>		
		<b>Franklin County</b>	<b>Ohio</b>	<b>United States</b>
1995	37,074	3.3%	4.8%	5.6%
1996	34,412	3.1%	4.9%	5.4%
1997	34,883	2.7%	4.6%	4.9%
1998	34,948	2.5%	4.3%	4.5%
1999	35,926	2.2%	4.2%	4.1%
2000	35,318	2.1%	4.0%	4.0%
2001	35,908	3.2%	4.8%	5.8%
2002	36,435	4.4%	5.7%	5.8%
2003	36,850	4.9%	6.1%	6.0%
2004	36,328	5.4%	6.1%	5.5%

(1) Mid-Ohio Regional Planning Commission and Westerville Planning Department.

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

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

<i>Year</i>	<i>Total Permits Issued</i>	<i>Single Family Homes</i>	<i>Total Valuation Single Family Homes (1), (2)</i>	<i>2, 3 and Multi-Family Permits</i>
1995	179	179	\$23,027,392	0
1996	178	162	21,220,059	16
1997	114	111	15,649,154	3
1998	97	86	12,583,134	11
1999	178	140	20,039,804	38
2000	162	156	20,719,272	6
2001	159	142	15,626,259	17
2002	108	80	10,818,294	28
2003	42	35	4,836,500	7
2004	54	43	7,247,687	11

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

(1) Constitutes the construction cost only (no lot price or profit included).

<i><b>Total Valuation 2, 3 and Multi- Family Units (1)</b></i>	<i><b>Total Valuation Industrial and Commercial Including Additions and Alterations</b></i>	<i><b>Total Valuation All Types (1)</b></i>	<i><b>Bank Deposits (in thousands)(3)</b></i>
\$0	\$31,194,982	\$54,222,374	\$20,232,242
1,000,000	22,814,814	45,034,873	20,786,114
750,000	14,353,179	30,752,333	40,835,093
1,928,000	47,754,907	62,266,041	39,976,199
13,430,000	44,791,935	78,261,739	40,785,421
1,220,000	92,045,986	113,985,258	36,305,554
5,996,000	56,983,986	78,606,245	38,669,548
8,856,000	78,184,686	97,858,980	35,950,798
2,221,712	56,647,424	63,705,636	37,969,996
7,620,000	53,861,693	68,729,380	389,270,086

**City of Westerville, Ohio**  
Principal Property Taxpayers  
December 31, 2004  
TABLE 15

<i>Taxpayer</i>	<i>2004 Assessed Valuation</i>	<i>Percentage of Total Assessed Valuation</i>
<b><u>Public Utilities:</u></b>		
1. Nextel West Corporation	\$7,297,730	0.76%
2. Ohio Bell Telephone Co.	6,056,120	0.63%
<b><u>Real Estate:</u></b>		
1. Banc One Management Corp.	20,316,570	2.11%
2. Partners at Brooksedge	11,882,880	1.24%
3. St. Anns Hospital	7,591,500	0.79%
4. Spectrum Equities LLC	3,412,510	0.35%
5. Westerville Plaza LP	2,971,880	0.31%
6. Westerville Square Inc.	2,884,770	0.30%
7. Columbus Colony Housing	2,693,680	0.28%
8. Health Care & Retirement Corp. of America	2,478,330	0.26%
9. 575 Copeland Mill LLC	2,397,500	0.25%
10. Brooksedge LLC	2,362,510	0.25%
<b><u>Tangible Personal Property:</u></b>		
1. Bank One Corporation	3,200,130	0.33%
2. Time Warner Entertainment Company LP	1,736,440	0.18%
3. West-Camp Press Inc.	1,717,620	0.18%
4. Roush Equipment Company Inc.	1,501,510	0.16%
5. Robin Enterprises Company	1,193,843	0.12%
6. Mettler Toledo Inc.	1,173,230	0.12%
7. Kohl's Department Stores Inc.	796,790	0.08%
8. Eaton Electrical IDT Inc.	622,840	0.06%
9. IBM Credit LLC	601,990	0.06%
10. ACS State & Local Solutions Inc.	578,310	0.06%
All Others	876,166,101	91.11%
<i>Total Assessed Valuation</i>	<u>\$961,634,784</u>	<u>100.00%</u>

Source: Franklin County Auditor

*City of Westerville, Ohio*

Miscellaneous Statistics

December 31, 2004

TABLE 16

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Date of Incorporation:	1858
Form of Government:	Council - City Manager
Date of Charter Adoption:	5-May-64
Area:	12.598 Square Miles
Miles of Streets:	179
<b><u>Fire Protection:</u></b>	
Number of Stations	3
Number of Firefighters and Officers (exclusive of part-time firefighters)	76
<b><u>Police Protection:</u></b>	
Number of Stations	1
Number of Uniformed Police and Officers	73
<b><u>Municipal Water Department:</u></b>	
Number of Accounts	12,519
Average Daily Billing Collection	3,199,274 gallons
Miles of Water Lines	178 miles
<b><u>Municipal Electric Department:</u></b>	
Number of Accounts	15,363
Average Daily Billing Collection	1,253,763 KWHRS
<b><u>Sewers:</u></b>	
Sanitary Sewers	150 miles
Storm Sewers	140 miles
<b><u>Recreation and Culture:</u></b>	
Number of Parks	39 with approximately 500 acres
Swimming Pools	1 complex with 7 pools, and 1 complex with 2 pools
Full-time Employees	404

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Betty Montgomery**

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Facsimile 614-466-4490

**CITY OF WESTERVILLE**

**FRANKLIN COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
JULY 14, 2005**