

Mary Taylor, CPA
Auditor of State

CITY OF WESTERVILLE
FRANKLIN COUNTY

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Mary Taylor, CPA

Auditor of State

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

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

To the City Council:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Westerville, Franklin County, Ohio, (the City) as of and for the year ended December 31, 2007, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 18, 2008, wherein we noted the City restated January 1, 2007 net assets as a result of adding infrastructure assets previously unreported. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinions on the financial statements, but not to opine on the effectiveness of the City's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the City's internal control over financial reporting.

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

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

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

Compliance and Other Matters

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

We intend this report solely for the information and use of the audit committee, management, and City Council. We intend it for no one other than these specified parties.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

June 18, 2008

City of Westerville, Ohio

Comprehensive Annual Financial Report

For the Year Ended December 31, 2007

Issued by the Department of Finance

John P. Winkel
Director of Finance

Margaret M. Doone, CPA
Assistant Finance Director

City of Westerville, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2007

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June 18, 2008

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, 2007 is hereby submitted.

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

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

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

The Auditor of the State of Ohio (independent auditor) has audited the financial statements of the City. The objective of the independent audit was to provide reasonable assurance that the financial statements of the City for the year ended December 31, 2007, 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, 2007, are fairly presented in conformity with GAAP. The Independent Accountants' Report is presented as the first component of the financial section of this report.

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

PROFILE OF THE CITY

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

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

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

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

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

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

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

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

LOCAL ECONOMY

The City of Westerville, despite the current State and national economic conditions, continues to attract new employers and quality jobs to the community. These new employers have been attracted to the Westar Center of Business as well as our more mature developments such as Eastwind, Brooksedge, and the Westerville Commerce Center. These new developments, in combination with the expansion of several of our existing companies, have had an enormously positive impact on the City. Westerville continues to strive toward maintaining a delicate balance by attracting businesses across the entire Westerville landscape.

In 2007, eleven significant businesses moved their offices into the City of Westerville, bringing with them existing jobs and intentions to create new jobs. Over the next three to five years, these eleven companies expect to reach a total employment level of 550 representing an estimated new payroll for the City approaching \$40 million. Included in this group are two healthcare providers, the Central Ohio Neurological Surgeons (complete renovation of an existing building in Eastwind) and the Center for Surgical Dermatology (new build in Westar). Both represent the continued growth of the healthcare and healthcare-related industries throughout the City of Westerville.

Of particular note in this field and not included in the above totals is Ohio Health, which broke ground in 2007 for a new 210,000 square foot urgent care, ambulatory service center, and medical office building in Westar. The medical office building will open in June 2008 while the remainder of the center will open later in the year. At full-occupancy, this facility will employ 295 people with a payroll of \$23 million dollars. Within the next five years, a second medical office building is expected to be constructed on the site, adding another 100 or so jobs. Also noteworthy, plans were unveiled in early 2008 for the Westerville Psychiatric Hospital. When completed in 2009, this private facility will employ 110 people with an estimated payroll of \$5.3 million. The addition of both of these facilities in our community has generated additional inquiries from physicians interested in medical office space nearby.

The two speculative office buildings completed in 2006, 440 Polaris Parkway (145,000 square feet) and 600 Cleveland Avenue (93,500 square feet) are expected to reach full occupancy in 2008, with new companies such as Huntington National Bank (\$5 million in new payroll) and a newly signed, Fortune 100 company (\$10 million payroll) leasing the final square footage. With these buildings fully leased, plans for the construction of the twin of each building are underway. Additionally, preliminary plans for the retail section of Altair to be developed in the immediate vicinity of these new office buildings are expected to be submitted this fall for consideration.

As noted above with the Central Ohio Neurological Surgeons, Westerville officials continue to attract companies to the well established office parks, Brooksedge and Eastwind, in the South State Street area. A new addition in the summer of 2008 to the Brooksedge Office Park is Johnson Controls. The company will relocate its 105 employees (\$6 million payroll) to Westerville with plans to grow to 152 employees and an estimated payroll of \$7 million.

In addition to the growth and redevelopment in our existing office parks, the preliminary plan for the parcels of land known collectively as the “Zumstein Tract” was recently approved by the Westerville City Council. To be developed over the next decade, this 100-acre tract will provide multiple opportunities for additional Class A office space, upscale retail, and quality residential—including an assisted living facility—as well as designated sites for hospitality. With each proposed development, large or small, Westerville remains committed to attracting companies and developers with a sharp eye for detail, both in building construction and the quality of employers that will reside in Westerville. These new businesses will supplement City services and provide good employment opportunities for Westerville residents.

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

LONG-TERM FINANCIAL PLANNING

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

RELEVANT FINANCIAL POLICES

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

MAJOR INITIATIVES

FOR THE YEAR

During 2007, the City introduced a new City Manager, David Collinworth. Prior to joining the City, Dave was the City Manager for Tipp City, a suburb near Dayton. Dave was hired upon the retirement of David Lindimore, who served the City for 32 years.

In 2007, *Money Magazine* voted the City of Westerville one of the top 50 towns in America based upon, among other things, affordability, safety, schools, city services, and a sense of community.

Recreational opportunities continue to expand in Westerville. Aside from the Community Center, our most celebrated recreational initiatives during the past decade have been the expansion of our bike and leisure paths and the addition of new playing fields throughout Westerville. Westerville is home to 25 miles of bike and leisure paths, and our portion of the Alum Creek Leisure Path connects with the City of Columbus Path for travel all the way to the Easton area. The central Ohio portion of the Alum Creek Leisure Path will eventually allow users to head south to Three Creeks Metro Park in southeast Columbus. If that isn't far enough, this path is part of the 453-mile Ohio to Erie Trail which, when complete, will connect Cincinnati along the Ohio River to the Lake Erie waterfront in Cleveland. The City's Parks and Recreation department received the 2007 National Gold Medal for excellence in parks and recreation management.

Safety will always be an important component of a community's quality of life and Westerville's staff includes 195 full-time Police, Fire, Emergency Medical Service, and Communications Dispatcher personnel dedicated to being there for you when you need help the most. The Fire Division received the Life Safety Award, signifying no loss of life due to fires in the community, for the 10th year, which was only awarded to eighteen fire units (out of 1,200). The Police Division received the Ohio Attorney General's Distinguished Achievement Award for their internet enforcement efforts. The Communications (911 Dispatch) Division implemented technology improvements allowing the dispatchers to take incoming emergency phone calls directly from a cell phone and pinpoint locations, such as what had been done only with land lines in the past. This new practice can save valuable minutes in response time.

FOR THE FUTURE

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

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

More streets than ever before are showing signs of age because many of the neighborhoods were built during the 1970s, '80s and '90s, and this is occurring at a time when the budget constraints are providing fewer dollars for infrastructure investment. The City's local income tax rate is the lowest in Franklin County, and 62 percent lower than the predominant 2.0 percent rate of other cities in Central Ohio. The City Council is currently considering legislation which would approve a November 2008 ballot issue to increase the City's current 1.25 percent income tax to 2.0 percent, with full credit. Currently a non-resident working in Westerville pays 1.25 percent while a City resident working in a City with a 2.0 percent tax pays an effective rate of 2.3 percent. By addressing this inequity the City would have a long-term sustainable income source for many infrastructure projects while allowing the City to maintain the current level of other City services.

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

AWARDS AND ACKNOWLEDGEMENTS

CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Westerville, Ohio, for its comprehensive annual financial report for the year ended December 31, 2006. 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.

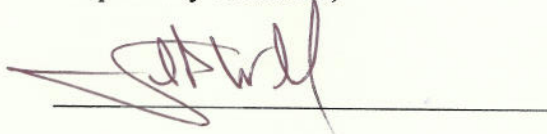
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

ACKNOWLEDGEMENTS

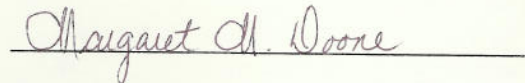
Sincere gratitude goes to City Council for granting the funds for this project. The Finance Department prepared this Comprehensive Annual Financial Report with the efficient and dedicated services of its entire staff and the City Manager's Office staff. We wish to express our appreciation to everyone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

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

Respectfully submitted,



John P. Winkel
Director of Finance



Margaret M. Doone
Assistant Finance Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Westerville
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2006

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.



Oliver S. Cox

President

Jeffrey R. Emery

Executive Director

City of Westerville, Ohio

Elected and Appointed Officials
As of December 31, 2007

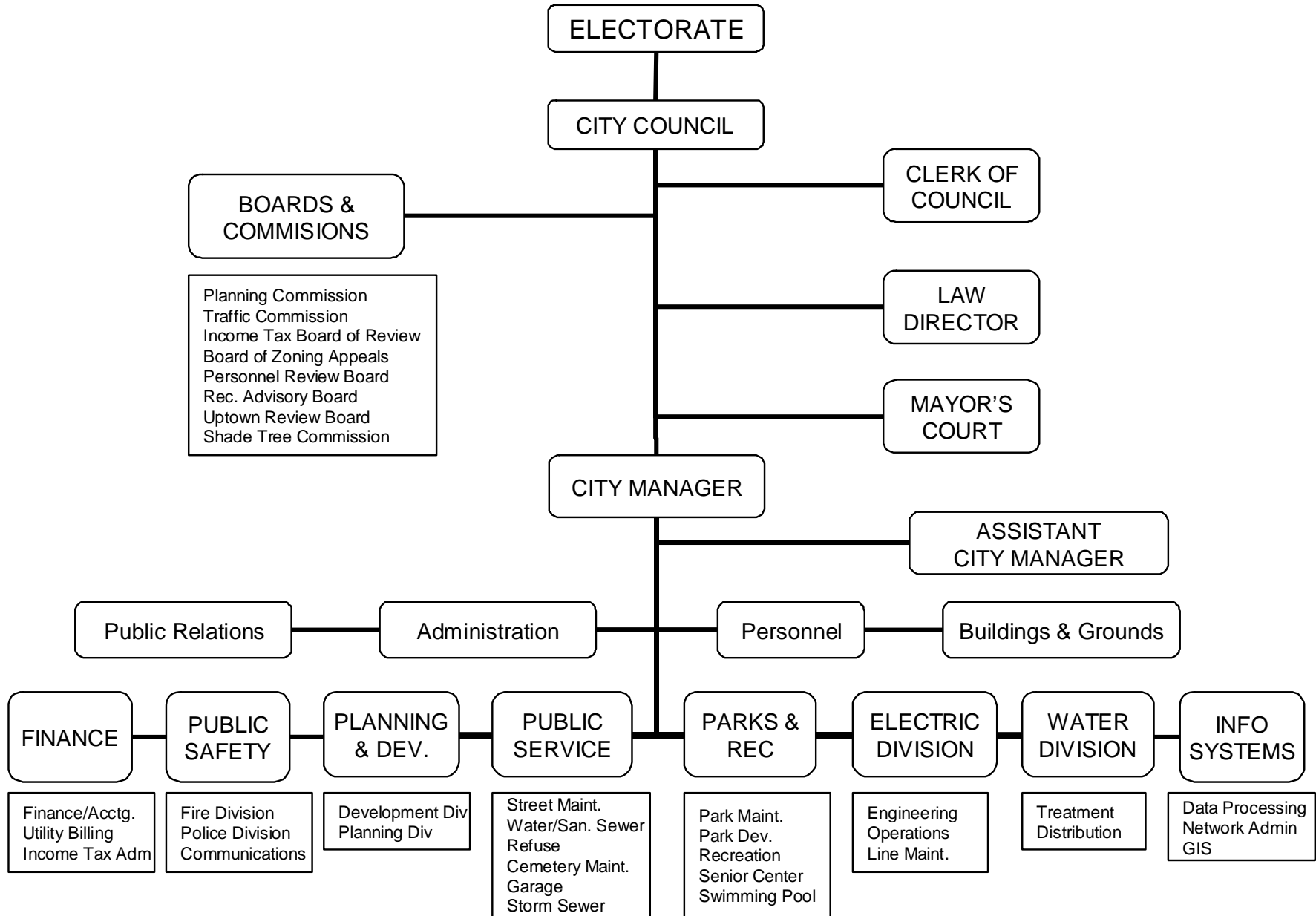
Elected Officials

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

Appointed Officials

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

CITY OF WESTERVILLE – ORGANIZATION CHART



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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

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

To the City Council:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Westerville, Franklin County, Ohio, (the City) as of and for the year ended December 31, 2007, 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, 2007, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparisons for the General, Fire Operating, and Parks and Recreation Operating Funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 3, the City restated January 1, 2007 net assets as a result of adding infrastructure assets previously unreported from 1980 through 2003, which was the City's first year of implementing GASB Statement No. 34.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 18, 2008 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.

88 E. Broad St. / Tenth Floor / Columbus, OH 43215-3506
Telephone: (614) 466-3402 (800) 443-9275 Fax: (614) 728-7199
www.auditor.state.oh.us

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

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

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

Mary Taylor, CPA
Auditor of State

June 18, 2008

City of Westerville, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2007
(Unaudited)

MANAGEMENT'S DISCUSSION AND ANALYSIS

The City of Westerville's (the City) discussion and analysis of the annual financial report provides a review of the financial performance for the year ended December 31, 2007.

FINANCIAL HIGHLIGHTS

- The City's total net assets increased \$6,589,030 during 2007. Revenues of governmental activities exceeded expenses by \$4,498,326. The City's unrestricted net assets of \$23,590,140 may be used to meet the City's ongoing governmental activities' obligations based on the current levels of services provided. Net assets of business-type activities increased by \$2,090,704. The City's business-type activities had unrestricted net assets of \$28,565,882, which may be used to meet the business-type activities' obligations to citizens and creditors based on the current levels of services provided.
- General revenues of governmental activities accounted for \$45,109,873 or 81 percent of all revenues. Program specific revenues in the form of charges for services and sales, grants, contributions and interest accounted for \$10,699,205 or 19 percent of total revenues of \$55,809,078.
- Enterprise funds reflected total operating income of \$1,610,503. The Water, Refuse and Swimming Pool Funds reflected operating losses of (\$169,239), (\$889) and (\$3,352), respectively. The Water Fund had an increase in operating expenses of \$213,017, which attributed to the loss, and this increase was due to increases in water treatment costs. The Sewer and Electric Funds had operating income of \$36,717 and \$1,747,266, respectively. The Electric Fund had an increase in operating revenues of \$3,763,137 which exceeded the increase in operating expenses of \$1,039,847.
- The City had \$51,310,752 in expenses related to governmental activities; \$10,699,205 of these expenses were offset by program specific charges for services and sales, grants, contributions and interest. General revenues (primarily income and property taxes) of \$45,109,873 were less than adequate to provide for the current year programs, and the City relied on the program specific charges of \$10,699,205 to meet expenses. The City had \$46,249,228 in expenses related to business-type activities. These expenses were offset by program specific charges for services and sales, grants, contributions and interest of \$48,172,081 which, along with \$167,851 in general revenues were adequate to cover all expenses.

USING THIS ANNUAL FINANCIAL REPORT

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

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

REPORTING THE CITY AS A WHOLE

Statement of Net Assets and the Statement of Activities

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

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

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

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

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

REPORTING THE CITY'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

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

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

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

THE CITY AS A WHOLE

As stated previously, the Statement of Net Assets looks at the City as a whole. Table 1 provides a summary of the City's net assets for 2007 compared to 2006.

Table 1
Net Assets

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Totals</i>	
	<i>2006</i>	<i>2007</i>	<i>2006</i>	<i>2007</i>	<i>2006</i>	<i>2007</i>
<u>Assets:</u>						
Current and Other Assets	\$61,798,093	\$64,778,570	\$38,283,933	\$45,659,754	\$100,082,026	\$110,438,324
Nondepreciable Capital Assets	129,578,190	129,692,644	2,732,694	7,398,208	132,310,884	137,090,852
Depreciable Capital Assets, Net	71,243,900	71,429,515	79,929,143	81,688,144	151,173,043	153,117,659
Total Assets	262,620,183	265,900,729	120,945,770	134,746,106	383,565,953	400,646,835
<u>Liabilities:</u>						
Current and Other Liabilities	14,146,830	13,758,800	12,282,431	6,085,919	26,429,261	19,844,719
Long-Term Liabilities:						
Due Within One Year	3,375,287	3,595,349	987,895	1,635,422	4,363,182	5,230,771
Due in More Than One Year	27,057,484	26,007,671	7,311,963	24,570,580	34,369,447	50,578,251
Total Liabilities	44,579,601	43,361,820	20,582,289	32,291,921	65,161,890	75,653,741
<u>Net Assets:</u>						
Invested in Capital Assets, Net Of Related Debt	174,424,267	175,769,547	73,070,150	73,888,303	247,494,417	249,657,850
Restricted for:						
Debt Service	106,878	37,781	0	0	106,878	37,781
Capital Outlay	33,812	6,349,140	0	0	33,812	6,349,140
Unclaimed Monies	65,398	75,329	0	0	65,398	75,329
Fire Protection	5,559,304	5,567,433	0	0	5,559,304	5,567,433
Streets and Transportation	1,993,481	1,693,478	0	0	1,993,481	1,693,478
Parks and Recreation	7,412,710	8,232,908	0	0	7,412,710	8,232,908
Other Purposes	1,036,142	1,223,153	0	0	1,036,142	1,223,153
Unrestricted	27,408,591	23,590,140	27,293,331	28,565,882	54,701,922	52,156,022
Total Net Assets	\$218,040,583	\$222,538,909	\$100,363,481	\$102,454,185	\$318,404,064	\$324,993,094

Total net assets increased \$6,589,030. Net assets of the City's governmental activities increased by \$4,498,326 and unrestricted net assets decreased \$3,818,451. The most significant increase affecting net assets was the increase in equity in pooled cash and cash equivalents in the governmental activities due to an increase in the fair market value of investments during 2007. The increase in net assets in the governmental activities is less than the increase in the previous year. During 2007 expenses increased by \$3,381,399, which was more than the increase in revenues of \$1,581,651.

The net assets of the City's business-type activities increased \$2,090,704. The City strives to control operating expenses for business-type activities in order to maintain stability in charges for services and closely monitors the trends of our growing community in order to adjust for budgetary issues.

Table 2 shows the changes in net assets for the years ended December 31, 2006 and 2007.

Table 2
Changes In Net Assets

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Totals</i>	
	<i>2006</i>	<i>2007</i>	<i>2006</i>	<i>2007</i>	<i>2006</i>	<i>2007</i>
<i>Revenues</i>						
<i>Program Revenues:</i>						
Charges for Services and Sales	\$4,800,939	\$4,986,322	\$42,541,794	\$47,446,141	\$47,342,733	\$52,432,463
Operating Grants, Contributions and Interest	4,703,862	4,921,913	1,180	58,780	4,705,042	4,980,693
Capital Grants, Contributions and Interest	2,543,228	790,970	1,801,957	667,160	4,345,185	1,458,130
<i>Total Program Revenues</i>	12,048,029	10,699,205	44,344,931	48,172,081	56,392,960	58,871,286
<i>General Revenues:</i>						
Property Taxes	11,250,056	10,805,835	0	0	11,250,056	10,805,835
Municipal Income Taxes	21,043,451	21,974,035	0	0	21,043,451	21,974,035
Other Local Taxes	423,190	452,842	0	0	423,190	452,842
Grants and Entitlements	4,828,247	5,392,820	0	0	4,828,247	5,392,820
Investment Earnings	3,549,455	4,755,384	12,812	49,622	3,562,267	4,805,006
Payments in Lieu of Taxes	990,236	1,711,131	0	0	990,236	1,711,131
Other	94,763	17,826	89,107	118,229	183,870	136,055
<i>Total General Revenues</i>	42,179,398	45,109,873	101,919	167,851	42,281,317	45,277,724
<i>Total Revenues</i>	54,227,427	55,809,078	44,446,850	48,339,932	98,674,277	104,149,010
<i>Program Expenses:</i>						
Security of Persons and Property	20,547,925	22,438,202	0	0	20,547,925	22,438,202
Public Health	51,609	62,869	0	0	51,609	62,869
Leisure Time Activities	8,304,966	8,232,542	0	0	8,304,966	8,232,542
Community Development	2,290,453	2,407,120	0	0	2,290,453	2,407,120
Basic Utility Services	308,478	1,107,513	0	0	308,478	1,107,513
Transportation	5,402,240	6,691,837	0	0	5,402,240	6,691,837
General Government	9,724,111	9,139,331	0	0	9,724,111	9,139,331
Interest and Fiscal Charges	1,299,571	1,231,338	0	0	1,299,571	1,231,338
Water	0	0	3,138,646	3,335,622	3,138,646	3,335,622
Sewer	0	0	5,641,950	6,505,662	5,641,950	6,505,662
Electric	0	0	32,346,965	34,024,276	32,346,965	34,024,276
Refuse	0	0	1,941,027	1,920,950	1,941,027	1,920,950
Swimming Pool	0	0	514,499	462,718	514,499	462,718
<i>Total Expenses</i>	47,929,353	51,310,752	43,583,087	46,249,228	91,512,440	97,559,980
Increase in Net Assets	6,298,074	4,498,326	863,763	2,090,704	7,161,837	6,589,030
Net Assets at Beginning of Year	211,742,509	218,040,583	99,499,718	100,363,481	311,242,227	318,404,064
<i>Net Assets at End of Year</i>	\$218,040,583	\$222,538,909	\$100,363,481	\$102,454,185	\$318,404,064	\$324,993,094

Governmental Activities

The most significant variances noted between 2006 and 2007 were the changes in revenues related to capital grants, contributions and interest program revenues, property taxes, municipal income taxes, unrestricted grants and entitlements, investment earnings and payments in lieu of taxes general revenues, and expenses related to security of persons and property, basic utility services, transportation and general government.

Capital grants, contributions and interest decreased by \$1,752,258, primarily due to significant capital contributions made during 2006 which did not occur during 2007. The City noted a slight decrease in property tax revenues, which was due to the phasing out of tangible personal

property tax. The City's municipal income tax revenues increased somewhat due to continued growth of the City's tax base, the increase was consistent with the previous year. Unrestricted grants and entitlements increased \$564,573, mainly due to increases in revenue from estate tax, kilowatt hour tax and utility municipal income tax (distributed by the State of Ohio) during 2007. Investment earnings increased \$1,205,929, due to higher interest rates and realized gains due to U.S. agency securities called prior to maturity. Payments in lieu of taxes increased more than \$700,000 which consisted of Tax Incremental Financing (TIF) revenues for Westar, Northstar and Northridge, which increased by approximately \$500,000, as well as increases in tax incentive/redistribution revenues for payments in lieu of taxes which increased more than \$200,000. TIF revenues are earmarked for the related financing (debt) payments.

Security of persons and property expenses increased \$1,890,277, which was due to increases in personnel, personnel benefits and materials and supplies. Basic utility services expenses increased \$799,035, due to increases in depreciation expense as the result of the inclusion of storm sewer infrastructure. Transportation expenses increased \$1,289,597, due to a change in the City's capital assets policy in 2007 (which is included in the restatement of capital assets) to expense road rehabilitation as maintenance and discontinue capitalizing those expenses. General government expenses decreased \$584,780, due in part to a decrease in materials and supplies purchases. The City also noted a decrease in general government of \$2 million from the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities which was due in part to the capital asset purchases of land and buildings during 2007.

The 1.25 percent income tax is the largest source of revenue for the City. Employee withholding contributed 73 percent of the revenue received in 2007, with business earnings contributing nine percent and individuals contributing 18 percent. Residents are permitted, as a credit against their City income tax liability, up to a maximum of 0.95 percent of the 1.25 percent income tax of the amount paid as municipal income tax on the same income in another municipal corporation.

Governmental program expenses for 2007 were as follows:

Security of Persons and Property	43.74%
Public Health	0.12%
Leisure Time Activities	16.04%
Community Development	4.69%
Basic Utility Services	2.16%
Transportation	13.04%
General Government	17.81%
Interest and Fiscal Charges	2.40%
	<u>100.00%</u>

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

When looking at the sources of income to support governmental activities, it should be noted that charges for services and sales are only 8.93 percent of revenue. Revenues provided by sources other than City residents in the form of operating and capital grants comprise another 10.24 percent. The remaining revenues are primarily generated locally through property and income taxes. City Council relies on these taxes to furnish the quality of life to businesses and citizens to which they and previous Councils have always been committed.

Business-Type Activities

The City's business-type activities include Water, Sewer, Electric, Refuse and Swimming Pool. The most significant variances noted between 2006 and 2007 were the increases in charges for services and sales and capital grants, contributions and interest revenues and in sewer and electric expenses. Charges for services and sales increased more than \$4.9 million due mainly to an increase in electric and sewer treatment charges to offset the increases in costs. Sewer expenses increased by \$863,712 due to an increase in sewer treatment charges while electric expenses increased nearly \$1.7 million due to the increased cost of wholesale electric power.

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

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

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

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

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

THE CITY'S FUNDS

Information about the City's major governmental funds begins on page 16. These funds are reported using the modified accrual basis of accounting. All governmental funds had total revenues of \$55,055,317 and expenditures of \$52,596,722. The General Fund balance increased \$2,596,383, due in part to increases in interest receipts and the fair market value of investments based on current market values at fiscal year-end 2007.

The Fire Operating Fund balance increased \$249,564, due mainly to increases of intergovernmental and interest revenues of \$139,971 and \$75,767, respectively.

The Parks and Recreation Operating Fund balance increased slightly by \$78,042.

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 2007 there were twenty-one revisions to the General Fund budget. The net effect of the revisions was an increase in appropriations of \$1,602,759. Actual expenditures were \$2,326,435 less than the final budgeted amounts. The primary categories where expenditures were less than final appropriations were security of persons and property and general government.

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

Original General Fund budgeted revenues and other financing sources were \$29,403,818. The final budgeted amount was \$31,793,148. Actual revenues and other financing sources received during the year were \$31,883,032, an increase of \$89,884 over the final budgeted amount. The chief variance between final estimated and actual revenues was additional municipal income taxes of \$58,844.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

Table 3
Capital Assets
(Net Of Depreciation)

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Totals</i>	
	<u>Restated 2006</u>	<u>2007</u>	<u>Restated 2006</u>	<u>2007</u>	<u>Restated 2006</u>	<u>2007</u>
Land	\$13,720,263	\$14,175,677	\$1,149,206	\$1,149,206	14,869,469	15,324,883
Construction in Progress	1,506,751	522,577	1,583,488	6,249,002	3,090,239	6,771,579
Non-depreciable						
Infrastructure	114,351,176	114,994,390	0	0	114,351,176	114,994,390
Land Improvements	10,562,264	10,242,996	1,660,870	1,442,484	12,223,134	11,685,480
Buildings	26,306,744	26,130,327	3,315,598	3,450,130	29,622,342	29,580,457
Furniture and Equipment	6,025,578	6,743,456	5,358,744	5,309,607	11,384,322	12,053,063
Vehicles	1,761,737	1,740,871	1,040,541	1,076,332	2,802,278	2,817,203
Depreciable Infrastructure	26,587,577	26,571,865	0	0	26,587,577	26,571,865
Water Lines	0	0	22,732,939	23,553,715	22,732,939	23,553,715
Sewer Lines	0	0	13,730,807	13,491,555	13,730,807	13,491,555
Electric System	0	0	32,089,644	33,364,321	32,089,644	33,364,321
<i>Totals</i>	<u>\$200,822,090</u>	<u>\$201,122,159</u>	<u>\$82,661,837</u>	<u>\$89,086,352</u>	<u>\$283,483,927</u>	<u>\$290,208,511</u>

The significant increase in construction in progress of business-type activities was the result of the construction of a new electric substation, which accounts for \$4,112,000 in construction-in-progress at year-end. See Note 10 of the notes to the basic financial statements for more detailed information.

Included in the infrastructure class of capital assets in the governmental activities are the City's roads and bridges, which are accounted for using the "modified approach" instead of using the historical cost-based depreciation, as applied to the other capital assets. The City assesses the condition of the roads and bridges based on criteria outlined in the Required Supplementary Information located on pages 69 – 71 of this report. The City's policy states that at least 85 percent of the major arterial roadways will have a rating of "good" or better and the remaining roads will be maintained so that at least 60 percent will have a rating of "good" or better. Roads are assessed on a triennial basis. The City budgeted \$3,452,797 and spent \$3,166,904 on the preservation of roadways during 2007, and assessed 83 percent of the major arterials and 67 percent of the roads at "good" or better. The City's policy is to maintain the bridge system where 80 percent of the structures have a general appraisal summary of "good" or better and will also be assessed on a triennial basis. The City budgeted and spent \$26,031 to preserve bridges during 2007, and all 5 bridges in the City were assessed at "good" or better condition.

Debt

At December 31, 2007, the City of Westerville had \$50,986,657 in debt outstanding.

Table 4
Outstanding Debt at Year-end

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Totals</i>	
	<u>2006</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>
General Obligation Bonds	\$26,648,305	\$25,451,222	\$5,750,772	\$23,750,018	\$32,399,077	\$49,201,240
ODNR Debt	0	0	1,802,455	1,763,954	1,802,455	1,763,954
Police Pension Liability	22,025	21,463	0	0	22,025	21,463
<i>Totals</i>	<u>\$26,670,330</u>	<u>\$25,472,685</u>	<u>\$7,553,227</u>	<u>\$25,513,972</u>	<u>\$34,223,557</u>	<u>\$50,986,657</u>

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

The City's overall 10.5 percent legal debt margin was \$89,629,799 as of December 31, 2007. The more restrictive unvoted legal debt margin within 5.5 percent was \$34,761,905 as of the same date. See Note 15 of the notes to the basic financial statements for more detailed information.

CONTACTING THE CITY'S FINANCE DEPARTMENT

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

Basic Financial Statements

City of Westerville, Ohio
Statement of Net Assets
December 31, 2007

	Governmental Activities	Business-Type Activities	Totals
<u>Assets:</u>			
Equity in Pooled Cash and Cash Equivalents	\$44,708,917	\$35,386,053	\$80,094,970
Cash and Cash Equivalents with Fiscal Agents	108,772	641	109,413
Accrued Interest Receivable	663,091	0	663,091
Accounts Receivable, Net	124,416	7,287,221	7,411,637
Municipal Income Taxes Receivable	3,113,191	0	3,113,191
Intergovernmental Receivable	3,069,451	58,780	3,128,231
Property Taxes Receivable	11,294,865	0	11,294,865
Other Local Taxes Receivable	103,210	0	103,210
Payments in Lieu of Taxes Receivable	287,129	0	287,129
Prepaid Items	375,430	0	375,430
Materials and Supplies Inventory	369,907	1,044,920	1,414,827
Internal Balances	(294,677)	294,677	0
Deferred Charges	98,610	262,260	360,870
Land Held for Resale	756,258	0	756,258
Water Rights, Net	0	1,325,202	1,325,202
Nondepreciable Capital Assets	129,692,644	7,398,208	137,090,852
Depreciable Capital Assets, Net	71,429,515	81,688,144	153,117,659
Total Assets	265,900,729	134,746,106	400,646,835
<u>Liabilities:</u>			
Accounts Payable	497,488	2,591,821	3,089,309
Contracts Payable	245,129	1,351,614	1,596,743
Accrued Wages Payable	1,038,272	197,460	1,235,732
Retainage Payable	165,852	318,373	484,225
Intergovernmental Payable	767,520	1,335,674	2,103,194
Accrued Interest Payable	98,481	107,577	206,058
Matured Interest Payable	3,067	641	3,708
Matured Compensated Absences Payable	134,550	0	134,550
Claims Payable	5,312	0	5,312
Unearned Revenue	10,803,129	16,772	10,819,901
Deposits Held and Due to Others	0	165,987	165,987
Long-Term Liabilities:			
Due Within One Year	3,595,349	1,635,422	5,230,771
Due in More Than One Year	26,007,671	24,570,580	50,578,251
Total Liabilities	43,361,820	32,291,921	75,653,741
<u>Net Assets:</u>			
Invested in Capital Assets, Net of Related Debt	175,769,547	73,888,303	249,657,850
Restricted for:			
Debt Service	37,781	0	37,781
Capital Outlay	6,349,140	0	6,349,140
Unclaimed Monies	75,329	0	75,329
Fire Protection	5,567,433	0	5,567,433
Streets and Transportation	1,693,478	0	1,693,478
Parks and Recreation	8,232,908	0	8,232,908
Other Purposes	1,223,153	0	1,223,153
Unrestricted	23,590,140	28,565,882	52,156,022
Total Net Assets	\$222,538,909	\$102,454,185	\$324,993,094

See accompanying notes to the basic financial statements

City of Westerville, Ohio
Statement of Activities
For the Year Ended December 31, 2007

	<i>Expenses</i>	<i>Program Revenues</i>		
		<i>Charges for Services and Sales</i>	<i>Operating Grants, Contributions and Interest</i>	<i>Capital Grants, Contributions and Interest</i>
<u>Governmental Activities:</u>				
Security of Persons and Property	\$22,438,202	\$248,491	\$2,984,791	\$0
Public Health	62,869	25,950	0	0
Leisure Time Activities	8,232,542	3,061,612	38,737	135,298
Community Development	2,407,120	823,959	0	0
Basic Utility Services	1,107,513	0	0	503,171
Transportation	6,691,837	45,000	1,896,660	152,501
General Government	9,139,331	781,310	1,725	0
Interest and Fiscal Charges	1,231,338	0	0	0
<i>Total Governmental Activities</i>	<u>51,310,752</u>	<u>4,986,322</u>	<u>4,921,913</u>	<u>790,970</u>
<u>Business-Type Activities:</u>				
Water	3,335,622	3,536,123	0	533,660
Sewer	6,505,662	6,829,737	0	133,500
Electric	34,024,276	34,701,328	58,780	0
Refuse	1,920,950	1,919,708	0	0
Swimming Pool	462,718	459,245	0	0
<i>Total Business-Type Activities</i>	<u>46,249,228</u>	<u>47,446,141</u>	<u>58,780</u>	<u>667,160</u>
<i>Total Activities</i>	<u>\$97,559,980</u>	<u>\$52,432,463</u>	<u>\$4,980,693</u>	<u>\$1,458,130</u>

General Revenues:

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

Total General Revenues

Change in Net Assets

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

Net Assets at End of Year

See accompanying notes to the basic financial statements

Net (Expense) Revenue and Changes in Net Assets

<i>Governmental Activities</i>	<i>Business-Type Activities</i>	<i>Totals</i>
(\$19,204,920)	\$0	(\$19,204,920)
(36,919)	0	(36,919)
(4,996,895)	0	(4,996,895)
(1,583,161)	0	(1,583,161)
(604,342)	0	(604,342)
(4,597,676)	0	(4,597,676)
(8,356,296)	0	(8,356,296)
(1,231,338)	0	(1,231,338)
<u>(40,611,547)</u>	<u>0</u>	<u>(40,611,547)</u>
0	734,161	734,161
0	457,575	457,575
0	735,832	735,832
0	(1,242)	(1,242)
0	(3,473)	(3,473)
<u>0</u>	<u>1,922,853</u>	<u>1,922,853</u>
<u>(40,611,547)</u>	<u>1,922,853</u>	<u>(38,688,694)</u>
3,212,914	0	3,212,914
7,495,299	0	7,495,299
97,622	0	97,622
17,755,394	0	17,755,394
4,218,641	0	4,218,641
452,842	0	452,842
5,392,820	0	5,392,820
4,755,384	49,622	4,805,006
1,711,131	0	1,711,131
17,826	118,229	136,055
<u>45,109,873</u>	<u>167,851</u>	<u>45,277,724</u>
4,498,326	2,090,704	6,589,030
<u>218,040,583</u>	<u>100,363,481</u>	<u>318,404,064</u>
<u>\$222,538,909</u>	<u>\$102,454,185</u>	<u>\$324,993,094</u>

City of Westerville, Ohio
 Balance Sheet
 Governmental Funds
 December 31, 2007

	<i>General</i>	<i>Fire Operating</i>	<i>Parks and Recreation Operating</i>	<i>Nonmajor Governmental Funds</i>	<i>Total Governmental Funds</i>
<i>Assets:</i>					
Equity in Pooled Cash and Cash Equivalents	\$16,703,739	\$7,188,142	\$5,716,115	\$13,966,740	\$43,574,736
Cash and Cash Equivalents with Fiscal Agents	0	0	0	108,772	108,772
Receivables:					
Property Taxes	3,395,934	7,753,144	0	145,787	11,294,865
Municipal Income Taxes	2,490,553	0	0	622,638	3,113,191
Other Local Taxes	0	0	0	103,210	103,210
Accounts	93,827	0	16,322	2,073	112,222
Payments in Lieu of Taxes	0	0	0	287,129	287,129
Accrued Interest	577,087	73,006	0	3,648	653,741
Intergovernmental Receivable	1,590,445	404,636	215,472	858,898	3,069,451
Prepaid Items	375,430	0	0	0	375,430
Materials and Supplies Inventory	171,044	0	133,559	0	304,603
Land Held for Resale	756,258	0	0	0	756,258
Interfund Receivable	9,613,400	0	100,000	12,937	9,726,337
Total Assets	\$35,767,717	\$15,418,928	\$6,181,468	\$16,111,832	\$73,479,945
<i>Liabilities and Fund Balances:</i>					
<i>Liabilities:</i>					
Accounts Payable	\$144,848	\$56,176	\$98,394	\$170,549	\$469,967
Contracts Payable	0	0	0	245,129	245,129
Retainage Payable	23,810	0	43,587	98,455	165,852
Accrued Wages Payable	538,600	326,993	130,999	30,671	1,027,263
Intergovernmental Payable	404,015	230,831	103,747	21,198	759,791
Matured Interest Payable	0	0	0	3,067	3,067
Due To Other Funds	7,858	2,835	24,249	0	34,942
Deferred Revenue	6,438,622	8,157,780	217,324	1,570,409	16,384,135
Matured Compensated Absences Payable	41,087	45,215	41,256	6,992	134,550
Interfund Payable	0	237,507	0	9,681,160	9,918,667
Total Liabilities	7,598,840	9,057,337	659,556	11,827,630	29,143,363
<i>Fund Balances:</i>					
Reserved for Encumbrances	262,533	58,407	266,017	967,783	1,554,740
Reserved for Interfund Receivable	9,288,068	0	70,000	12,937	9,371,005
Reserved for Land Held for Resale	756,258	0	0	0	756,258
Reserved for Unclaimed Monies	75,329	0	0	0	75,329
Unreserved:					
Undesignated (Deficit), Reported in:					
General Fund	17,786,689	0	0	0	17,786,689
Special Revenue Funds	0	6,303,184	5,185,895	4,697,102	16,186,181
Debt Service Fund	0	0	0	121,383	121,383
Capital Projects Funds	0	0	0	(1,515,003)	(1,515,003)
Total Fund Balances	28,168,877	6,361,591	5,521,912	4,284,202	44,336,582
Total Liabilities and Fund Balances	\$35,767,717	\$15,418,928	\$6,181,468	\$16,111,832	\$73,479,945

See accompanying notes to the basic financial statements:

City of Westerville, Ohio
 Reconciliation of Total Governmental Fund Balances to
 Net Assets of Governmental Activities
 December 31, 2007

Total Governmental Fund Balances \$44,336,582

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	\$14,175,677	
Construction In Progress	522,577	
Infrastructure	149,735,234	
Other Capital Assets	69,781,771	
Accumulated Depreciation	<u>(33,292,322)</u>	
		200,922,937

Internal service funds are used by management to charge the costs of insurance and automotive maintenance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Assets. 1,311,932

An internal balance is recorded in governmental activities to reflect underpayments to the internal service fund by the business-type activities. (66,298)

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

Municipal Income Taxes	1,598,862	
Property Taxes	491,736	
Other Local Taxes	100,052	
Payments in Lieu of Taxes	284,734	
Intergovernmental	2,565,239	
Accrued Interest Receivable	507,386	
Accounts	<u>32,997</u>	
		5,581,006

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. 98,610

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	(98,481)	
General Obligation Bonds	(25,471,395)	
Premium on Bonds	(10,978)	
Discount on Bonds	31,151	
Police Pension	(21,463)	
Compensated Absences	<u>(4,074,694)</u>	
		<u>(29,645,860)</u>

Net Assets of Governmental Activities \$222,538,909

See accompanying notes to the basic financial statements

City of Westerville, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2007

	<u>General</u>	<u>Fire Operating</u>	<u>Parks and Recreation Operating</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>Revenues:</u>					
Property Taxes	\$3,198,255	\$7,468,192	\$0	\$95,361	\$10,761,808
Municipal Income Taxes	17,617,377	0	0	4,184,137	21,801,514
Other Local Taxes	0	0	0	444,698	444,698
Payments in Lieu of Taxes	0	0	0	1,641,597	1,641,597
Intergovernmental	5,748,058	2,522,351	2,549	2,169,174	10,442,132
Charges for Services	552,353	2,182	2,986,445	0	3,540,980
Fees, Licenses and Permits	695,453	50	60,893	54,300	810,696
Fines and Forfeitures	409,141	0	0	243,967	653,108
Interest	3,433,224	384,422	0	50,714	3,868,360
Increase in Fair Value of Cash Equivalents	805,450	101,654	0	5,284	912,388
Other	68,309	213	33,242	76,272	178,036
<i>Total Revenues</i>	<u>32,527,620</u>	<u>10,479,064</u>	<u>3,083,129</u>	<u>8,965,504</u>	<u>55,055,317</u>
<u>Expenditures:</u>					
Current:					
Security of Persons and Property	11,080,282	10,230,353	0	188,143	21,498,778
Public Health	67,269	0	0	0	67,269
Leisure Time Activities	0	0	7,007,180	768	7,007,948
Community Development	2,387,252	0	0	0	2,387,252
Basic Utility Services	532,666	0	0	0	532,666
Transportation	0	0	0	2,319,041	2,319,041
General Government	9,194,224	0	0	1,832,519	11,026,743
Capital Outlay	23,810	0	43,587	4,867,509	4,934,906
Debt Service:					
Principal Retirement	562	0	0	1,590,060	1,590,622
Interest and Fiscal Charges	930	0	0	1,226,085	1,227,015
Issuance Costs	0	0	0	4,482	4,482
<i>Total Expenditures</i>	<u>23,286,995</u>	<u>10,230,353</u>	<u>7,050,767</u>	<u>12,028,607</u>	<u>52,596,722</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>9,240,625</u>	<u>248,711</u>	<u>(3,967,638)</u>	<u>(3,063,103)</u>	<u>2,458,595</u>
<u>Other Financing Sources (Uses):</u>					
General Obligation Bonds Issued	0	0	0	380,000	380,000
Premium on Debt Issued	0	0	0	11,117	11,117
Proceeds From Sale of Capital Assets	2,129	853	166	1,434	4,582
Transfers - In	109,522	0	4,045,514	6,173,102	10,328,138
Transfers - Out	(6,755,893)	0	0	(3,572,245)	(10,328,138)
<i>Total Other Financing Sources (Uses)</i>	<u>(6,644,242)</u>	<u>853</u>	<u>4,045,680</u>	<u>2,993,408</u>	<u>395,699</u>
Net Change in Fund Balances	2,596,383	249,564	78,042	(69,695)	2,854,294
Fund Balances at Beginning of Year - Restated (See Note 3)	<u>25,572,494</u>	<u>6,112,027</u>	<u>5,443,870</u>	<u>4,353,897</u>	<u>41,482,288</u>
<i>Fund Balances at End of Year</i>	<u>\$28,168,877</u>	<u>\$6,361,591</u>	<u>\$5,521,912</u>	<u>\$4,284,202</u>	<u>\$44,336,582</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, 2007

Net Change in Fund Balances - Total Governmental Funds		\$2,854,294
 <i>Amounts reported for governmental activities in the Statement of Activities are different because:</i>		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:		
Capital Outlay	\$4,303,768	
Depreciation	<u>(4,127,454)</u>	
Excess of Capital Outlay Over Depreciation Expense		176,314
 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.		
		503,171
 Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the Statement of Activities, a gain or loss is reported for each sale.		
Proceeds from Sale of Capital Assets	(4,582)	
Loss on Disposal of Assets	<u>(365,843)</u>	
		(370,425)
 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.		
		340,167
 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	1,590,060	
Police Pension Principal Payments	<u>562</u>	
		1,590,622
 Some revenues that will not be collected for several months after the City's year-end are not considered "available" revenues and are deferred in the governmental funds.		
Accrued Interest Receivable	(84,861)	
Municipal Income Taxes	172,521	
Property Taxes	44,027	
Other Local Taxes	8,144	
Payments in Lieu of Taxes	69,534	
Intergovernmental	63,967	
Charges for Services	(28,662)	
Fees, Licenses and Permits	(22,891)	
Miscellaneous	<u>(35,268)</u>	
		186,511
 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 Discount	(1,999)	
Amortization of Bond Premium	139	
Amortization of Bond Issuance Costs	<u>(6,102)</u>	
		(7,962)
 The issuance of long-term debt provides current financial resources to governmental funds, but in the Statement of Net Assets, the debt is reported as a liability.		
Premium on Debt Issued	(11,117)	
General Obligation Bonds Issued	<u>(380,000)</u>	
		(391,117)
 Governmental funds report bond issuance costs as expenditures, whereas these amounts are deferred and amortized in the Statement of Activities. In the current period, these costs are:		
Bond Issuance Costs		4,482
 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		3,639
 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		<u>(391,370)</u>
 <i>Change in Net Assets of Governmental Activities</i>		 <u>\$4,498,326</u>

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, 2007

	<i>Budget</i>		<i>Actual</i>	<i>Variance Positive (Negative)</i>
	<i>Original</i>	<i>Final</i>		
<u>Revenues:</u>				
Property Taxes	\$3,351,687	\$3,198,254	\$3,198,255	\$1
Municipal Income Taxes	17,531,037	17,531,037	17,589,881	58,844
Intergovernmental	4,867,778	5,697,054	5,699,806	2,752
Charges for Services	814,241	554,716	557,905	3,189
Fees, Licenses and Permits	555,350	674,979	676,184	1,205
Fines and Forfeitures	458,300	408,663	408,663	0
Interest	1,675,000	3,375,000	3,388,878	13,878
Other	45,425	53,794	63,809	10,015
<i>Total Revenues</i>	<u>29,298,818</u>	<u>31,493,497</u>	<u>31,583,381</u>	<u>89,884</u>
<u>Expenditures:</u>				
Current:				
Security of Persons and Property	12,196,205	12,167,190	11,075,771	1,091,419
Public Health	85,892	85,370	73,530	11,840
Community Development	2,606,117	2,570,262	2,328,805	241,457
Basic Utility Services	611,972	608,555	537,015	71,540
General Government	8,886,648	10,479,016	9,568,837	910,179
<i>Total Expenditures</i>	<u>24,386,834</u>	<u>25,910,393</u>	<u>23,583,958</u>	<u>2,326,435</u>
Excess of Revenues Over Expenditures	<u>4,911,984</u>	<u>5,583,104</u>	<u>7,999,423</u>	<u>2,416,319</u>
<u>Other Financing Sources (Uses):</u>				
Proceeds from Sale of Capital Assets	0	2,129	2,129	0
Advances - In	105,000	188,000	188,000	0
Advances - Out	0	(79,200)	(79,200)	0
Transfers - In	0	109,522	109,522	0
Transfers - Out	(6,755,893)	(6,755,893)	(6,755,893)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(6,650,893)</u>	<u>(6,535,442)</u>	<u>(6,535,442)</u>	<u>0</u>
Net Change in Fund Balance	(1,738,909)	(952,338)	1,463,981	2,416,319
Fund Balance at Beginning of Year	13,697,535	13,821,166	13,821,166	0
Prior Year Encumbrances Carried Over	423,018	299,386	299,386	0
<i>Fund Balance at End of Year</i>	<u>\$12,381,644</u>	<u>\$13,168,214</u>	<u>\$15,584,533</u>	<u>\$2,416,319</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, 2007

	<i>Budget</i>		<i>Actual</i>	<i>Variance Positive (Negative)</i>
	<i>Original</i>	<i>Final</i>		
<u>Revenues:</u>				
Property Taxes	\$8,200,000	\$7,468,191	\$7,468,192	\$1
Intergovernmental	1,325,000	2,447,588	2,522,351	74,763
Charges for Services	0	2,181	2,182	1
Fees, Licenses and Permits	0	50	50	0
Interest	160,000	350,000	388,599	38,599
Other	1,500	212	213	1
<i>Total Revenues</i>	<u>9,686,500</u>	<u>10,268,222</u>	<u>10,381,587</u>	<u>113,365</u>
<u>Expenditures:</u>				
Current:				
Security of Persons and Property	11,319,220	11,250,006	10,337,575	912,431
Excess of Revenues Over (Under) Expenditures	(1,632,720)	(981,784)	44,012	1,025,796
<u>Other Financing Sources:</u>				
Proceeds from Sale of Capital Assets	0	852	853	1
Net Change in Fund Balance	(1,632,720)	(980,932)	44,865	1,025,797
Fund Balance at Beginning of Year	6,725,802	6,795,013	6,795,013	0
Prior Year Encumbrances Carried Over	215,806	146,597	146,597	0
<i>Fund Balance at End of Year</i>	<u>\$5,308,888</u>	<u>\$5,960,678</u>	<u>\$6,986,475</u>	<u>\$1,025,797</u>

See accompanying notes to the basic financial statements

City of Westerville, Ohio
Statement of Revenues, Expenditures and Changes in Fund
Balance - Budget (Non-GAAP Budgetary Basis) and Actual
Parks and Recreation Operating Special Revenue Fund
For the Year Ended December 31, 2007

	<i>Budget</i>		<i>Actual</i>	<i>Variance Positive (Negative)</i>
	<i>Original</i>	<i>Final</i>		
<u>Revenues:</u>				
Intergovernmental	\$461,075	\$2,549	\$2,549	\$0
Charges for Services	2,759,800	2,951,547	2,986,996	35,449
Fees, Licenses and Permits	52,000	60,892	60,893	1
Other	16,500	22,454	22,455	1
<i>Total Revenues</i>	<u>3,289,375</u>	<u>3,037,442</u>	<u>3,072,893</u>	<u>35,451</u>
<u>Expenditures:</u>				
Current:				
Leisure Time Activities	3,402,816	8,042,281	7,414,087	628,194
Excess of Revenues Under Expenditures	<u>(113,441)</u>	<u>(5,004,839)</u>	<u>(4,341,194)</u>	<u>663,645</u>
<u>Other Financing Sources:</u>				
Proceeds from Sale of Capital Assets	0	166	166	0
Advances - In	0	81,904	81,904	0
Transfers - In	4,045,514	4,045,514	4,045,514	0
<i>Total Other Financing Sources</i>	<u>4,045,514</u>	<u>4,127,584</u>	<u>4,127,584</u>	<u>0</u>
Net Change in Fund Balance	3,932,073	(877,255)	(213,610)	663,645
Fund Balance at Beginning of Year	5,060,893	5,103,757	5,103,757	0
Prior Year Encumbrances Carried Over	478,994	436,130	436,130	0
<i>Fund Balance at End of Year</i>	<u><u>\$9,471,960</u></u>	<u><u>\$4,662,632</u></u>	<u><u>\$5,326,277</u></u>	<u><u>\$663,645</u></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, 2007

	<i>Business Type Activities --</i>		
	<i>Water</i>	<i>Sewer</i>	<i>Electric</i>
<u>Assets:</u>			
<u>Current Assets:</u>			
Equity in Pooled Cash and Cash Equivalents	\$7,973,378	\$3,681,951	\$22,810,045
Cash and Cash Equivalents with Fiscal Agents	641	0	0
Receivables:			
Accounts, Net	399,309	1,057,957	5,525,088
Intergovernmental	0	0	58,780
Accrued Interest	0	0	0
Due From Other Funds	0	0	49,077
Materials and Supplies Inventory	147,371	12,877	884,672
<i>Total Current Assets</i>	<u>8,520,699</u>	<u>4,752,785</u>	<u>29,327,662</u>
<u>Non-current Assets:</u>			
Interfund Receivable	57,000	280,330	320,000
Deferred Charges	12,640	0	249,620
Water Rights, Net	1,325,202	0	0
Capital Assets:			
Nondepreciable Capital Assets	650,669	321,848	6,345,691
Depreciable Capital Assets, Net	25,714,573	14,027,580	40,809,835
<i>Total Non-current Assets</i>	<u>27,760,084</u>	<u>14,629,758</u>	<u>47,725,146</u>
<i>Total Assets</i>	<u>36,280,783</u>	<u>19,382,543</u>	<u>77,052,808</u>
<u>Liabilities:</u>			
<u>Current Liabilities:</u>			
Accounts Payable	61,745	8,184	2,381,034
Contracts Payable	0	400	1,351,214
Accrued Wages Payable	62,414	13,417	117,524
Retainage Payable	29,652	0	288,721
Matured Interest Payable	641	0	0
Accrued Interest Payable	34,861	0	72,716
Intergovernmental Payable	31,959	1,219,563	79,550
Due To Other Funds	12,305	67	0
Unearned Revenue	0	0	16,772
Deposits Held and Due to Others	0	0	165,987
Claims Payable	0	0	0
Compensated Absences Payable	103,651	39,906	289,321
ODNR Loans Payable	39,741	0	0
General Obligation Bonds Payable	395,000	0	761,605
<i>Total Current Liabilities</i>	<u>771,969</u>	<u>1,281,537</u>	<u>5,524,444</u>
<u>Long-Term Liabilities:</u>			
Interfund Payable	0	0	0
Compensated Absences Payable, Net	121,642	15,222	114,481
ODNR Loans Payable, Net	1,724,213	0	0
General Obligation Bonds Payable, Net	2,276,656	0	20,316,757
<i>Total Long-Term Liabilities</i>	<u>4,122,511</u>	<u>15,222</u>	<u>20,431,238</u>
<i>Total Liabilities</i>	<u>4,894,480</u>	<u>1,296,759</u>	<u>25,955,682</u>
<u>Net Assets:</u>			
Invested in Capital Assets, Net of Related Debt	22,201,347	14,349,428	36,121,372
Unrestricted	9,184,956	3,736,356	14,975,754
<i>Total Net Assets</i>	<u>\$31,386,303</u>	<u>\$18,085,784</u>	<u>\$51,097,126</u>

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

See accompanying notes to the basic financial statements

<i>Enterprise Funds</i>		<i>Governmental Activities</i>
<i>Nonmajor Enterprise Funds</i>	<i>Totals</i>	<i>Internal Service Funds</i>
\$920,679	\$35,386,053	\$1,134,181
0	641	0
304,867	7,287,221	12,194
0	58,780	0
0	0	9,350
0	49,077	0
0	1,044,920	65,304
<u>1,225,546</u>	<u>43,826,692</u>	<u>1,221,029</u>
0	657,330	0
0	262,260	0
0	1,325,202	0
80,000	7,398,208	0
<u>1,136,156</u>	<u>81,688,144</u>	<u>199,222</u>
<u>1,216,156</u>	<u>91,331,144</u>	<u>199,222</u>
<u>2,441,702</u>	<u>135,157,836</u>	<u>1,420,251</u>
140,858	2,591,821	27,521
0	1,351,614	0
4,105	197,460	11,009
0	318,373	0
0	641	0
0	107,577	0
4,602	1,335,674	7,729
656	13,028	1,107
0	16,772	0
0	165,987	0
0	0	5,312
6,198	439,076	21,907
0	39,741	0
0	1,156,605	0
<u>156,419</u>	<u>7,734,369</u>	<u>74,585</u>
465,000	465,000	0
1,609	252,954	33,734
0	1,724,213	0
0	22,593,413	0
<u>466,609</u>	<u>25,035,580</u>	<u>33,734</u>
<u>623,028</u>	<u>32,769,949</u>	<u>108,319</u>
1,216,156	73,888,303	199,222
602,518	28,499,584	1,112,710
<u>\$1,818,674</u>	<u>102,387,887</u>	<u>\$1,311,932</u>
	66,298	
	<u>\$102,454,185</u>	

City of Westerville, Ohio
Statement of Revenues,
Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended December 31, 2007

	<i>Business Type Activities -</i>		
	<i>Water</i>	<i>Sewer</i>	<i>Electric</i>
<u>Operating Revenues:</u>			
Charges for Services	\$2,934,673	\$6,533,217	\$34,685,390
Tap-In Fees	0	10,275	0
Other Operating Revenues	35,668	978	80,915
<i>Total Operating Revenues</i>	<u>2,970,341</u>	<u>6,544,470</u>	<u>34,766,305</u>
<u>Operating Expenses:</u>			
Personal Services	1,346,571	433,671	2,609,342
Contractual Services	673,703	5,577,966	28,469,370
Materials and Supplies	290,548	21,975	32,375
Claims	0	0	0
Other	1,002	6,926	76,406
Depreciation	827,756	467,215	1,831,546
<i>Total Operating Expenses</i>	<u>3,139,580</u>	<u>6,507,753</u>	<u>33,019,039</u>
<i>Operating Income (Loss)</i>	<u>(169,239)</u>	<u>36,717</u>	<u>1,747,266</u>
<u>Non-Operating Revenues (Expenses):</u>			
Interest	2,185	0	47,437
Operating Grants	0	0	58,780
Underground Line and Capacity Charges	601,450	286,245	15,938
Interest and Fiscal Charges	(204,588)	0	(747,000)
Loss on Disposal of Capital Assets	0	0	(262,892)
Increase in Fair Value of Cash Equivalents	0	0	0
<i>Total Non-Operating Revenues (Expenses)</i>	<u>399,047</u>	<u>286,245</u>	<u>(887,737)</u>
Income (Loss) Before Capital Contributions	229,808	322,962	859,529
Capital Contributions	533,660	133,500	0
Change in Net Assets	763,468	456,462	859,529
Net Assets at Beginning of Year - Restated (See Note 3)	30,622,835	17,629,322	50,237,597
<i>Net Assets at End of Year</i>	<u>\$31,386,303</u>	<u>\$18,085,784</u>	<u>\$51,097,126</u>

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

Change in Net Assets of business-type activities

See accompanying notes to the basic financial statements

<i>Enterprise Funds</i>		<i>Governmental Activities</i>
<i>Nonmajor Enterprise Funds</i>	<i>Totals</i>	<i>Internal Service Funds</i>
\$2,378,953	\$46,532,233	\$1,193,967
0	10,275	0
668	118,229	32,557
<u>2,379,621</u>	<u>46,660,737</u>	<u>1,226,524</u>
352,627	4,742,211	327,759
1,756,017	36,477,056	53,957
56,553	401,451	488,395
0	0	31,696
4,909	89,243	7,800
213,756	3,340,273	20,761
<u>2,383,862</u>	<u>45,050,234</u>	<u>930,368</u>
(4,241)	1,610,503	296,156
0	49,622	47,124
0	58,780	0
0	903,633	0
0	(951,588)	0
0	(262,892)	0
0	0	12,373
<u>0</u>	<u>(202,445)</u>	<u>59,497</u>
(4,241)	1,408,058	355,653
0	667,160	0
(4,241)	2,075,218	355,653
<u>1,822,915</u>		<u>956,279</u>
<u>\$1,818,674</u>		<u>\$1,311,932</u>
	<u>15,486</u>	
	<u>\$2,090,704</u>	

City of Westerville, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2007

	<i>Business-Type Activities --</i>		
	<u>Water</u>	<u>Sewer</u>	<u>Electric</u>
<u>Increases (Decreases) in Cash and Cash Equivalents:</u>			
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$2,939,641	\$6,370,825	\$33,408,262
Internal Services Provided	0	0	651,955
Cash Payments for Personal Services	(1,317,320)	(425,882)	(2,618,856)
Cash Payments for Materials and Supplies	(324,645)	(26,802)	(35,277)
Cash Payments for Other Services and Charges	(665,249)	(5,484,740)	(28,342,691)
Internal Services Used	(12,305)	(67)	0
Cash Payments for Claims	0	0	0
Cash Received From Operating Portion of Tap-in Fees	0	10,275	0
Other Operating Revenues	41,356	729	83,365
Underground Lines and Capacity Charges	601,450	286,245	17,938
Deposits Received	0	0	935,907
Deposits Refunded/Applied	0	0	(904,540)
<i>Net Cash Provided by Operating Activities</i>	<u>1,262,928</u>	<u>730,583</u>	<u>3,196,063</u>
<u>Cash Flows from Non-Capital Financing Activities:</u>			
Operating Grants Received	10,769	0	0
Advances to Other Funds	0	0	0
<i>Net Cash Provide by (Used for) Non-Capital Financing Activities</i>	<u>10,769</u>	<u>0</u>	<u>0</u>
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Acquisition and Construction of Capital Assets	(1,392,043)	(80,858)	(6,513,585)
Proceeds from the Sale of Bonds	1,085,000	0	16,945,000
Principal Paid on Notes	0	0	(7,925,000)
Interest Paid on Notes	0	0	(355,635)
Principal Paid on General Obligation Bonds	(350,000)	0	(204,940)
Interest Paid on General Obligation Bonds	(101,205)	0	(336,327)
Principal Paid on ODNR Debt	(38,501)	0	0
Interest Paid on ODNR Debt	(58,075)	0	0
Bond Issuance Costs	(12,807)	0	(200,544)
Premium on Sale of Bonds	32,057	0	500,595
<i>Net Cash Provided by (Used for) Capital and Related Financing Activities</i>	<u>(835,574)</u>	<u>(80,858)</u>	<u>1,909,564</u>
<u>Cash Flows From Investing Activities:</u>			
Increase in Fair Value of Cash Equivalents	0	0	0
Interest	2,185	0	47,437
<i>Net Cash Provided by Investing Activities</i>	<u>2,185</u>	<u>0</u>	<u>47,437</u>
Net Increase in Cash and Cash Equivalents	440,308	649,725	5,153,064
Cash and Cash Equivalents at Beginning of Year	<u>7,533,070</u>	<u>3,032,226</u>	<u>17,656,981</u>
<i>Cash and Cash Equivalents at End of Year</i>	<u><u>\$7,973,378</u></u>	<u><u>\$3,681,951</u></u>	<u><u>\$22,810,045</u></u>

<i>Enterprise Funds</i>		<i>Governmental Activities</i>	
<i>Nonmajor Enterprise Funds</i>	<i>Totals</i>	<i>Internal Service Funds</i>	
\$2,373,388	\$45,092,116		\$0
0	651,955	1,193,967	
(366,674)	(4,728,732)	(347,288)	
(56,553)	(443,277)	(488,160)	
(1,753,444)	(36,246,124)	(59,203)	
(656)	(13,028)	(1,107)	
0	0	(26,384)	
0	10,275	0	
668	126,118	20,363	
0	905,633	0	
0	935,907	0	
0	(904,540)	0	
196,729	5,386,303	292,188	
0	10,769	0	
(105,000)	(105,000)	0	
(105,000)	(94,231)	0	
0	(7,986,486)	(11,770)	
0	18,030,000	0	
0	(7,925,000)	0	
0	(355,635)	0	
0	(554,940)	0	
0	(437,532)	0	
0	(38,501)	0	
0	(58,075)	0	
0	(213,351)	0	
0	532,652	0	
0	993,132	(11,770)	
0	0	12,373	
0	49,622	45,125	
0	49,622	57,498	
91,729	6,334,826	337,916	
828,950	29,051,227	796,265	
\$920,679	\$35,386,053	\$1,134,181	

(Continued)

City of Westerville, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2007
(Continued)

	<i>Business-Type Activities --</i>		
	<u>Water</u>	<u>Sewer</u>	<u>Electric</u>
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:</u>			
Operating Income (Loss)	(\$169,239)	\$36,717	\$1,747,266
<u>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:</u>			
Depreciation	827,756	467,215	1,831,546
Change in Provision for Uncollectable Accounts Receivable	(185)	3,987	14,475
Underground Lines and Capacity Charges	601,450	286,245	17,938
<u>Changes in Assets and Liabilities:</u>			
(Increase) Decrease in Accounts Receivable	11,843	(159,702)	(556,452)
Increase in Due from Other Funds	0	0	(4,340)
(Increase) Decrease in Material and Supplies Inventory	(27,982)	(4,177)	10,110
Increase (Decrease) in Accounts Payable	(10,420)	(1,133)	113,609
Increase in Claims Payable	0	0	0
Increase (Decrease) in Accrued Wages	25,801	2,312	19,231
Increase (Decrease) in Compensated Absences	(4,747)	5,725	(42,099)
Increase (Decrease) in Due to Other Funds	454	(1,120)	0
Increase (Decrease) in Intergovernmental Payable	8,197	94,514	13,412
Increase in Unearned Revenue	0	0	5,207
Increase in Deposits Held and Due to Others	0	0	26,160
<i>Net Cash Provided by Operating Activities</i>	<u>\$1,262,928</u>	<u>\$730,583</u>	<u>\$3,196,063</u>
<u>Noncash Capital and Related Financing Activities:</u>			
Trade-In Allowance of Equipment and Vehicles	\$20,250	\$15,495	\$8,000
Service Lines Donated by Developers and Capitalized at Fair Market Value	533,660	133,500	0
<i>Total Noncash Capital and Related Financing Activities</i>	<u>\$553,910</u>	<u>\$148,995</u>	<u>\$8,000</u>

See accompanying notes to the basic financial statements

<i>Enterprise Funds</i>		<i>Governmental Activities</i>
<i>Nonmajor Enterprise Funds</i>	<i>Totals</i>	<i>Internal Service Funds</i>
(\$4,241)	\$1,610,503	\$296,156
213,756	3,340,273	20,761
17	18,294	0
0	905,633	0
(673)	(704,984)	(12,194)
0	(4,340)	0
0	(22,049)	(24,726)
2,362	104,418	25,542
0	0	5,312
(258)	47,086	1,886
(13,480)	(54,601)	(23,476)
(445)	(1,111)	866
(309)	115,814	2,061
0	5,207	0
0	26,160	0
<u>\$196,729</u>	<u>\$5,386,303</u>	<u>\$292,188</u>
\$0	\$43,745	\$0
0	667,160	0
<u>\$0</u>	<u>\$710,905</u>	<u>\$0</u>

City of Westerville, Ohio
Statement of Fiduciary
Assets and Liabilities
Agency Funds
December 31, 2007

<u>Assets:</u>	
Equity in Pooled Cash and Cash Equivalents	\$1,166,951
Cash and Cash Equivalents with Fiscal Agents	14,227
Receivables:	
Other Local Taxes	<u>1,053</u>
<i>Total Assets</i>	<u><u>\$1,182,231</u></u>
<u>Liabilities:</u>	
Accounts Payable	\$1,053
Undistributed Monies	834,834
Intergovernmental Payable	155,225
Deposits Held and Due to Others	<u>191,119</u>
<i>Total Liabilities</i>	<u><u>\$1,182,231</u></u>

See accompanying notes to the basic financial statements

City of Westerville, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2007

NOTE 1 – DESCRIPTION OF THE CITY AND REPORTING ENTITY

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

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

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

THE REPORTING ENTITY

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

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

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

City of Westerville, Ohio

Notes to the Basic Financial Statements (Continued)

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

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

BASIS OF PRESENTATION

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

City of Westerville, Ohio

Notes to the Basic Financial Statements (Continued)

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

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

FUND FINANCIAL STATEMENTS

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

FUND ACCOUNTING

The City uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain City functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds utilized by the City: governmental, proprietary and fiduciary.

GOVERNMENTAL FUNDS

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

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

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

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

City of Westerville, Ohio

Notes to the Basic Financial Statements (Continued)

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

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

PROPRIETARY FUNDS

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

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

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

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

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

The other enterprise funds of the City account for solid waste collection and disposal services and activities of the City's swimming pool complex.

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

FIDUCIARY FUNDS

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

City of Westerville, Ohio

Notes to the Basic Financial Statements (Continued)

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

MEASUREMENT FOCUS

Government-Wide Financial Statements

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

Fund Financial Statements

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

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

Fiduciary funds are reported by fund type.

BASIS OF ACCOUNTING

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

REVENUES – EXCHANGE AND NON-EXCHANGE TRANSACTIONS

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available.

City of Westerville, Ohio

Notes to the Basic Financial Statements (Continued)

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

“Measurable” means the amount of the transaction can be determined and “available” means the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the City, available means expected to be received within thirty-one days of year-end.

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

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

UNEARNED/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, 2007, but were levied to finance 2008 operations, have been recorded as unearned/deferred revenue. Grants and entitlements received before the eligibility requirements are met have also been recorded as unearned/deferred revenue.

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

EXPENSES/EXPENDITURES

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

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

City of Westerville, Ohio

Notes to the Basic Financial Statements (Continued)

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

BUDGETS AND BUDGETARY ACCOUNTING

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

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

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

CASH AND CASH EQUIVALENTS

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

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

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

City of Westerville, Ohio

Notes to the Basic Financial Statements (Continued)

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

The City has invested funds in the State Treasury Asset Reserve of Ohio (STAROhio) during 2007. 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, 2007.

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 2007, the Electric Enterprise Fund also earned interest. All remaining interest is credited to the General Fund. Interest revenue credited to the General Fund during 2007 amounted to \$3,433,224, which includes \$2,694,318 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, 2007, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

INTANGIBLE ASSET - WATER RIGHTS

In 1974, the City entered into a sixty year agreement with the State of Ohio, Department of Natural Resources (ODNR), whereby the City acquired the right to seven and one-half percent of the storage capacity of the Alum Creek Reservoir. The cost of these rights is amortized, on a straight line basis, over the term of the agreement, starting in the tenth year, for the remaining fifty years of the agreement.

City of Westerville, Ohio

Notes to the Basic Financial Statements (Continued)

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

CAPITAL ASSETS

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

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

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

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

The City's infrastructure consists of roads, bridges, curbs and gutters, streets, sidewalks, drainage systems, lighting systems, water distribution systems, dams, sewer lines, storm sewers, electric distribution systems and similar items. Infrastructure assets under *GASB Statement No. 34* do not need to be depreciated. The City has chosen to apply the modified approach for reporting roads and bridges. Under the modified approach, the City:

1. Uses an asset management system that maintains an inventory of road and bridge infrastructure;
2. Performs a conditional assessment of those eligible infrastructure assets, using a rating methodology generally accepted in the industry, that considers all relevant factors affecting overall condition, and results in an overall single rating for each element (road segment or bridge) being considered; and

City of Westerville, Ohio

Notes to the Basic Financial Statements (Continued)

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

3. Estimates each year the annual budget requirements to maintain and preserve the road and bridge infrastructure at a minimum condition level.

The City documents that the eligible road and bridge infrastructure assets are being maintained at approximately the condition level established by the City. Condition appraisals are performed at least every three years, or more frequently if required by federal or State regulations, in accordance with the City's capital assets policy.

Costs for maintenance and preservation of these assets should be expensed in the period incurred. Additions and improvements should be capitalized.

COMPENSATED ABSENCES

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

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, receivables and payables arising between funds for goods provided or services rendered are classified as "Due from Other Funds" and "Due to Other Funds". Long-term 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."

City of Westerville, Ohio

Notes to the Basic Financial Statements (Continued)

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

ACCRUED LIABILITIES AND LONG-TERM OBLIGATIONS

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

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

BOND DISCOUNTS, PREMIUMS/ISSUANCE COSTS

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

CONTRIBUTIONS OF CAPITAL

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

RESERVES OF FUND BALANCE

Reserves of fund equity in governmental funds indicate that a portion of fund balance is not available for expenditure or is legally segregated for a specific future use. Land held for resale is equally offset by a fund balance reserve in the governmental funds which indicates that it does not constitute available expendable resources even though it is a component of net current assets. Fund balances are reserved for encumbrances, land held for resale, unclaimed monies and interfund loans between funds to the extent they will not be repaid in 2008.

City of Westerville, Ohio

Notes to the Basic Financial Statements (Continued)

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

INTERNAL ACTIVITY

Transfers within governmental activities are eliminated on the government-wide financial statements.

Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the Statement of Activities. Payments for interfund services provided and used are not eliminated.

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 non-operating 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.

The government-wide Statement of Net Assets reports \$23,179,222 of restricted net assets, of which \$7,384,079 are restricted by enabling legislation.

OPERATING REVENUES AND EXPENSES

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

City of Westerville, Ohio

Notes to the Basic Financial Statements (Continued)

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

ESTIMATES

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

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

CHANGES IN ACCOUNTING PRINCIPLES

For 2007, the City has implemented *GASB Statement No. 45, “Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions”*, *GASB Statement No. 48, “Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues”*, and *GASB Statement No. 50, “Pension Disclosures”*.

GASB Statement No. 45 improves the relevance and usefulness of financial reporting by requiring systematic, accrual-basis measurement and recognition of OPEB costs over a period that approximates employees’ years of service and providing information about actuarial accrued liabilities associated with OPEB and whether and to what extent progress is being made in funding the plan. An OPEB liability at transition was determined in accordance with this Statement for both the OPERS and the OP&F post-employment healthcare plans in the amount of \$211,948 and \$423,587, respectively, which are the same as the previously reported liabilities.

GASB Statement No. 48 addresses how to account for the exchange of an interest in expected cash flows from collecting specific receivables or specific future revenues for immediate cash payments. The statement established criteria used to determine whether the transaction should be recorded as revenue or as a liability (a sale or a collateralized borrowing). The implementation of this statement did not result in any change to the financial statements.

GASB Statement No. 50 requires employers contributing to defined benefit pension plans to include the legal or contractual maximum contribution rates in the notes to the financial statements. The implementation of this statement did not result in any change to the financial statements.

RESTATEMENT OF FUND BALANCE/NET ASSETS

The City restated December 31, 2006 fund balance/net assets due to an overstatement of accounts and interest receivables, and for adding infrastructure assets previously unreported from 1980 through 2003. This restatement resulted in the following change to fund balance/net assets at December 31, 2006:

City of Westerville, Ohio

Notes to the Basic Financial Statements
(Continued)

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

	<i>Governmental Activities</i>	<i>Business-Type Activities</i>
Net Assets, December 31, 2006	\$109,842,306	\$100,364,533
Accrued Interest Receivable	(1,453)	0
Accounts Receivable	(219)	0
Capital Assets, Net	108,199,949	(1,052)
Adjusted Net Assets, December 31, 2006	\$218,040,583	\$100,363,481

	<i>Nonmajor Governmental Funds</i>	<i>Water Fund</i>	<i>Electric Fund</i>
Fund Balance/Net Assets, December 31, 2006	\$4,355,350	\$30,560,061	\$50,301,423
Accrued Interest Receivable	(1,453)	0	0
Capital Assets, Net	0	62,774	(63,826)
Adjusted Fund Balance/Net Assets, December 31, 2006	\$4,353,897	\$30,622,835	\$50,237,597

NOTE 4 – ACCOUNTABILITY

At December 31, 2007, the Hotel Tax Special Revenue Fund, and the Recreation Improvement, Africa Road Improvement, Spring Road Improvement, Maxtown Road Improvement, Cleveland Avenue Extension Improvement, Northridge Crossing TIF, and Altair TIF Incentive Capital Projects Funds had deficit balances of \$9,779, \$28,641, \$134,952, \$1,543,978, \$2,314,058, \$994,639, \$1,253,719 and \$596,253, respectively. These deficits were the result of advances from other funds being classified as a liability on the balance sheet as opposed to being classified as an other financing source. As the advances are repaid, the deficits will be eliminated.

NOTE 5 – BUDGETARY BASIS OF ACCOUNTING

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

City of Westerville, Ohio

Notes to the Basic Financial Statements
(Continued)

NOTE 5 – BUDGETARY BASIS OF ACCOUNTING (continued)

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

- (a) Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
- (b) Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
- (c) Outstanding year-end encumbrances are treated as expenditures (budget basis) rather than as a reservation of fund balance (GAAP basis).
- (d) Unrecorded cash represents amounts received but not included as revenue on the budget basis operating statements. These amounts are included as revenue on the GAAP basis operating statements.
- (e) Investments are reported at fair value (GAAP basis) rather than at cost (budget basis).
- (f) Advances – In and Advances – Out are operating transactions (budget basis) as opposed to balances sheet transactions (GAAP basis).

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

	<i>Net Change In Fund Balance</i>		
	<i>General</i>	<i>Fire Operating</i>	<i>Parks and Recreation Operating</i>
	<u>General</u>	<u>Operating</u>	<u>Operating</u>
GAAP Basis	\$2,596,383	\$249,564	\$78,042
<u>Increases (decreases) Due To:</u>			
Revenue Accruals	(421,920)	(35,175)	(10,236)
Expenditure Accruals	142,479	12,467	115,674
Encumbrances Outstanding			
At Year-end (Budget Basis)	(439,442)	(119,689)	(478,994)
Unrecorded Cash	(31,761)	0	0
Change in Fair Value of Investments - 2006	157,446	19,676	0
Change in Fair Value of Investments - 2007	(648,004)	(81,978)	0
Advances	108,800	0	81,904
Budget Basis	<u>\$1,463,981</u>	<u>\$44,865</u>	<u>(\$213,610)</u>

City of Westerville, Ohio

Notes to the Basic Financial Statements (Continued)

NOTE 6 – DEPOSITS AND INVESTMENTS

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

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

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

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

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAROhio); and

City of Westerville, Ohio

Notes to the Basic Financial Statements (Continued)

NOTE 6 – DEPOSITS AND INVESTMENTS *(continued)*

7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred eighty days in an amount not to exceed 25 percent of the interim monies available for investment at any one time.

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

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

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. Investments may only be made through specified dealers and institutions.

DEPOSITS

Custodial credit risk for deposits is the risk that in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year-end, \$616,499 of the City's bank balance of \$716,499 was exposed to custodial credit risk because it was uninsured and collateralized. Although the balance was collateralized by securities held by the financial institution's trust department in the City's name and all State statutory requirements for the deposit of money had been followed, non-compliance with federal requirements could potentially subject the City to a successful claim by the FDIC.

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

INVESTMENTS

As of December 31, 2007, the City had the following investments. All investments are in an internal investment pool.

City of Westerville, Ohio

Notes to the Basic Financial Statements
(Continued)

NOTE 6 – DEPOSITS AND INVESTMENTS (continued)

	<i>Fair Value</i>	<i>Investment Maturities (In Years)</i>		
		<i>Less Than 1</i>	<i>1 - 2</i>	<i>3 - 4</i>
STAROhio	\$22,655,573	\$22,655,573	\$0	\$0
Federal Home Loan				
Mortgage Corporation Notes	19,159,850	0	4,001,560	15,158,290
Federal Home Loan Bank Bonds	31,347,580	0	11,075,020	20,272,560
Federal National Mortgage				
Association Notes	3,021,570	0	3,021,570	0
Federal Farm Credit Bank Bonds	5,076,550	0	5,076,550	0
<i>Totals</i>	<u>\$81,261,123</u>	<u>\$22,655,573</u>	<u>\$23,174,700</u>	<u>\$35,430,850</u>

INTEREST RATE RISK

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

CREDIT RISK

The Federal Home Loan Mortgage Corporation Notes, Federal Home Loan Bank Bonds, Federal National Mortgage Association Notes and Federal Farm Credit Bank Bonds carry a rating of Aaa by Moody's and AAA by Standard and Poor's.

STAROhio carries a rating of AAAM by Standard and Poor's. Ohio law requires that STAROhio maintain the highest rating provided by at least one nationally recognized standard rating service. The City's investment policy limits investments to those authorized by State statute.

CONCENTRATION OF CREDIT RISK

The City places no limit on the amount it may invest in any one issuer. The City's investment in STAROhio, Federal Home Loan Mortgage Corporation Notes, Federal Home Loan Bank Bonds, Federal National Mortgage Association Notes and Federal Farm Credit Bank Bonds represents 27.88 percent, 23.58 percent, 38.57 percent, 3.72 percent and 6.25 percent of the City's total investments, respectively.

City of Westerville, Ohio

Notes to the Basic Financial Statements (Continued)

NOTE 7 – MUNICIPAL INCOME TAX

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

NOTE 8 – PROPERTY TAX

Property taxes include amounts levied against all real, public utility, and tangible personal property (used in business) located in the City. Property tax revenue received during 2007 for real and public utility property taxes represents collections of 2006 taxes. Property tax payments received during 2007 for tangible personal property (other than public utility property) are for 2007 taxes.

2007 real property taxes are levied after October 1, 2007 on the assessed value as of January 1, 2007, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2007 real property taxes are collected in and intended to finance 2008.

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. 2007 public utility property taxes became a lien December 31, 2006, are levied after October 1, 2007, and are collected in 2008 with real property taxes.

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

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

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

City of Westerville, Ohio

Notes to the Basic Financial Statements
(Continued)

NOTE 8 – PROPERTY TAX (continued)

The full tax rate for all City operations for the year ended December 31, 2007, was \$17.60 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2007 property tax receipts were based are as follows:

<u>Category</u>	<u>Franklin County</u>	<u>Delaware County</u>	<u>Total</u>
Real Property:			
Residential and Agricultural	\$613,898,990	\$225,739,350	\$839,638,340
Commercial and Industrial	162,126,690	60,898,250	223,024,940
Public Utility Personal	16,238,280	3,862,540	20,100,820
General Business Personal	<u>8,660,620</u>	<u>5,933,154</u>	<u>14,593,774</u>
<i>Totals</i>	<u>\$800,924,580</u>	<u>\$296,433,294</u>	<u>\$1,097,357,874</u>

The County Treasurers collect property taxes on behalf of all taxing districts in the county, including the City of Westerville. The County Auditors periodically remit to the City its portion of the taxes. Property taxes receivable represents real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2007, and for which there is an enforceable legal claim. Although total property tax collections for the next year are measurable, amounts to be received during the available period are not subject to reasonable estimation at December 31, nor are they intended to finance 2007 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 unearned.

NOTE 9 – RECEIVABLES

Receivables at December 31, 2007 consisted of taxes, payments in lieu of taxes, interest, interfund, accounts (billings for user charged services including unbilled utility services), and intergovernmental receivables arising from grants, entitlements and shared revenues. All receivables are considered fully collectible except accounts receivable related to business-type services. A summary of accounts receivable related to business-type services is as follows:

	<u>Water</u>	<u>Sewer</u>	<u>Electric</u>	<u>Refuse</u>	<u>Totals</u>
Accounts Receivable - Gross	\$409,508	\$1,084,310	\$5,666,216	\$312,685	\$7,472,719
Allowance for Uncollectibles	<u>(10,199)</u>	<u>(26,353)</u>	<u>(141,128)</u>	<u>(7,818)</u>	<u>(185,498)</u>
Net Accounts Receivable	<u>\$399,309</u>	<u>\$1,057,957</u>	<u>\$5,525,088</u>	<u>\$304,867</u>	<u>\$7,287,221</u>

City of Westerville, Ohio

Notes to the Basic Financial Statements
(Continued)

NOTE 9 – RECEIVABLES (continued)

A summary of the principal items of intergovernmental receivable follows:

	<u>Amounts</u>
<u>Governmental Activities:</u>	
Local Government - Franklin County	\$758,397
Local Government - Delaware County	133,273
Local Government - State	137,152
Liquor Permits	18,088
Estate Taxes	282,929
Vests Grant	1,355
Joint Terrorism Task Force Grant	2,642
Franklin County Drug Task Force Grant	7,124
DARE Grant	57,114
Otterbein Lake Grant	100,000
Westerville Bikeway Segment I Grant	215,472
Homestead and Rollbacks	613,079
Gasoline Tax - Cents Per Gallon	387,189
Gasoline Tax - Municipal Excise	206,308
Motor Vehicle License Tax	130,300
Permissive Motor Vehicle License Tax	19,029
<i>Total Governmental Activities</i>	<u>3,069,451</u>
<u>Business-Type Activities:</u>	
DEED Grant	58,780
<i>Total Intergovernmental Receivable</i>	<u><u>\$3,128,231</u></u>

City of Westerville, Ohio

Notes to the Basic Financial Statements
(Continued)

NOTE 10 – CAPITAL ASSETS

Capital assets activity of the governmental activities for the year ended December 31, 2007, was as follows:

	<i>Restated Balance At 12/31/2006</i>	<i>Additions</i>	<i>Deletions</i>	<i>Balance At 12/31/2007</i>
<u>Governmental Activities</u>				
<u>Capital Assets, Not Being Depreciated:</u>				
Land	\$13,720,263	\$455,414	\$0	\$14,175,677
Construction in Progress	1,506,751	5,491,512	(6,475,686)	522,577
Infrastructure	114,351,176	1,006,888	(363,674)	114,994,390
<i>Total Capital Assets, Not Being Depreciated</i>	129,578,190	6,953,814	(6,839,360)	129,692,644
<u>Depreciable Capital Assets:</u>				
Land Improvements	15,851,407	749,925	0	16,601,332
Buildings	34,158,193	838,727	0	34,996,920
Furniture and Equipment	12,120,449	1,608,390	(82,660)	13,646,179
Vehicles	5,097,234	457,359	(303,538)	5,251,055
Infrastructure	34,054,664	686,180 *	0	34,740,844
<i>Total Depreciable Capital Assets</i>	101,281,947	4,340,581	(386,198)	105,236,330
<u>Less Accumulated Depreciation:</u>				
Land Improvements	(5,289,143)	(1,069,193)	0	(6,358,336)
Buildings	(7,851,449)	(1,015,144)	0	(8,866,593)
Furniture and Equipment	(6,094,871)	(886,408)	78,556	(6,902,723)
Vehicles	(3,335,497)	(475,578)	300,891	(3,510,184)
Infrastructure	(7,467,087)	(701,892)	0	(8,168,979)
<i>Total Accumulated Depreciation</i>	(30,038,047)	(4,148,215)	379,447	(33,806,815)
<i>Depreciable Capital Assets, Net</i>	71,243,900	192,366	(6,751)	71,429,515
<i>Governmental Activities Capital Assets, Net</i>	\$200,822,090	\$7,146,180	(\$6,846,111)	\$201,122,159

* \$503,171 of the additions to infrastructure consisted of assets donated by developers.

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

<u>Governmental activities:</u>	
Security of Persons and Property	\$794,035
Public Health	3,004
Leisure Time Activities	1,648,107
Community Development	15,725
Basic Utility Services	667,578
Transportation	374,051
General Government	645,715
Total Depreciation Expense	\$4,148,215

City of Westerville, Ohio

Notes to the Basic Financial Statements
(Continued)

NOTE 10 – CAPITAL ASSETS (continued)

Capital assets activity of the business-type activities for the year ended December 31, 2007, was as follows:

	<i>Restated Balance At 12/31/2006</i>	<i>Additions</i>	<i>Deletions</i>	<i>Balance At 12/31/2007</i>
<u>Business-Type Activities</u>				
<u>Capital Assets, Not Being Depreciated:</u>				
Land	\$1,149,206	\$0	\$0	\$1,149,206
Construction in Progress	1,583,488	6,228,214	(1,562,700)	6,249,002
<i>Total Capital Assets, Not Being Depreciated</i>	2,732,694	6,228,214	(1,562,700)	7,398,208
<u>Depreciable Capital Assets:</u>				
Land Improvements	3,008,413	0	0	3,008,413
Buildings	6,664,200	293,747	0	6,957,947
Furniture and Equipment	8,944,713	228,785	(88,614)	9,084,884
Vehicles	1,999,577	238,979	(142,958)	2,095,598
Infrastructure				
Water Lines	35,171,189	1,497,697	0	36,668,886
Sewer Lines	24,470,421	180,275	0	24,650,696
Electric System	50,022,726	2,922,683	(530,968)	52,414,441
<i>Total Depreciable Capital Assets</i>	130,281,239	5,362,166	(762,540)	134,880,865
<u>Less Accumulated Depreciation:</u>				
Land Improvements	(1,347,543)	(218,386)	0	(1,565,929)
Buildings	(3,348,602)	(159,215)	0	(3,507,817)
Furniture and Equipment	(3,585,969)	(262,517)	73,209	(3,775,277)
Vehicles	(959,036)	(194,982)	134,752	(1,019,266)
Infrastructure				
Water Lines	(12,438,250)	(676,921)	0	(13,115,171)
Sewer Lines	(10,739,614)	(419,527)	0	(11,159,141)
Electric System	(17,933,082)	(1,408,725)	291,687	(19,050,120)
<i>Total Accumulated Depreciation</i>	(50,352,096)	(3,340,273)	499,648	(53,192,721)
<i>Depreciable Capital Assets, Net</i>	79,929,143	2,021,893	(262,892)	81,688,144
<i>Business-Type Activities Capital Assets, Net</i>	\$82,661,837	\$8,250,107	(\$1,825,592)	\$89,086,352

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

<u>Business-Type activities:</u>	
Water	\$827,756
Sewer	467,215
Electric	1,831,546
Refuse	162,243
Swimming Pool	51,513
Total Depreciation Expense	\$3,340,273

City of Westerville, Ohio

Notes to the Basic Financial Statements (Continued)

NOTE 11 – DEFINED BENEFIT PENSION PLANS

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM

Plan Description – 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. While members in the State and local divisions may participate in all three plans, law enforcement (generally sheriffs, deputy sheriffs and township police) and public safety divisions exist only within the traditional pension plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional and combined plans. Members of the member directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or 800-222-7377.

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions. For the year ended December 31, 2007, members in state and local classifications contributed 9.5 percent of covered payroll, public safety members contributed 9.75 percent, and law enforcement members contributed 10.1 percent.

The City's contribution rate for 2007 was 13.85 percent, except for those plan members in law enforcement or public safety, for whom the City's contribution was 17.17 percent of covered payroll. For the period January 1 through June 30, a portion of the City's contribution equal to 5 percent of covered payroll was allocated to fund the post-employment health care plan; for the period July 1 through December 31, 2007 this amount was increased to 6 percent. Employer contribution rates are actuarially determined. State statute sets a maximum contribution rate for the City of 14 percent, except for public safety and law enforcement, where the maximum employer contribution rate is 18.1 percent.

The City's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2007, 2006, and 2005 were \$1,176,487, \$1,323,525 and \$1,300,714 respectively; 97.31 percent has been contributed for 2007 and 100 percent for 2006 and 2005. Contributions to the member-directed plan for 2007 were \$27,103 made by the City and \$18,590 made by the plan members.

City of Westerville, Ohio

Notes to the Basic Financial Statements (Continued)

NOTE 11 – DEFINED BENEFIT PENSION PLANS (continued)

OHIO POLICE AND FIRE PENSION FUND

Plan Description – 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 pension 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.

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary to fund pension obligations. The City's contribution was 19.5 percent for police officers and 24 percent for firefighters. Contribution rates are established by State statute. For 2007, a portion of the City's contribution equal to 6.75 percent of covered payroll was allocated to fund the post-employment health care plan. The City's pension contributions to OP&F for police and firefighters were \$717,141 and \$1,028,260 for the year ended December 31, 2007, \$621,957 and \$915,971 for the year ended December 31, 2006, and \$604,088 and \$921,078 for the year ended December 31, 2005. The full amount has been contributed for 2006 and 2005. 94.63 percent has been contributed for police and 94.51 percent has been contributed for firefighters for 2007.

NOTE 12 – POSTEMPLOYMENT BENEFITS

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM

Plan Description – OPERS maintains a cost sharing multiple employer defined benefit post-employment health care plan for qualifying members of both the traditional and combined pension plans. Members of the member directed plan do not qualify for ancillary benefits, including post-employment health care. The plan includes a medical plan, a prescription drug program and Medicare Part B premium reimbursement.

To qualify for post-employment health care coverage, age and service retirees under the traditional and combined plans must have ten or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The Ohio Revised Code permits, but does not require, OPERS to provide health care benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report which may be obtained by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or 800-222-7377.

City of Westerville, Ohio

Notes to the Basic Financial Statements (Continued)

NOTE 12 – POSTEMPLOYMENT BENEFITS *(continued)*

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

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2007, local government employers contributed 13.85 percent of covered payroll (17.17 percent for public safety and law enforcement). Each year, the OPERS retirement board determines the portion of the employer contribution rate that will be set aside for funding post-employment health care benefits. The amount of the employer contributions which was allocated to fund post-employment health care was 5.00 percent of covered payroll from January 1 through June 30, 2007, and 6.00 percent from July 1 to December 31, 2007.

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

The City's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2007, 2006, and 2005 were \$899,226, \$647,376 and \$544,802 respectively; 76.43 percent has been contributed for 2007 and 100 percent for 2006 and 2005.

On September 9, 2004 the OPERS Retirement Board adopted a Health Care Preservation Plan which was effective January 1, 2007. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007, and January 1, 2008, which allowed additional funds to be allocated to the health care plan.

OHIO POLICE AND FIRE PENSION FUND

Plan Description – The City contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost-sharing multiple-employer defined postemployment healthcare plan administered by OP&F. OP&F provides healthcare benefits including coverage for medical, prescription drugs, dental, vision, Medicare Part B Premium reimbursement and long term care to retirees, qualifying benefit recipients and their eligible dependents.

OP&F provides access to post-retirement healthcare coverage for any person who receives or is eligible to receive a monthly service, disability, or survivor benefit or is a spouse or eligible dependent child of such person.

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

City of Westerville, Ohio

Notes to the Basic Financial Statements (Continued)

NOTE 12 – POSTEMPLOYMENT BENEFITS *(continued)*

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 OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding policy – OP&F’s post-employment healthcare plan was established and is administered as an Internal Revenue Code 401(h) account within the defined benefit pension plan, under the authority granted by the Ohio Revised code to the OP&F Board of Trustees. The Ohio Revised Code sets the contribution rates for participating employers and for plan members to the OP&F. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.50 percent and 24.00 percent of covered payroll for police and fire employers, respectively.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made to the pension plan to the 401(h) account as the employer contribution for retiree healthcare benefits. For the year ended December 31, 2007, the employer contribution allocated to the healthcare plan was 6.75 percent of covered payroll. The amount of employer contributions allocated to the healthcare plan each year is subject to the trustees’ primary responsibility to ensure that pension benefits are adequately funded and also is limited by the provisions of Section 401(h).

The OP&F Board of Trustees is also authorized to establish requirements for contributions to the healthcare plan by retirees and their eligible dependents, or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not make contributions to the OPEB Plan.

The City’s contributions to OP&F which were allocated to fund post-employment health care benefits for police and firefighters were \$379,663 and \$402,363 for the year ended December 31, 2007, \$410,227 and \$436,847 for the year ended December 31, 2006, and \$398,441 and \$439,283 for the year ended December 31, 2005. The full amount has been contributed for 2006 and 2005. 52.94 percent has been contributed for police and 39.13 percent has been contributed for firefighters for 2007.

NOTE 13 – EMPLOYEE BENEFITS

DEFERRED COMPENSATION

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

City of Westerville, Ohio

Notes to the Basic Financial Statements (Continued)

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 first anniversary date; thereafter, vacation leave accrues on a pro-rated basis each pay period. A maximum of two years' accrual may be carried into the next calendar year. City employees are paid for earned, unused vacation leave at the time of termination of employment and those employees with six years of service may request pay in lieu of vacation for up to two weeks accumulated balance. Pay in lieu of vacation is subject to the availability of funds, and the employee must have taken or scheduled ten days of vacation in a calendar year.

Sick leave is earned at the rate of ten hours a month for employees hired prior to January 1, 1997. All others earn eight hours per month. Each employee with ten or more years of service with the City is paid for fifty percent of their accumulated unused sick leave up to a maximum of 1120 hours upon retirement or termination from the City, or the full balance may be transferred to another governmental agency. The maximum payment for sick leave is \$20,500 for all employees.

HEALTH CARE/DENTAL/VISION/LIFE INSURANCE BENEFITS

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

NOTE 14 – SHORT-TERM DEBT

During 2005, the City received note proceeds of \$1,350,000 with a 4.0 percent interest rate for the purpose of making electric system improvements. The note matured on September 21, 2006 and was retired with a portion of note proceeds from the issuance, on the same date, of a \$7,925,000 note, with a 4.5 percent interest rate. The purpose of this note, aside from repaying the 2005 note, was for making electric system improvements. This note matured on September 20, 2007, and was retired with proceeds from the 2007 Various Purpose Bonds. Therefore, as of December 31, 2007, the City had no outstanding short-term debt.

City of Westerville, Ohio

Notes to the Basic Financial Statements (Continued)

NOTE 15 – BONDED DEBT AND OTHER LONG-TERM OBLIGATIONS

Bonded debt and other long-term obligations payable activity for the year ended December 31, 2006, were as follows:

<i>Types / Issues</i>	<i>Interest Rates</i>	<i>Balance 12/31/06</i>	<i>Issued</i>	<i>Retired</i>	<i>Balance 12/31/07</i>	<i>Due Within One Year</i>
<u>Business-Type Activities</u>						
<u>General Obligation Bonds</u>						
1998 Water Works Refunding and Improvement Bonds	3.10 - 5.25%	\$1,905,000	\$0	\$350,000	\$1,555,000	\$360,000
2007 Water System Improvement Bonds	4.13 - 5.00%	0	1,085,000	0	1,085,000	35,000
Premium on Debt Issue		0	32,057	401	31,656	0
1998 Transportation Improvement Bonds	3.10 - 5.25%	958,545	0	59,940	898,605	61,605
1999 Electric System Improvement Bonds	3.80 - 5.55%	1,650,000	0	95,000	1,555,000	95,000
2004 Electric Capital Facilities Bonds	2.25 - 5.25%	1,205,000	0	50,000	1,155,000	50,000
Premium on Debt Issue		32,227	0	1,799	30,428	0
2007 Electric System Improvement Bonds	4.13 - 5.00%	0	16,945,000	0	16,945,000	555,000
Premium on Debt Issue		0	500,595	6,266	494,329	0
<i>Total General Obligation Bonds</i>		<u>5,750,772</u>	<u>18,562,652</u>	<u>563,406</u>	<u>23,750,018</u>	<u>1,156,605</u>
<u>Other Long-Term Obligations</u>						
Compensated Absences		746,631	435,444	490,045	692,030	439,076
ODNR Debt		1,802,455	0	38,501	1,763,954	39,741
<i>Total Other Long-Term Obligations</i>		<u>2,549,086</u>	<u>435,444</u>	<u>528,546</u>	<u>2,455,984</u>	<u>478,817</u>
<i>Total Business-Type Activities</i>		<u>\$8,299,858</u>	<u>\$18,998,096</u>	<u>\$1,091,952</u>	<u>\$26,206,002</u>	<u>\$1,635,422</u>
<u>Governmental Activities</u>						
<u>General Obligation Bonds</u>						
1998 Transportation Improvement Bonds	3.10 - 5.25%	\$1,841,455	\$0	\$120,060	\$1,721,395	\$123,395
1998 Recreation Facilities Bonds	3.10 - 5.25%	19,070,000	0	1,215,000	17,855,000	1,265,000
2003 Fire/EMS Improvement Bonds-Voted	2.00 - 4.65%	2,285,000	0	100,000	2,185,000	105,000
Discount on Debt Issue		(13,606)	0	(820)	(12,786)	0
2003 Fire/EMS Improvement Bonds-Blendon	2.00 - 4.65%	377,400	0	16,800	360,600	16,800
Discount on Debt Issue		(2,116)	0	(128)	(1,988)	0
2003 Municipal Facilities Improvement Bonds	2.00 - 4.65%	3,107,600	0	138,200	2,969,400	138,200
Discount on Debt Issue		(17,428)	0	(1,051)	(16,377)	0
2007 Westar TIF Improvement Bonds	4.13 - 5.00%	0	380,000	0	380,000	10,000
Premium on Debt Issue		0	11,117	139	10,978	0
<i>Total Governmental General Obligation Bonds</i>		<u>26,648,305</u>	<u>391,117</u>	<u>1,588,200</u>	<u>25,451,222</u>	<u>1,658,395</u>
<u>Other Long-Term Obligations</u>						
Compensated Absences		3,762,441	2,956,703	2,588,809	4,130,335	1,936,368
Police Pension Liability		22,025	0	562	21,463	586
<i>Total Other Long-Term Obligations</i>		<u>3,784,466</u>	<u>2,956,703</u>	<u>2,589,371</u>	<u>4,151,798</u>	<u>1,936,954</u>
<i>Total Governmental Activities</i>		<u>\$30,432,771</u>	<u>\$3,347,820</u>	<u>\$4,177,571</u>	<u>\$29,603,020</u>	<u>\$3,595,349</u>

City of Westerville, Ohio

Notes to the Basic Financial Statements
(Continued)

NOTE 15 – BONDED DEBT AND OTHER LONG-TERM OBLIGATIONS (continued)

GENERAL OBLIGATION BONDS

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

General obligation bonds outstanding at December 31, 2007 consisted of the following:

<i>Bond Issues</i>	<i>Original Issue</i>	<i>Maturity Date</i>	<i>12/31/2007 Balance</i>
1998 Water Works Refunding and Improvement	\$3,325,000	December, 2011	\$1,555,000
2007 Water System Improvement	1,085,000	December, 2027	1,085,000
1998 Transportation Improvement	1,333,320	December, 2018	898,605
1999 Electric System Improvement	2,200,000	December, 2019	1,555,000
2004 Electric Capital Facilities	1,300,000	December, 2024	1,155,000
2007 Electric System Improvement	16,945,000	December, 2027	16,945,000
1998 Transportation Improvement	2,666,680	December, 2018	1,721,395
1998 Recreation Facilities	27,250,000	December, 2018	17,855,000
2003 Fire/EMS Improvement - Voted	2,575,000	December, 2023	2,185,000
2003 Fire/EMS Improvement - Blendon	425,000	December, 2023	360,600
2003 Municipal Facilities Improvement	3,500,000	December, 2023	2,969,400
2007 Westar TIF Improvement	380,000	December, 2027	380,000

At December 31, 2007, \$271,715 of the 2007 Water System Improvement Bond proceeds and \$10,044,208 of the 2007 Electric System Improvement Bond proceeds were unspent.

ODNR DEBT PAYABLE

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

City of Westerville, Ohio

Notes to the Basic Financial Statements
(Continued)

NOTE 15 – BONDED DEBT AND OTHER LONG-TERM OBLIGATIONS (continued)

POLICE PENSION LIABILITY

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

COMPENSATED ABSENCES

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

INDUSTRIAL DEVELOPMENT REVENUE BONDS

The City has outstanding issues of industrial development revenue bonds in the aggregate principal amount of \$855,000 at December 31, 2007 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 \$89,629,799, with an unvoted debt margin of \$34,761,905 at December 31, 2007.

FUTURE DEBT SERVICE REQUIREMENTS

The principal and interest requirements to retire the long-term debt obligations outstanding at December 31, 2007 are:

<i>Year</i>	<i>Governmental Activities</i>			
	<i>General</i>		<i>Police</i>	
	<i>Obligation</i>		<i>Pension</i>	
	<i>Bonds</i>		<i></i>	
	<i>Principal</i>	<i>Interest</i>	<i>Principal</i>	<i>Interest</i>
2008	\$1,658,395	\$1,179,033	\$586	\$906
2009	1,725,065	1,115,371	611	881
2010	1,811,735	1,030,673	637	855
2011	1,893,405	940,948	665	827
2012	1,985,075	846,333	693	799
2013-2017	11,472,100	2,708,336	3,940	3,520
2018-2022	4,330,620	543,816	4,862	2,598
2023-2027	595,000	41,474	6,000	1,460
2028-2030	0	0	3,469	223
<i>Totals</i>	\$25,471,395	\$8,405,984	\$21,463	\$12,069

City of Westerville, Ohio

Notes to the Basic Financial Statements
(Continued)

NOTE 15 – BONDED DEBT AND OTHER LONG-TERM OBLIGATIONS (continued)

Year	<i>Business-Type Activities</i>					
	<i>Water Refunding and Improvement Bonds</i>		<i>Electric System, Electric Facilities and Transportation Improvement Bonds</i>		<i>ODNR Debt</i>	
	<i>Principal</i>	<i>Interest</i>	<i>Principal</i>	<i>Interest</i>	<i>Principal</i>	<i>Interest</i>
2008	\$395,000	\$122,073	\$761,605	\$872,594	\$39,741	\$56,835
2009	410,000	106,051	784,935	841,106	41,022	55,554
2010	440,000	84,919	823,265	807,685	42,344	54,232
2011	460,000	62,269	856,595	772,467	43,708	52,868
2012	40,000	38,569	894,925	735,680	45,116	51,460
2013-2017	235,000	165,826	5,082,900	3,064,127	248,346	234,535
2018-2022	290,000	137,750	5,389,380	2,277,466	291,018	191,863
2023-2027	370,000	57,100	5,960,000	901,050	341,022	141,859
2028-2032	0	0	0	0	399,616	83,265
2033-2035	0	0	0	0	272,021	17,714
<i>Totals</i>	<u>\$2,640,000</u>	<u>\$774,557</u>	<u>\$20,553,605</u>	<u>\$10,272,175</u>	<u>\$1,763,954</u>	<u>\$940,185</u>

NOTE 16 – CONSTRUCTION COMMITMENTS

The City has entered into various contracts for the construction and acquisition of capital assets. At December 31, 2007, the significant outstanding construction commitments are:

<i>Projects</i>	<i>Contract Amount</i>	<i>Amount Expended</i>	<i>Balance At 12/31/07</i>
2007 Sidewalk Replacement	\$293,829	\$292,901	\$928
2007 Street Rehabilitation	1,266,540	1,254,460	12,080
2007 Lime Sludge Removal	187,900	116,781	71,119
Central College Sewer Extension	75,000	12,838	62,162
Annehurst Village Circuit 13 Overhead Pole Replacement	433,061	173,224	259,837
Substation #3 New Construction	7,710,408	2,963,177	4,747,231
Substation #3 Cleveland Ave. Conduit & Manhole System	115,743	0	115,743
<i>Totals</i>	<u>\$10,082,481</u>	<u>\$4,813,381</u>	<u>\$5,269,100</u>

City of Westerville, Ohio

Notes to the Basic Financial Statements (Continued)

NOTE 17 – RISK MANAGEMENT

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

Membership in CORMA enables the City to take advantage of any economies to be realized from an insurance pool with other cities and also provides the City with more control over claims than what is normally available with traditional insurance coverage. A third-party claims administrator investigates, processes and advises the CORMA Treasurer/Board regarding payment of claims.

As part of participating in CORMA, coverage is provided for up to \$20,000,000 annual umbrella/excess liability for liability claims and \$200,000,000 limit for property claims for the pool. Coverage is provided on an annual aggregate basis for crime (\$975,000 blanket public employee dishonesty, \$475,000 forgery/computer fraud, and \$75,000 money and securities). Coverage is provided 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 \$550,000 aggregate for liability, with a \$100,000 per loss self-insurance retention. A third-party broker, with expertise in public entity pools, markets the program, identifies coverage lines and limits, and recommends the best insurer and insurance for procurement.

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

The changes in claims payable during the years December 31, 2006 and 2007 are:

	<i>Beginning of Year Liability</i>	<i>Current Year Claims and Changes in Estimates</i>	<i>Claims Payments</i>	<i>End of Year Liability</i>
2006	\$7,091	\$87,489	\$94,580	\$0
2007	0	31,696	26,384	5,312

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.

City of Westerville, Ohio

Notes to the Basic Financial Statements
(Continued)

NOTE 17 – RISK MANAGEMENT (continued)

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

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

NOTE 18 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund balances at December 31, 2007, consist of the following individual fund receivables and payables:

	<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>		
	<i>Funds</i>	<i>Funds</i>	<i>Funds</i>	<i>Totals</i>	
<i>Receivable</i>	General	\$237,507	\$8,910,893	\$465,000	\$9,613,400
	Parks and Recreation Operating	0	100,000	0	100,000
	Nonmajor Governmental Funds	0	12,937	0	12,937
	Water	0	57,000	0	57,000
	Sewer	0	280,330	0	280,330
	Electric	0	320,000	0	320,000
	<i>Totals</i>	<u>\$237,507</u>	<u>\$9,681,160</u>	<u>\$465,000</u>	<u>\$10,383,667</u>

The amount due to the General Fund from the Nonmajor Business-Type Fund results from a long-term loan to the Refuse Enterprise Fund to help fund operations. The amount payable from the Fire Operating Special Revenue Fund was originally advanced to the Safety Building Capital Projects Fund, but according to a stipulation addressed in ordinance 03-65, the original advance of \$333,000 is to be paid from revenues of the Fire Operating Special Revenue Fund. This amount has been reduced by \$95,493, the unexpended, unencumbered balance of the Safety Building Capital Projects Fund, thus leaving a remaining obligation of the Fire Operating Special Revenue Fund of \$237,507. The balance of the amounts due to the General Fund results from loans to various capital projects funds for the purpose of funding construction projects. The General Fund will be reimbursed when funds become available in the Nonmajor Governmental Funds. Of the total amount due to the General Fund at year-end, \$9,288,068 is not expected to be repaid in 2008.

The amount due to the Parks and Recreation Operating Special Revenue Fund was advanced to the Recreation Capital Improvement Capital Projects Fund, a Nonmajor Governmental Fund, to enable improvement to Towers Park. \$30,000 of this advance is expected to be repaid in 2008.

City of Westerville, Ohio

Notes to the Basic Financial Statements
(Continued)

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

The amount due to the Nonmajor Governmental Funds from the Nonmajor Governmental Funds resulted from a loan from the Cable Franchise Fee Special Revenue Fund to the Hotel Tax Special Revenue Fund. This loan is not expected to be repaid in 2008.

The amounts payable to the Water, Sewer and Electric Enterprise Funds were advanced to the Northridge Crossing TIF Fund, a Nonmajor Governmental Fund, to provide funding for infrastructure improvements to property along Africa Road between Polaris Parkway and the City’s north corporation line. These loans are not expected to be repaid in 2008.

Transfers made during the year ended December 31, 2007 were as follows:

Transfers From	Transfers To			Totals
	Fire Operating Fund	Parks and Recreation Operating Fund	Nonmajor Governmental Funds	
	General Fund	\$0	\$2,848,924	
Nonmajor Governmental Funds	109,522	1,196,590	2,266,133	3,572,245
Totals	\$109,522	\$4,045,514	\$6,173,102	\$10,328,138

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

Due From Other Funds and Due To Other Funds consist of electric service provided by the Electric Enterprise Fund to various other funds of the City. Due to/from amounts at December 31, 2007 were as follows:

Due From	Due to
	Electric Fund
General Fund	\$7,858
Fire Operating Fund	2,835
Parks and Recreation Operating Fund	24,249
Water Fund	12,305
Sewer Fund	67
Nonmajor Enterprise Funds	656
Internal Service Fund	1,107
Total	\$49,077

City of Westerville, Ohio

Notes to the Basic Financial Statements (Continued)

NOTE 19 – JOINTLY GOVERNED ORGANIZATION

The Westerville, Minerva Park, and Blendon Township Joint Hospital District is a jointly governed organization managed by a nine member board consisting of three elected officials from each of the governmental entities comprising the Joint Hospital District. The Joint Hospital District possesses its own budgeting and taxing authority and does not receive contributions or payments from its members. The participating members do not retain an ongoing financial interest or an ongoing financial responsibility for the Joint Hospital District. Nothing was paid to the organization by the City in 2007.

NOTE 20 – RELATED ORGANIZATION

The Westerville Industry and Commerce Corporation (WICC) is a not-for-profit corporation formed to promote industrial, economic, commercial and civic development in and around the City. WICC is governed by a seven member self-perpetuating board of trustees of which four trustees are elected and/or appointed officials from the City. The board of trustees possesses its own contracting and budgeting authority, hires and fires personnel and does not depend on the City for operating subsidies. There were no financial transactions from the City to WICC during 2007.

NOTE 21 – RISK SHARING POOL

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

NOTE 22 – CONTINGENT LIABILITIES

LITIGATION

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

FEDERAL AND STATE GRANTS

For the period January 1, 2007, to December 31, 2007, 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.

City of Westerville, Ohio

Required Supplementary Information
 Condition Assessment of the City's Infrastructure
 Reported Using the Modified Approach as Outlined in GASB Statement No. 34
 For the Year Ended December 31, 2007

The City of Westerville reports its Road and Bridge infrastructure assets using the modified approach as outlined in *Governmental Accounting Standards Board (GASB) Statement No. 34*. The following disclosures pertain to the conditional assessment and budgeted versus actual expenditures for the preservation of these assets. Data for the conditional assessment is presented in each of the following two sections for 2007.

Roads

The condition of road pavement is evaluated and measured using a pavement condition index (pci) rating system. This approach assigns a numerical rating to each road, or section thereof, being evaluated for the presence of numerous distresses (39 in all) and the severity level of each (low, medium, high).

The physical condition rating is determined by the City's Planning and Development Department based on the criteria below:

Pavement Condition Index	Road Condition Rating	Description
90-100	Excellent	Pavement structure is stable with no cracking, no patching and no deformation evident. Roadways in this category are usually fairly new. Nothing is needed to improve the roadway.
70-89	Good	Pavement structure is stable, but may have surface erosion or minor cracking, which is generally hairline and hard to detect, minor patching and possibly some minor deformation. Riding qualities are very good. The pavement has a dry or light colored appearance. Some type of surface rejuvenation is all that is required to improve the roadway.
50-69	Fair	Pavement structure is generally stable with minor areas of structural weakness evident. Cracking is easier to detect. The pavement might be patched, but not excessively. Although riding qualities are good, deformation is more pronounced and easily noticed.
30-49	Poor	Roadway has areas of instability, marked evidence of structural deficiency, large crack patterns (alligatoring), heavy and numerous patches and very noticeable deformation. Riding qualities range from acceptable to poor. Spot repair of the pavement base may be required.
0-29	Failed	Cost of saving the pavement structural section would equal or exceed complete reconstruction of roadway.

It is the City's policy that at least 85 percent of the major arterial roadways will have a rating of "Good" or better. The remaining roads will be maintained so that at least 60 percent will have a rating of "Good" or better. Each roadway in the City will be assessed on a triennial basis, with higher emphasis on more heavily used pavements.

City of Westerville, Ohio

Required Supplementary Information Condition Assessment of the City's Infrastructure (Continued)

The following summarizes the physical condition assessment of City roads as of December 31, 2007:

Road Condition Rating	Major Arterials		All Other	
	Road Miles	% of Total	Road Miles	% of Total
Good or Better	12.3	83%	91.9	67%
Less than Good	2.5	17%	45.2	33%
Total	14.8	100%	137.1	100%

The following is a comparison of budgeted and actual cash expenditures, including encumbrances for preservation of the existing roadways:

Year	Budget	Actual	Difference
2007	\$3,452,797	\$3,166,904	\$285,893

Bridges

The condition of the City's bridges is determined using a general appraisal and operational status rating which is a conditional coding system developed by the Federal Highway Administration. This system is comprised of ratings for the individual elements of the structure. The primary elements of this appraisal system include the following:

- i) Bridge decks (riding surface, roadway approaches, end joints, curbing and sidewalks)
- ii) Superstructures (side rails, above-road piers and overhead truss)
- iii) Substructures (undercarriage, piers, footings, abutments and erosion protection)

The Federal Highway Administration has defined specific criteria for each element of the bridge, based on its construction. For each element, a 1-9 rating scale is used, where 4 or less is defined as "Poor" condition.

City of Westerville, Ohio

Required Supplementary Information Condition Assessment of the City's Infrastructure (Continued)

The ratings of all elements are combined to summarize the structural condition of a bridge as follows:

Bridge Rating	Condition Rating	Description
9	Excellent	Superior to present desirable criteria.
8	Very Good	No problems noted.
7	Good	Some minor problems.
6	Satisfactory	Structural elements show some minor deterioration.
5	Fair	All primary structural elements are sound but may have minor section loss, cracking, spalling or scour.
4	Poor	Advanced section loss, deterioration, spalling or scour.
3	Serious	Loss of section, deterioration, spalling or scour have seriously affected primary structural components. Local failures are possible. Fatigue cracks in steel or shear cracks in concrete may be present.
2	Critical	Advanced deterioration of primary structural elements. Fatigue cracks in steel or shear cracks in concrete may be present or scour may have removed substructure support. Unless closely monitored it may be necessary to close the bridge until corrective action is taken.
1	Imminent Failure	Major deterioration or section loss present in critical structural components, or obvious vertical or horizontal movement affecting structure stability. Bridge is closed to traffic but corrective action may put the bridge back in light service.
0	Failed	Out of service; beyond corrective action.

It is the City's policy to maintain the bridge system in the City where 80 percent of the structures have a general appraisal summary of 7 (Good) condition or better. Each bridge in the City will be assessed on a triennial basis. The following is a summary of the conditional assessment for bridges as of December 31, 2007:

Bridge Condition	Number of Bridges	% of Total
Good or Better	5	100%
Less than Good	0	0%
Total	5	100%

The following is a comparison of budgeted and actual cash expenditures for preservation of the existing bridges:

Year	Budget	Actual	Difference
2007	\$26,031	\$26,031	\$0

Combining Statements
And
Individual Fund Schedules

City of Westerville, Ohio

Nonmajor Governmental Fund Descriptions

SPECIAL REVENUE FUNDS

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

Nonmajor Special Revenue Funds

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

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

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

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

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

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

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

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

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

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

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

(continued)

City of Westerville, Ohio

Nonmajor Governmental Fund Descriptions
(continued)

Nonmajor Special Revenue Funds (continued)

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

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

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

DEBT SERVICE FUND

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

Nonmajor Debt Service Fund

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

CAPITAL PROJECTS FUNDS

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

Nonmajor Capital Projects Funds

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

Recreation Improvement Fund – To account for receipts restricted for recreation capital improvements.

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

(continued)

City of Westerville, Ohio

Nonmajor Governmental Fund Descriptions
(continued)

Nonmajor Capital Projects Funds (continued)

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

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

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

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

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

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

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

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

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

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

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

(continued)

City of Westerville, Ohio

Nonmajor Governmental Fund Descriptions
(continued)

Nonmajor Capital Projects Funds (continued)

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

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

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

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

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

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

City of Westerville, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2007

	<i>Nonmajor Special Revenue Funds</i>	<i>Nonmajor Debt Service Fund</i>	<i>Nonmajor Capital Projects Funds</i>	<i>Total Nonmajor Governmental Funds</i>
<i>Assets:</i>				
Equity in Pooled Cash and Cash Equivalents	\$4,484,960	\$121,383	\$9,360,397	\$13,966,740
Cash and Cash Equivalents with Fiscal Agents	105,705	3,067	0	108,772
Receivables:				
Property Taxes	0	145,787	0	145,787
Municipal Income Taxes	622,638	0	0	622,638
Other Local Taxes	103,210	0	0	103,210
Accounts	1,898	0	175	2,073
Payments in Lieu of Taxes	4,527	0	282,602	287,129
Accrued Interest	3,648	0	0	3,648
Intergovernmental Receivable	742,826	8,304	107,768	858,898
Interfund Receivable	12,937	0	0	12,937
<i>Total Assets</i>	<u>\$6,082,349</u>	<u>\$278,541</u>	<u>\$9,750,942</u>	<u>\$16,111,832</u>
<i>Liabilities and Fund Balances</i>				
<i>Liabilities:</i>				
Accounts Payable	\$139,996	\$0	\$30,553	\$170,549
Contracts Payable	10,117	0	235,012	245,129
Retainage Payable	0	0	98,455	98,455
Accrued Wages Payable	30,671	0	0	30,671
Intergovernmental Payable	21,198	0	0	21,198
Matured Interest Payable	0	3,067	0	3,067
Deferred Revenue	1,025,773	154,091	390,545	1,570,409
Matured Compensated Absences Payable	6,992	0	0	6,992
Interfund Payable	12,937	0	9,668,223	9,681,160
<i>Total Liabilities</i>	<u>1,247,684</u>	<u>157,158</u>	<u>10,422,788</u>	<u>11,827,630</u>
<i>Fund Balances:</i>				
Reserved for Encumbrances	124,626	0	843,157	967,783
Reserved for Interfund Receivable	12,937	0	0	12,937
Unreserved:				
Undesignated (Deficit), Reported in:				
Special Revenue Funds	4,697,102	0	0	4,697,102
Debt Service Fund	0	121,383	0	121,383
Capital Projects Funds	0	0	(1,515,003)	(1,515,003)
<i>Total Fund Balances (Deficit)</i>	<u>4,834,665</u>	<u>121,383</u>	<u>(671,846)</u>	<u>4,284,202</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$6,082,349</u>	<u>\$278,541</u>	<u>\$9,750,942</u>	<u>\$16,111,832</u>

City of Westerville, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2007

	<u>Street Maintenance</u>	<u>State Highway</u>	<u>DARE</u>
<u>Assets:</u>			
Equity in Pooled Cash and Cash Equivalents	\$707,155	\$284,009	\$18,192
Cash and Cash Equivalents with Fiscal Agents	0	0	0
Receivables:			
Municipal Income Taxes	0	0	0
Other Local Taxes	0	0	0
Accounts	1,898	0	0
Payments in Lieu of Taxes	0	0	0
Accrued Interest	0	0	133
Intergovernmental Receivable	669,513	54,284	0
Interfund Receivable	0	0	0
<i>Total Assets</i>	<u>\$1,378,566</u>	<u>\$338,293</u>	<u>\$18,325</u>
<u>Liabilities and Fund Balances</u>			
<u>Liabilities:</u>			
Accounts Payable	\$29,202	\$0	\$0
Contracts Payable	0	0	0
Accrued Wages Payable	30,671	0	0
Intergovernmental Payable	20,755	0	0
Deferred Revenue	558,538	45,279	0
Matured Compensated Absences Payable	6,992	0	0
Interfund Payable	0	0	0
<i>Total Liabilities</i>	<u>646,158</u>	<u>45,279</u>	<u>0</u>
<u>Fund Balances:</u>			
Reserved for Encumbrances	18,586	0	3,160
Reserved for Interfund Receivable	0	0	0
Unreserved:			
Undesignated (Deficit), Reported in:			
Special Revenue Funds	713,822	293,014	15,165
<i>Total Fund Balances (Deficit)</i>	<u>732,408</u>	<u>293,014</u>	<u>18,325</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$1,378,566</u>	<u>\$338,293</u>	<u>\$18,325</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>
\$15,414	\$1,213	\$0	\$21,574	\$81,368	\$43,717
105,705	0	0	0	0	0
0	0	0	0	0	0
0	0	3,158	0	0	0
0	0	0	0	0	0
0	0	0	0	4,527	0
0	0	0	0	0	0
19,029	0	0	0	0	0
0	0	0	0	0	0
<u>\$140,148</u>	<u>\$1,213</u>	<u>\$3,158</u>	<u>\$21,574</u>	<u>\$85,895</u>	<u>\$43,717</u>
\$0	\$1,213	\$0	\$11,330	\$0	\$120
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	2,132	0
0	0	0	0	0	0
0	0	12,937	0	0	0
<u>0</u>	<u>1,213</u>	<u>12,937</u>	<u>11,330</u>	<u>2,132</u>	<u>120</u>
0	0	0	1,227	19,890	0
0	0	0	0	0	0
<u>140,148</u>	<u>0</u>	<u>(9,779)</u>	<u>9,017</u>	<u>63,873</u>	<u>43,597</u>
<u>140,148</u>	<u>0</u>	<u>(9,779)</u>	<u>10,244</u>	<u>83,763</u>	<u>43,597</u>
<u>\$140,148</u>	<u>\$1,213</u>	<u>\$3,158</u>	<u>\$21,574</u>	<u>\$85,895</u>	<u>\$43,717</u>

(continued)

City of Westerville, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2007
(Continued)

	<u><i>Cable TV Franchise Fee</i></u>	<u><i>Parks and Recreation Income Tax Allocation</i></u>	<u><i>Drug Enforcement</i></u>
<u>Assets:</u>			
Equity in Pooled Cash and Cash Equivalents	\$615,179	\$2,255,039	\$41,475
Cash and Cash Equivalents with Fiscal Agents	0	0	0
Receivables:			
Municipal Income Taxes	0	622,638	0
Other Local Taxes	100,052	0	0
Accounts	0	0	0
Payments in Lieu of Taxes	0	0	0
Accrued Interest	0	0	332
Intergovernmental Receivable	0	0	0
Interfund Receivable	12,937	0	0
<i>Total Assets</i>	<u>\$728,168</u>	<u>\$2,877,677</u>	<u>\$41,807</u>
<u>Liabilities and Fund Balances</u>			
<u>Liabilities:</u>			
Accounts Payable	\$6,250	\$0	\$15,450
Contracts Payable	10,117	0	0
Accrued Wages Payable	0	0	0
Intergovernmental Payable	0	0	0
Deferred Revenue	100,052	319,772	0
Matured Compensated Absences	0	0	0
Interfund Payable	0	0	0
<i>Total Liabilities</i>	<u>116,419</u>	<u>319,772</u>	<u>15,450</u>
<u>Fund Balances:</u>			
Reserved for Encumbrances	57,270	0	1,673
Reserved for Interfund Receivable	12,937	0	0
Unreserved:			
Undesignated (Deficit), Reported in:			
Special Revenue Funds	541,542	2,557,905	24,684
<i>Total Fund Balances (Deficit)</i>	<u>611,749</u>	<u>2,557,905</u>	<u>26,357</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$728,168</u>	<u>\$2,877,677</u>	<u>\$41,807</u>

<i>Criminal Activity Forfeiture</i>	<i>McVay Endowment</i>	<i>Total Nonmajor Special Revenue Funds</i>
\$341,345	\$59,280	\$4,484,960
0	0	105,705
0	0	622,638
0	0	103,210
0	0	1,898
0	0	4,527
3,183	0	3,648
0	0	742,826
0	0	12,937
<u>\$344,528</u>	<u>\$59,280</u>	<u>\$6,082,349</u>

\$76,431	\$0	\$139,996
0	0	10,117
0	0	30,671
443	0	21,198
0	0	1,025,773
0	0	6,992
0	0	12,937
<u>76,874</u>	<u>0</u>	<u>1,247,684</u>

22,820	0	124,626
0	0	12,937
<u>244,834</u>	<u>59,280</u>	<u>4,697,102</u>
<u>267,654</u>	<u>59,280</u>	<u>4,834,665</u>
<u>\$344,528</u>	<u>\$59,280</u>	<u>\$6,082,349</u>

City of Westerville, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2007

	<i>General Capital Improvement</i>	<i>Recreation Improvement</i>	<i>Africa Road Improvement</i>
<u>Assets:</u>			
Equity in Pooled Cash and Cash Equivalents	\$1,748,184	\$77,277	\$48
Receivables:			
Accounts	0	175	0
Payments in Lieu of Taxes	0	0	0
Intergovernmental Receivable	0	100,000	0
<i>Total Assets</i>	<u>\$1,748,184</u>	<u>\$177,452</u>	<u>\$48</u>
<u>Liabilities and Fund Balances</u>			
<u>Liabilities:</u>			
Accounts Payable	\$30,303	\$0	\$0
Contracts Payable	234,244	0	0
Retainage Payable	78,391	5,918	0
Deferred Revenue	0	100,175	0
Interfund Payable	0	100,000	135,000
<i>Total Liabilities</i>	<u>342,938</u>	<u>206,093</u>	<u>135,000</u>
<u>Fund Balances:</u>			
Reserved for Encumbrances	414,913	10,569	0
Unreserved:			
Undesignated (Deficit), Reported in:			
Capital Projects Funds	990,333	(39,210)	(134,952)
<i>Total Fund Balances (Deficit)</i>	<u>1,405,246</u>	<u>(28,641)</u>	<u>(134,952)</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$1,748,184</u>	<u>\$177,452</u>	<u>\$48</u>

<i>Spring Road Improvement</i>	<i>Maxtown Road Improvement</i>	<i>Parks and Recreation Capital Improvement</i>	<i>North State Street Improvement</i>	<i>Cleveland Avenue Extension Improvement</i>	<i>Parks and Recreation Replacement and Reserve</i>	<i>Street Replacement and Reserve</i>
\$178,022	\$191,942	\$1,905,421	\$1,501,064	\$24,561	\$696,054	\$1,615,680
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>\$178,022</u>	<u>\$191,942</u>	<u>\$1,905,421</u>	<u>\$1,501,064</u>	<u>\$24,561</u>	<u>\$696,054</u>	<u>\$1,615,680</u>
\$0	\$0	\$250	\$0	\$0	\$0	\$0
0	0	0	0	0	768	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
1,722,000	2,506,000	0	1,261,000	1,019,200	0	0
<u>1,722,000</u>	<u>2,506,000</u>	<u>250</u>	<u>1,261,000</u>	<u>1,019,200</u>	<u>768</u>	<u>0</u>
0	187,397	17,039	0	0	10,609	0
(1,543,978)	(2,501,455)	1,888,132	240,064	(994,639)	684,677	1,615,680
<u>(1,543,978)</u>	<u>(2,314,058)</u>	<u>1,905,171</u>	<u>240,064</u>	<u>(994,639)</u>	<u>695,286</u>	<u>1,615,680</u>
<u>\$178,022</u>	<u>\$191,942</u>	<u>\$1,905,421</u>	<u>\$1,501,064</u>	<u>\$24,561</u>	<u>\$696,054</u>	<u>\$1,615,680</u>

(continued)

City of Westerville, Ohio
 Combining Balance Sheet
 Nonmajor Capital Projects Funds
 December 31, 2007
 (Continued)

	<i>Tree Replacement</i>	<i>City Buildings Improvement</i>	<i>Safety Building Capital Improvement</i>	<i>Westar/ Olentangy TIF</i>
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$61,288	\$4,704	\$101,578	\$134,774
Receivables:				
Accounts	0	0	0	0
Payments in Lieu of Taxes	0	0	0	22,186
Intergovernmental Receivable	0	0	0	0
Total Assets	<u>\$61,288</u>	<u>\$4,704</u>	<u>\$101,578</u>	<u>\$156,960</u>
<u>Liabilities and Fund Balances</u>				
<u>Liabilities:</u>				
Accounts Payable	\$0	\$0	\$0	\$0
Contracts Payable	0	0	0	0
Retainage Payable	0	0	0	0
Deferred Revenue	0	0	0	22,186
Interfund Payable	0	0	95,493	0
Total Liabilities	<u>0</u>	<u>0</u>	<u>95,493</u>	<u>22,186</u>
<u>Fund Balances:</u>				
Reserved for Encumbrances	0	0	0	0
Unreserved:				
Undesignated (Deficit), Reported in:				
Capital Projects Funds	61,288	4,704	6,085	134,774
Total Fund Balances (Deficit)	<u>61,288</u>	<u>4,704</u>	<u>6,085</u>	<u>134,774</u>
Total Liabilities and Fund Balances	<u>\$61,288</u>	<u>\$4,704</u>	<u>\$101,578</u>	<u>\$156,960</u>

<i>Northridge Crossing TIF</i>	<i>Northstar/ Worthington Road TIF</i>	<i>Altair TIF Incentive</i>	<i>Perimeter Road Improvement</i>	<i>Recreation Capital Improvement</i>	<i>Total Nonmajor Capital Projects Funds</i>
\$792,757	\$302,827	\$947	\$21,830	\$1,439	\$9,360,397
0	0	0	0	0	175
199,274	53,258	7,884	0	0	282,602
0	7,768	0	0	0	107,768
<u>\$992,031</u>	<u>\$363,853</u>	<u>\$8,831</u>	<u>\$21,830</u>	<u>\$1,439</u>	<u>\$9,750,942</u>
\$0	\$0	\$0	\$0	\$0	\$30,553
0	0	0	0	0	235,012
14,146	0	0	0	0	98,455
199,274	61,026	7,884	0	0	390,545
2,032,330	200,000	597,200	0	0	9,668,223
<u>2,245,750</u>	<u>261,026</u>	<u>605,084</u>	<u>0</u>	<u>0</u>	<u>10,422,788</u>
155,557	47,073	0	0	0	843,157
(1,409,276)	55,754	(596,253)	21,830	1,439	(1,515,003)
<u>(1,253,719)</u>	<u>102,827</u>	<u>(596,253)</u>	<u>21,830</u>	<u>1,439</u>	<u>(671,846)</u>
<u>\$992,031</u>	<u>\$363,853</u>	<u>\$8,831</u>	<u>\$21,830</u>	<u>\$1,439</u>	<u>\$9,750,942</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, 2007

	<i>Nonmajor Special Revenue Funds</i>	<i>Nonmajor Debt Service Fund</i>	<i>Nonmajor Capital Projects Funds</i>	<i>Total Nonmajor Governmental Funds</i>
<u>Revenues:</u>				
Property Taxes	\$0	\$95,361	\$0	\$95,361
Municipal Income Taxes	4,184,137	0	0	4,184,137
Other Local Taxes	444,698	0	0	444,698
Payments in Lieu of Taxes	996,024	0	645,573	1,641,597
Intergovernmental	1,888,496	43,535	237,143	2,169,174
Fees, Licenses and Permits	0	0	54,300	54,300
Fines and Forfeitures	243,967	0	0	243,967
Interest	24,548	0	26,166	50,714
Increase in Fair Value of Cash Equivalents	5,212	0	72	5,284
Other	25,626	0	50,646	76,272
Total Revenues	7,812,708	138,896	1,013,900	8,965,504
<u>Expenditures:</u>				
Current:				
Security of Persons and Property	188,143	0	0	188,143
Leisure Time Activities	0	0	768	768
Transportation	2,319,041	0	0	2,319,041
General Government	1,832,519	0	0	1,832,519
Capital Outlay	0	0	4,867,509	4,867,509
Debt Service:				
Principal Retirement	0	1,590,060	0	1,590,060
Interest and Fiscal Charges	0	1,226,085	0	1,226,085
Issuance Costs	0	0	4,482	4,482
Total Expenditures	4,339,703	2,816,145	4,872,759	12,028,607
Excess of Revenues Over (Under) Expenditures	3,473,005	(2,677,249)	(3,858,859)	(3,063,103)
<u>Other Financing Sources (Uses):</u>				
General Obligation Bonds Issued	0	0	380,000	380,000
Premium on Debt Issued	0	11,117	0	11,117
Proceeds From Sale of Capital Assets	1,434	0	0	1,434
Transfers - In	549,100	2,588,002	3,036,000	6,173,102
Transfers - Out	(3,462,723)	0	(109,522)	(3,572,245)
Total Other Financing Sources (Uses)	(2,912,189)	2,599,119	3,306,478	2,993,408
Net Change in Fund Balances	560,816	(78,130)	(552,381)	(69,695)
Fund Balances (Deficit) at Beginning of Year	4,273,849	199,513	(119,465)	4,353,897
Fund Balances (Deficit) at End of Year	\$4,834,665	\$121,383	(\$671,846)	\$4,284,202

City of Westerville, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2007

	<i>Street Maintenance</i>	<i>State Highway</i>	<i>DARE</i>
<u>Revenues:</u>			
Municipal Income Taxes	\$0	\$0	\$0
Other Local Taxes	0	0	0
Payments in Lieu of Taxes	0	0	0
Intergovernmental	1,372,998	111,281	23,916
Fines and Forfeitures	0	0	0
Interest	224	2,716	133
Increase in Fair Value of Cash Equivalents	0	0	780
Other	4,135	0	1,279
<i>Total Revenues</i>	<u>1,377,357</u>	<u>113,997</u>	<u>26,108</u>
<u>Expenditures:</u>			
Current:			
Security of Persons and Property	0	0	33,866
Transportation	1,914,041	5,000	0
General Government	0	0	0
<i>Total Expenditures</i>	<u>1,914,041</u>	<u>5,000</u>	<u>33,866</u>
Excess of Revenues Over (Under) Expenditures	<u>(536,684)</u>	<u>108,997</u>	<u>(7,758)</u>
<u>Other Financing Sources (Uses):</u>			
Proceeds From Sale of Capital Assets	0	0	0
Transfers - In	100,000	0	0
Transfers - Out	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>100,000</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	(436,684)	108,997	(7,758)
Fund Balances (Deficit) at Beginning of Year	<u>1,169,092</u>	<u>184,017</u>	<u>26,083</u>
<i>Fund Balances (Deficit) at End of Year</i>	<u><u>\$732,408</u></u>	<u><u>\$293,014</u></u>	<u><u>\$18,325</u></u>

<i>Permissive Motor Vehicle License</i>	<i>Mayor's Operating</i>	<i>Hotel Tax</i>	<i>OMVI Education</i>	<i>Tax Incentive/ Redistribution</i>
\$0	\$0	\$0	\$0	\$0
0	0	60,914	0	0
0	0	0	0	996,024
380,301	0	0	0	0
0	0	0	3,149	0
4,996	0	0	0	0
0	0	0	0	0
0	1,725	0	0	0
<u>385,297</u>	<u>1,725</u>	<u>60,914</u>	<u>3,149</u>	<u>996,024</u>
0	0	0	11,330	0
400,000	0	0	0	0
0	1,975	61,562	0	1,365,316
<u>400,000</u>	<u>1,975</u>	<u>61,562</u>	<u>11,330</u>	<u>1,365,316</u>
<u>(14,703)</u>	<u>(250)</u>	<u>(648)</u>	<u>(8,181)</u>	<u>(369,292)</u>
0	0	0	0	0
0	0	0	0	449,100
0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>449,100</u>
(14,703)	(250)	(648)	(8,181)	79,808
<u>154,851</u>	<u>250</u>	<u>(9,131)</u>	<u>18,425</u>	<u>3,955</u>
<u>\$140,148</u>	<u>\$0</u>	<u>(\$9,779)</u>	<u>\$10,244</u>	<u>\$83,763</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, 2007
(Continued)

	<i>Mayor's Court Computer</i>	<i>Cable TV Franchise Fee</i>	<i>Parks and Recreation Income Tax Allocation</i>
<u>Revenues:</u>			
Municipal Income Taxes	\$0	\$0	\$4,184,137
Other Local Taxes	0	383,784	0
Payments in Lieu of Taxes	0	0	0
Intergovernmental	0	0	0
Fines and Forfeitures	15,910	0	0
Interest	0	0	0
Increase in Fair Value of Cash Equivalents	0	0	0
Other	0	0	0
<i>Total Revenues</i>	<u>15,910</u>	<u>383,784</u>	<u>4,184,137</u>
<u>Expenditures:</u>			
Current:			
Security of Persons and Property	0	0	0
Transportation	0	0	0
General Government	18,810	384,856	0
<i>Total Expenditures</i>	<u>18,810</u>	<u>384,856</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	<u>(2,900)</u>	<u>(1,072)</u>	<u>4,184,137</u>
<u>Other Financing Sources (Uses):</u>			
Proceeds From Sale of Capital Assets	0	0	0
Transfers - In	0	0	0
Transfers - Out	0	0	(3,462,723)
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>(3,462,723)</u>
Net Change in Fund Balances	(2,900)	(1,072)	721,414
Fund Balances (Deficit) at Beginning of Year	<u>46,497</u>	<u>612,821</u>	<u>1,836,491</u>
<i>Fund Balances (Deficit) at End of Year</i>	<u><u>\$43,597</u></u>	<u><u>\$611,749</u></u>	<u><u>\$2,557,905</u></u>

<i>Drug Enforcement</i>	<i>Criminal Activity Forfeiture</i>	<i>McVay Endowment</i>	<i>Total Nonmajor Special Revenue Funds</i>
\$0	\$0	\$0	\$4,184,137
0	0	0	444,698
0	0	0	996,024
0	0	0	1,888,496
8,465	216,443	0	243,967
1,735	14,744	0	24,548
444	3,988	0	5,212
0	0	18,487	25,626
<u>10,644</u>	<u>235,175</u>	<u>18,487</u>	<u>7,812,708</u>
15,450	127,497	0	188,143
0	0	0	2,319,041
0	0	0	1,832,519
<u>15,450</u>	<u>127,497</u>	<u>0</u>	<u>4,339,703</u>
(4,806)	107,678	18,487	3,473,005
0	1,434	0	1,434
0	0	0	549,100
0	0	0	(3,462,723)
<u>0</u>	<u>1,434</u>	<u>0</u>	<u>(2,912,189)</u>
(4,806)	109,112	18,487	560,816
<u>31,163</u>	<u>158,542</u>	<u>40,793</u>	<u>4,273,849</u>
<u>\$26,357</u>	<u>\$267,654</u>	<u>\$59,280</u>	<u>\$4,834,665</u>

City of Westerville, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2007

	<i>General Capital Improvement</i>	<i>Recreation Improvement</i>	<i>Africa Road Improvement</i>	<i>Dempsey Road Improvement</i>
<u>Revenues:</u>				
Payments in Lieu of Taxes	\$0	\$0	\$0	\$0
Intergovernmental	0	81,904	0	0
Fees, Licenses and Permits	0	0	0	0
Interest	0	0	0	0
Increase in Fair Value of Cash Equivalents	0	0	0	0
Other	0	31,265	0	0
<i>Total Revenues</i>	<u>0</u>	<u>113,169</u>	<u>0</u>	<u>0</u>
<u>Expenditures:</u>				
Current:				
Leisure Time Activities	0	0	0	0
Capital Outlay	3,079,903	191,135	0	0
Debt Service:				
Issuance Costs	0	0	0	0
<i>Total Expenditures</i>	<u>3,079,903</u>	<u>191,135</u>	<u>0</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	<u>(3,079,903)</u>	<u>(77,966)</u>	<u>0</u>	<u>0</u>
<u>Other Financing Sources (Uses):</u>				
General Obligation Bonds Issued	0	0	0	0
Transfers - In	2,628,500	0	0	0
Transfers - Out	0	0	0	(109,522)
<i>Total Other Financing Sources (Uses)</i>	<u>2,628,500</u>	<u>0</u>	<u>0</u>	<u>(109,522)</u>
Net Change in Fund Balances	(451,403)	(77,966)	0	(109,522)
Fund Balances (Deficit) at Beginning of Year	<u>1,856,649</u>	<u>49,325</u>	<u>(134,952)</u>	<u>109,522</u>
<i>Fund Balances (Deficit) at End of Year</i>	<u>\$1,405,246</u>	<u>(\$28,641)</u>	<u>(\$134,952)</u>	<u>\$0</u>

<i>Spring Road Improvement</i>	<i>Maxtown Road Improvement</i>	<i>Parks and Recreation Capital Improvement</i>	<i>North State Street Improvement</i>	<i>Cleveland Avenue Extension Improvement</i>	<i>Parks and Recreation Replacement and Reserve</i>
\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	92,456	0	0
0	0	0	0	0	0
0	0	4,717	0	0	0
0	0	0	0	0	0
0	4,381	15,000	0	0	0
<u>0</u>	<u>4,381</u>	<u>19,717</u>	<u>92,456</u>	<u>0</u>	<u>0</u>
0	0	0	0	0	768
0	2,793	32,048	0	0	125,605
0	0	0	0	0	0
<u>0</u>	<u>2,793</u>	<u>32,048</u>	<u>0</u>	<u>0</u>	<u>126,373</u>
0	1,588	(12,331)	92,456	0	(126,373)
0	0	0	0	0	0
0	0	0	0	0	150,000
0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>150,000</u>
0	1,588	(12,331)	92,456	0	23,627
<u>(1,543,978)</u>	<u>(2,315,646)</u>	<u>1,917,502</u>	<u>147,608</u>	<u>(994,639)</u>	<u>671,659</u>
<u>(\$1,543,978)</u>	<u>(\$2,314,058)</u>	<u>\$1,905,171</u>	<u>\$240,064</u>	<u>(\$994,639)</u>	<u>\$695,286</u>

(Continued)

City of Westerville, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2007
(Continued)

	<i>Street Replacement and Reserve</i>	<i>Tree Replacement</i>	<i>City Buildings Improvement</i>	<i>Safety Building Capital Improvement</i>
<u>Revenues:</u>				
Payments in Lieu of Taxes	\$0	\$0	\$0	\$0
Intergovernmental	0	0	0	0
Fees, Licenses and Permits	0	9,300	0	0
Interest	0	0	15,364	6,085
Increase in Fair Value of Cash Equivalents	0	0	0	0
Other	0	0	0	0
<i>Total Revenues</i>	<u>0</u>	<u>9,300</u>	<u>15,364</u>	<u>6,085</u>
<u>Expenditures:</u>				
Current:				
Leisure Time Activities	0	0	0	0
Capital Outlay	0	0	230,828	0
Debt Service:				
Issuance Costs	0	0	0	0
<i>Total Expenditures</i>	<u>0</u>	<u>0</u>	<u>230,828</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	<u>0</u>	<u>9,300</u>	<u>(215,464)</u>	<u>6,085</u>
<u>Other Financing Sources (Uses):</u>				
General Obligation Bonds Issued	0	0	0	0
Transfers - In	257,500	0	0	0
Transfers - Out	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>257,500</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	257,500	9,300	(215,464)	6,085
Fund Balances (Deficit) at Beginning of Year	<u>1,358,180</u>	<u>51,988</u>	<u>220,168</u>	<u>0</u>
<i>Fund Balances (Deficit) at End of Year</i>	<u>\$1,615,680</u>	<u>\$61,288</u>	<u>\$4,704</u>	<u>\$6,085</u>

<i>Westar/ Olentangy TIF</i>	<i>Northridge Crossing TIF</i>	<i>Northstar/ Worthington Road TIF</i>	<i>Altair TIF Incentive</i>	<i>Perimeter Road Improvement</i>	<i>Recreation Capital Improvement</i>	<i>Total Nonmajor Capital Projects Funds</i>
\$90,515	\$418,507	\$136,551	\$0	\$0	\$0	\$645,573
0	0	62,783	0	0	0	237,143
0	0	0	0	45,000	0	54,300
0	0	0	0	0	0	26,166
0	0	0	0	0	72	72
0	0	0	0	0	0	50,646
<u>90,515</u>	<u>418,507</u>	<u>199,334</u>	<u>0</u>	<u>45,000</u>	<u>72</u>	<u>1,013,900</u>
0	0	0	0	0	0	768
0	489,907	68,780	496,510	150,000	0	4,867,509
0	0	0	4,482	0	0	4,482
<u>0</u>	<u>489,907</u>	<u>68,780</u>	<u>500,992</u>	<u>150,000</u>	<u>0</u>	<u>4,872,759</u>
<u>90,515</u>	<u>(71,400)</u>	<u>130,554</u>	<u>(500,992)</u>	<u>(105,000)</u>	<u>72</u>	<u>(3,858,859)</u>
0	0	0	380,000	0	0	380,000
0	0	0	0	0	0	3,036,000
0	0	0	0	0	0	(109,522)
<u>0</u>	<u>0</u>	<u>0</u>	<u>380,000</u>	<u>0</u>	<u>0</u>	<u>3,306,478</u>
90,515	(71,400)	130,554	(120,992)	(105,000)	72	(552,381)
<u>44,259</u>	<u>(1,182,319)</u>	<u>(27,727)</u>	<u>(475,261)</u>	<u>126,830</u>	<u>1,367</u>	<u>(119,465)</u>
<u>\$134,774</u>	<u>(\$1,253,719)</u>	<u>\$102,827</u>	<u>(\$596,253)</u>	<u>\$21,830</u>	<u>\$1,439</u>	<u>(\$671,846)</u>

City of Westerville, Ohio

Nonmajor Enterprise Fund Descriptions

ENTERPRISE FUNDS

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

Nonmajor Enterprise Funds

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

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

City of Westerville, Ohio
Combining Statement of Fund Net Assets
Nonmajor Enterprise Funds
December 31, 2007

	<i>Refuse</i>	<i>Swimming Pool</i>	<i>Total Nonmajor Enterprise Funds</i>
<u>Assets:</u>			
<i>Current Assets:</i>			
Equity in Pooled Cash and Cash Equivalents	\$698,705	\$221,974	\$920,679
Receivables:			
Accounts, Net	304,867	0	304,867
<i>Total Current Assets</i>	<u>1,003,572</u>	<u>221,974</u>	<u>1,225,546</u>
<i>Non-current Assets:</i>			
<i>Capital Assets:</i>			
Nondepreciable Capital Assets	12,500	67,500	80,000
Depreciable Capital Assets, Net	813,525	322,631	1,136,156
<i>Total Non-current Assets</i>	<u>826,025</u>	<u>390,131</u>	<u>1,216,156</u>
<i>Total Assets</i>	<u>1,829,597</u>	<u>612,105</u>	<u>2,441,702</u>
<u>Liabilities:</u>			
<i>Current Liabilities:</i>			
Accounts Payable	140,823	35	140,858
Accrued Wages	2,284	1,821	4,105
Intergovernmental Payable	1,607	2,995	4,602
Due to Other Funds	0	656	656
Compensated Absences Payable	2,269	3,929	6,198
<i>Total Current Liabilities</i>	<u>146,983</u>	<u>9,436</u>	<u>156,419</u>
<i>Long-Term Liabilities:</i>			
Interfund Payable	465,000	0	465,000
Compensated Absences Payable	0	1,609	1,609
<i>Total Long-Term Liabilities</i>	<u>465,000</u>	<u>1,609</u>	<u>466,609</u>
<i>Total Liabilities</i>	<u>611,983</u>	<u>11,045</u>	<u>623,028</u>
<u>Net Assets:</u>			
Invested in Capital Assets	826,025	390,131	1,216,156
Unrestricted	391,589	210,929	602,518
<i>Total Net Assets</i>	<u>\$1,217,614</u>	<u>\$601,060</u>	<u>\$1,818,674</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, 2007

	<i>Refuse</i>	<i>Swimming Pool</i>	<i>Total Nonmajor Enterprise Funds</i>
<u>Operating Revenues:</u>			
Charges for Services	\$1,919,708	\$459,245	\$2,378,953
Other Operating Revenues	547	121	668
<i>Total Operating Revenues</i>	<u>1,920,255</u>	<u>459,366</u>	<u>2,379,621</u>
<u>Operating Expenses:</u>			
Personal Services	60,020	292,607	352,627
Contractual Services	1,689,225	66,792	1,756,017
Materials and Supplies	4,747	51,806	56,553
Other	4,909	0	4,909
Depreciation	162,243	51,513	213,756
<i>Total Operating Expenses</i>	<u>1,921,144</u>	<u>462,718</u>	<u>2,383,862</u>
Change in Net Assets	(889)	(3,352)	(4,241)
Net Assets at Beginning of Year	<u>1,218,503</u>	<u>604,412</u>	<u>1,822,915</u>
<i>Net Assets at End of Year</i>	<u><u>\$1,217,614</u></u>	<u><u>\$601,060</u></u>	<u><u>\$1,818,674</u></u>

City of Westerville, Ohio
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended December 31, 2007

	<u>Refuse</u>	<u>Swimming Pool</u>	<u>Total Nonmajor Enterprise Funds</u>
<u>Increases (Decreases) in Cash and Cash Equivalents:</u>			
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$1,914,143	\$459,245	\$2,373,388
Cash Payments for Personal Services	(73,280)	(293,394)	(366,674)
Cash Payments for Materials and Supplies	(4,747)	(51,806)	(56,553)
Cash Payments for Other Services and Charges	(1,686,881)	(66,563)	(1,753,444)
Interfund Services Used	0	(656)	(656)
Other Operating Revenues	547	121	668
<i>Net Cash Provided by Operating Activities</i>	149,782	46,947	196,729
<u>Cash Flows from Non-Capital Financing Activities:</u>			
Advances to Other Funds	(105,000)	0	(105,000)
Net Increase in Cash and Cash Equivalents	44,782	46,947	91,729
Cash and Cash Equivalents at Beginning of Year	653,923	175,027	828,950
<i>Cash and Cash Equivalents at End of Year</i>	<u>\$698,705</u>	<u>\$221,974</u>	<u>\$920,679</u>
<u>Reconciliation of Operating Loss to Net Cash Provided by Operating Activities:</u>			
Operating Loss	(\$889)	(\$3,352)	(\$4,241)
<u>Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities:</u>			
Depreciation	162,243	51,513	213,756
Change in Provision for Uncollectable Accounts Receivable	17	0	17
<u>Changes in Assets and Liabilities:</u>			
Increase in Accounts Receivable	(673)	0	(673)
Increase in Accounts Payable	2,344	18	2,362
Increase (Decrease) in Accrued Wages	274	(532)	(258)
Increase (Decrease) in Compensated Absences	(13,635)	155	(13,480)
Decrease in Due to Other Funds	0	(445)	(445)
Increase (Decrease) in Intergovernmental Payable	101	(410)	(309)
<i>Net Cash Provided by Operating Activities</i>	<u>\$149,782</u>	<u>\$46,947</u>	<u>\$196,729</u>

City of Westerville, Ohio

Internal Service Fund Descriptions

INTERNAL SERVICE FUNDS

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

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

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

City of Westerville, Ohio
Combining Statement of Fund Net Assets
Internal Service Funds
December 31, 2007

	<i>Garage</i>	<i>Self- Insurance</i>	<i>Total Internal Service Funds</i>
<u>Assets</u>			
<i>Current Assets:</i>			
Equity in Pooled Cash and Cash Equivalents	\$93,363	\$1,040,818	\$1,134,181
Receivables:			
Accounts	0	12,194	12,194
Accrued Interest	0	9,350	9,350
Materials and Supplies Inventory	65,304	0	65,304
<i>Total Current Assets</i>	<u>158,667</u>	<u>1,062,362</u>	<u>1,221,029</u>
<i>Non-current Assets:</i>			
Capital Assets:			
Depreciable Capital Assets, Net	199,222	0	199,222
<i>Total Assets</i>	<u>357,889</u>	<u>1,062,362</u>	<u>1,420,251</u>
<u>Liabilities</u>			
<i>Current Liabilities:</i>			
Accounts Payable	27,521	0	27,521
Accrued Wages	11,009	0	11,009
Intergovernmental Payable	7,729	0	7,729
Due to Other Funds	1,107	0	1,107
Claims Payable	0	5,312	5,312
Compensated Absences Payable	21,907	0	21,907
<i>Total Current Liabilities</i>	<u>69,273</u>	<u>5,312</u>	<u>74,585</u>
<i>Long-Term Liabilities:</i>			
Compensated Absences Payable	33,734	0	33,734
<i>Total Liabilities</i>	<u>103,007</u>	<u>5,312</u>	<u>108,319</u>
<u>Net Assets</u>			
Invested in Capital Assets	199,222	0	199,222
Unrestricted	55,660	1,057,050	1,112,710
<i>Total Net Assets</i>	<u>\$254,882</u>	<u>\$1,057,050</u>	<u>\$1,311,932</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, 2007

	<i>Garage</i>	<i>Self- Insurance</i>	<i>Total Internal Service Funds</i>
<u>Operating Revenues:</u>			
Charges for Services	\$943,967	\$250,000	\$1,193,967
Other Operating Revenues	3,880	28,677	32,557
<i>Total Operating Revenues</i>	<u>947,847</u>	<u>278,677</u>	<u>1,226,524</u>
<u>Operating Expenses:</u>			
Personal Services	327,759	0	327,759
Contractual Services	53,957	0	53,957
Materials and Supplies	488,395	0	488,395
Claims	0	31,696	31,696
Other	0	7,800	7,800
Depreciation	20,761	0	20,761
<i>Total Operating Expenses</i>	<u>890,872</u>	<u>39,496</u>	<u>930,368</u>
<i>Operating Income</i>	<u>56,975</u>	<u>239,181</u>	<u>296,156</u>
<u>Non-Operating Revenues:</u>			
Interest	0	47,124	47,124
Increase in Fair Value of Cash Equivalents	0	12,373	12,373
<i>Total Non-Operating Revenues</i>	<u>0</u>	<u>59,497</u>	<u>59,497</u>
Change in Net Assets	56,975	298,678	355,653
Net Assets at Beginning of Year	<u>197,907</u>	<u>758,372</u>	<u>956,279</u>
<i>Net Assets at End of Year</i>	<u><u>\$254,882</u></u>	<u><u>\$1,057,050</u></u>	<u><u>\$1,311,932</u></u>

City of Westerville, Ohio
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2007

	<u>Garage</u>	<u>Self- Insurance</u>	<u>Total Internal Service Funds</u>
<u>Increases (Decreases) in Cash and Cash Equivalents:</u>			
<u>Cash Flows from Operating Activities:</u>			
Internal Services Provided	\$943,967	\$250,000	\$1,193,967
Cash Payments for Personal Services	(347,288)	0	(347,288)
Cash Payments for Materials and Supplies	(488,160)	0	(488,160)
Cash Payments for Other Services and Charges	(51,403)	(7,800)	(59,203)
Internal Services Used	(1,107)	0	(1,107)
Cash Payments for Claims	0	(26,384)	(26,384)
Other Operating Revenues	3,880	16,483	20,363
<i>Net Cash Provided by Operating Activities</i>	<u>59,889</u>	<u>232,299</u>	<u>292,188</u>
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Acquisition and Construction of Capital Assets	(11,770)	0	(11,770)
<u>Cash Flows From Investing Activities:</u>			
Increase in Fair Value of Cash Equivalents	0	12,373	12,373
Interest	0	45,125	45,125
<i>Net Cash Provided by Investing Activities</i>	<u>0</u>	<u>57,498</u>	<u>57,498</u>
Net Increase in Cash and Cash Equivalents	48,119	289,797	337,916
Cash and Cash Equivalents at Beginning of Year	45,244	751,021	796,265
<i>Cash and Cash Equivalents at End of Year</i>	<u><u>\$93,363</u></u>	<u><u>\$1,040,818</u></u>	<u><u>\$1,134,181</u></u>
<u>Reconciliation of Operating Income to Net Cash Provided by Operating Activities:</u>			
Operating Income	\$56,975	\$239,181	\$296,156
<u>Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:</u>			
Depreciation	20,761	0	20,761
<u>Changes in Assets and Liabilities:</u>			
Increase in Accounts Receivable	0	(12,194)	(12,194)
Increase in Material and Supplies Inventory	(24,726)	0	(24,726)
Increase in Accounts Payable	25,542	0	25,542
Increase in Claims Payable	0	5,312	5,312
Increase in Accrued Wages	1,886	0	1,886
Decrease in Compensated Absences	(23,476)	0	(23,476)
Increase in Due to Other Funds	866	0	866
Increase in Intergovernmental Payable	2,061	0	2,061
<i>Net Cash Provided by Operating Activities</i>	<u><u>\$59,889</u></u>	<u><u>\$232,299</u></u>	<u><u>\$292,188</u></u>

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City of Westerville, Ohio

Fund Descriptions

AGENCY FUNDS

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

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

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

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

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

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

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

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

City of Westerville, Ohio

Combining Statement of Assets and Liabilities
Agency Funds

December 31, 2007

	<i>Hotel Tax</i>	<i>Payroll Revolving</i>	<i>Columbus Sewer Capacity</i>
<u>Assets:</u>			
Equity in Pooled Cash and Cash Equivalents	\$0	\$834,834	\$124,318
Cash and Cash Equivalents with Fiscal Agents	0	0	0
Receivables: Other Local Taxes	1,053	0	0
<i>Total Assets</i>	\$1,053	\$834,834	\$124,318
 <u>Liabilities:</u>			
Accounts Payable	\$1,053	\$0	\$0
Undistributed Monies	0	834,834	0
Intergovernmental Payable	0	0	124,318
Deposits Held and Due to Others	0	0	0
<i>Total Liabilities</i>	\$1,053	\$834,834	\$124,318

<i>State Building Standards</i>	<i>Performance Bond</i>	<i>Mayor's Court</i>	<i>Public Use Fees</i>	<i>Totals</i>
\$1,160	\$183,139	\$0	\$23,500	\$1,166,951
0	0	14,227	0	14,227
0	0	0	0	1,053
<u>\$1,160</u>	<u>\$183,139</u>	<u>\$14,227</u>	<u>\$23,500</u>	<u>\$1,182,231</u>
\$0	\$0	\$0	\$0	\$1,053
0	0	0	0	834,834
1,160	0	6,247	23,500	155,225
0	183,139	7,980	0	191,119
<u>\$1,160</u>	<u>\$183,139</u>	<u>\$14,227</u>	<u>\$23,500</u>	<u>\$1,182,231</u>

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

For the Year Ended December 31, 2007

Hotel Tax	<i>Balance January 1, 2007</i>	<i>Additions</i>	<i>Deductions</i>	<i>Balance December 31, 2007</i>
Hotel Tax				
<u><i>Assets:</i></u>				
Equity In Pooled Cash And Cash Equivalents	\$0	\$20,822	\$20,822	\$0
Receivables:				
Other Local Taxes	1,269	1,053	1,269	1,053
<i>Total Assets</i>	<u>\$1,269</u>	<u>\$21,875</u>	<u>\$22,091</u>	<u>\$1,053</u>
<u><i>Liabilities:</i></u>				
Accounts Payable	<u>\$1,269</u>	<u>\$21,875</u>	<u>\$22,091</u>	<u>\$1,053</u>
Payroll Revolving Fund				
<u><i>Assets:</i></u>				
Equity In Pooled Cash And Cash Equivalents	\$790,708	\$17,621,310	\$17,577,184	\$834,834
<u><i>Liabilities:</i></u>				
Undistributed Monies	<u>\$790,708</u>	<u>\$17,621,310</u>	<u>\$17,577,184</u>	<u>\$834,834</u>
Columbus Sewer Capacity				
<u><i>Assets:</i></u>				
Equity In Pooled Cash And Cash Equivalents	\$125,332	\$459,425	\$460,439	\$124,318
<u><i>Liabilities:</i></u>				
Intergovernmental Payable	<u>\$125,332</u>	<u>\$459,425</u>	<u>\$460,439</u>	<u>\$124,318</u>
State Building Standards				
<u><i>Assets:</i></u>				
Equity In Pooled Cash And Cash Equivalents	\$843	\$12,944	\$12,627	\$1,160
<u><i>Liabilities:</i></u>				
Intergovernmental Payable	<u>\$843</u>	<u>\$12,944</u>	<u>\$12,627</u>	<u>\$1,160</u>
Performance Bond				
<u><i>Assets:</i></u>				
Equity In Pooled Cash And Cash Equivalents	\$183,952	\$163,491	\$164,304	\$183,139
<u><i>Liabilities:</i></u>				
Deposits Held And Due To Others	<u>\$183,952</u>	<u>\$163,491</u>	<u>\$164,304</u>	<u>\$183,139</u>

(continued)

City of Westerville, Ohio
Combining Statement of Changes in Assets and Liabilities
Agency Funds
(Continued)
For the Year Ended December 31, 2007

	<u>Balance</u> <u>January 1,</u> <u>2007</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>December 31,</u> <u>2007</u>
Mayor's Court				
<u>Assets:</u>				
Cash And Cash Equivalents With Fiscal Agents	\$8,684	\$14,227	\$8,684	\$14,227
<u>Liabilities:</u>				
Intergovernmental Payable	\$6,273	\$6,247	\$6,273	\$6,247
Deposits Held And Due To Others	2,411	7,980	2,411	7,980
Total Liabilities	\$8,684	\$14,227	\$8,684	\$14,227
Public Use Fees				
<u>Assets:</u>				
Equity In Pooled Cash And Cash Equivalents	\$23,500	\$0	\$0	\$23,500
<u>Liabilities:</u>				
Intergovernmental Payable	\$23,500	\$0	\$0	\$23,500
TOTAL - ALL AGENCY FUNDS				
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$1,124,335	\$18,277,992	\$18,235,376	\$1,166,951
Cash and Cash Equivalents with Fiscal Agents	8,684	14,227	8,684	14,227
Receivables:				
Other Local Taxes	1,269	1,053	1,269	1,053
Total Assets	\$1,134,288	\$18,293,272	\$18,245,329	\$1,182,231
<u>Liabilities:</u>				
Accounts Payable	\$1,269	\$21,875	\$22,091	\$1,053
Undistributed Monies	790,708	17,621,310	17,577,184	834,834
Intergovernmental Payable	155,948	478,616	479,339	155,225
Deposits Held and Due to Others	186,363	171,471	166,715	191,119
Total Liabilities	\$1,134,288	\$18,293,272	\$18,245,329	\$1,182,231

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City of Westerville, Ohio

General Governmental Capital Assets

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

City of Westerville, Ohio
Schedule of Governmental Activities Capital Assets
By Program and Department
December 31, 2007

<i>Program / Department</i>	<i>Land</i>	<i>Land Improvements</i>	<i>Buildings</i>
Security of Persons and Property			
Police	\$0	\$0	\$5,154,729
Fire	110,511	0	5,340,617
Communications	0	0	0
Total Security of Persons and Property	110,511	0	10,495,346
Public Health			
Cemetery Maintenance	0	60,463	34,663
Leisure Time Activities			
Parks and Recreation	4,510,207	16,406,592	18,957,415
Community Development			
Planning, Engineering and Building	0	0	5,355
Basic Utility Services			
Storm Sewer	522,794	5,666	0
Transportation			
Street Maintenance	0	56,481	88,813
Roads and Bridges	0	0	0
Sidewalks	0	0	0
Traffic Signal Maintenance and Repair	0	0	0
Total Transportation	0	56,481	88,813
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	9,032,165	72,130	4,738,500
Total General Government	9,032,165	72,130	4,778,100
Total General Capital Assets	14,175,677	16,601,332	34,359,692
Less Accumulated Depreciation	0	(6,358,336)	(8,403,312)
Net General Capital Assets	14,175,677	10,242,996	25,956,380
Internal Service Fund Capital Assets	0	0	637,228
Less Accumulated Depreciation	0	0	(463,281)
Net Internal Service Fund Capital Assets	0	0	173,947
Total Before Construction in Progress	\$14,175,677	\$10,242,996	\$26,130,327
Construction in Progress			
Total Governmental Activities Capital Assets			

<i>Furniture and Equipment</i>	<i>Vehicles</i>	<i>Infrastructure</i>	<i>Totals</i>
\$617,990	\$1,031,564	\$0	\$6,804,283
418,159	2,376,791	0	8,246,078
1,091,107	0	0	1,091,107
2,127,256	3,408,355	0	16,141,468
0	0	0	95,126
1,243,808	777,159	0	41,895,181
58,918	206,142	0	270,415
292,653	23,896	33,554,064	34,399,073
480,829	701,386	0	1,327,509
0	0	114,994,390	114,994,390
0	0	1,186,780	1,186,780
7,204,110	0	0	7,204,110
7,684,939	701,386	116,181,170	124,712,789
49,478	0	0	49,478
14,623	0	0	14,623
701,354	71,189	0	772,543
45,144	45,905	0	91,049
1,212,228	0	0	1,251,828
18,960	0	0	18,960
72,866	0	0	72,866
64,488	0	0	13,907,283
2,179,141	117,094	0	16,178,630
13,586,715	5,234,032	149,735,234	233,692,682
(6,868,536)	(3,493,161)	(8,168,979)	(33,292,324)
6,718,179	1,740,871	141,566,255	200,400,358
59,464	17,023	0	713,715
(34,187)	(17,023)	0	(514,491)
25,277	0	0	199,224
\$6,743,456	\$1,740,871	\$141,566,255	200,599,582
			522,577
			\$201,122,159

City of Westerville, Ohio
Schedule of Changes in Governmental Activities Capital Assets
By Program and Department
For the Year Ended December 31, 2007

<i>Program / Department</i>	<i>Restated Balance 1/1/2007</i>	<i>Additions</i>	<i>Deletions</i>	<i>Balance 12/31/2007</i>
Security of Persons and Property				
Police	\$6,598,102	\$327,439	\$121,258	\$6,804,283
Fire	8,136,913	145,950	36,785	8,246,078
Communications	1,066,922	24,185	0	1,091,107
Total Security of Persons and Property	<u>15,801,937</u>	<u>497,574</u>	<u>158,043</u>	<u>16,141,468</u>
Public Health				
Cemetery Maintenance	82,158	12,968	0	95,126
Leisure Time Activities				
Parks and Recreation	41,008,840	1,117,102	230,761	41,895,181
Community Development				
Planning, Engineering and Building	255,235	15,180	0	270,415
Basic Utility Services				
Storm Sewer	33,706,199	692,874	0	34,399,073
Transportation				
Street Maintenance	1,317,514	33,679	23,684	1,327,509
Roads and Bridges	114,351,176	1,006,888	363,674	114,994,390
Sidewalks	964,490	222,290	0	1,186,780
Traffic Signal Maintenance and Repair	6,503,226	700,884	0	7,204,110
Total Transportation	<u>123,136,406</u>	<u>1,963,741</u>	<u>387,358</u>	<u>124,712,789</u>
General Government				
City Manager	49,478	0	0	49,478
Legislative	14,623	0	0	14,623
Cable TV Commission	772,543	0	0	772,543
Finance	91,049	0	0	91,049
Management Information Systems	1,014,506	256,106	18,784	1,251,828
Income Tax	18,960	0	0	18,960
Mayor's Court	74,067	11,875	13,076	72,866
Lands and Buildings	12,607,440	1,299,843	0	13,907,283
Total General Government	<u>14,642,666</u>	<u>1,567,824</u>	<u>31,860</u>	<u>16,178,630</u>
Total General Capital Assets	228,633,441	5,867,263	808,022	233,692,682
Less Accumulated Depreciation	(29,526,317)	(4,127,454)	(361,447)	(33,292,324)
Total General Capital Assets (Net of Accumulated Depreciation) Allocated To Programs	<u>199,107,124</u>	<u>1,739,809</u>	<u>446,575</u>	<u>200,400,358</u>
Internal Service Fund Capital Assets	719,945	11,770	18,000	713,715
Less Accumulated Depreciation	(511,730)	(20,761)	(18,000)	(514,491)
Net Internal Service Fund Capital Assets	<u>208,215</u>	<u>(8,991)</u>	<u>0</u>	<u>199,224</u>
Totals Before Transfers Between Departments and Construction in Progress	199,315,339	1,730,818	446,575	200,599,582
Construction in Progress	1,506,751	5,491,512	6,475,686	522,577
Total Governmental Activities Capital Assets	<u>\$200,822,090</u>	<u>\$7,222,330</u>	<u>\$6,922,261</u>	<u>\$201,122,159</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, 2007

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Property Taxes	\$3,351,687	\$3,198,254	\$3,198,255	\$1
Municipal Income Tax	17,531,037	17,531,037	17,589,881	58,844
Intergovernmental	4,867,778	5,697,054	5,699,806	2,752
Charges for Services	814,241	554,716	557,905	3,189
Fees, Licenses and Permits	555,350	674,979	676,184	1,205
Fines and Forfeitures	458,300	408,663	408,663	0
Interest	1,675,000	3,375,000	3,388,878	13,878
Other	45,425	53,794	63,809	10,015
Total Revenues	29,298,818	31,493,497	31,583,381	89,884
<u>Expenditures:</u>				
Current Operations and Maintenance				
Security of Persons and Property				
Police Department				
Police Services				
Personal Services	9,387,516	9,387,516	8,618,247	769,269
Supplies and Materials	388,476	387,893	370,801	17,092
Other Services and Charges	630,538	614,417	507,197	107,220
Capital Outlay	328,084	328,049	295,428	32,621
Other Financing Uses	1,493	1,493	1,492	1
Total Police Department	10,736,107	10,719,368	9,793,165	926,203
Communications				
Personal Services	1,191,987	1,191,987	1,091,586	100,401
Supplies and Materials	24,080	24,070	18,995	5,075
Other Services and Charges	169,996	169,580	134,523	35,057
Capital Outlay	50,035	38,185	30,691	7,494
Total Communications	1,436,098	1,423,822	1,275,795	148,027
Fire Hydrant Maintenance				
Supplies and Materials	24,000	24,000	6,811	17,189
Total Security of Persons and Property	12,196,205	12,167,190	11,075,771	1,091,419
Public Health				
Cemetery Maintenance				
Supplies and Materials	3,900	3,900	2,480	1,420
Other Services and Charges	61,992	61,470	58,082	3,388
Capital Outlay	20,000	20,000	12,968	7,032
Total Public Health	85,892	85,370	73,530	11,840
Community Development				
Planning, Engineering, and Building Department				
Building, Planning and Zoning				
Personal Services	2,051,192	2,051,192	1,860,356	190,836
Supplies and Materials	57,264	57,150	41,809	15,341
Other Services and Charges	470,261	434,520	402,106	32,414
Capital Outlay	26,400	26,400	24,534	1,866
Other Financing Uses	1,000	1,000	0	1,000
Total Community Development	\$2,606,117	\$2,570,262	\$2,328,805	\$241,457

(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, 2007

(Continued)

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
Basic Utility Services				
General Public Services				
Storm Sewer Maintenance and Improvements				
Personal Services	\$505,725	\$505,498	\$463,137	\$42,361
Supplies and Materials	31,809	31,809	19,425	12,384
Other Services and Charges	69,438	66,248	51,281	14,967
Capital Outlay	5,000	5,000	3,172	1,828
Total Basic Utility Services	611,972	608,555	537,015	71,540
General Government				
City Manager				
Administration				
Personal Services	1,132,018	1,132,018	976,184	155,834
Supplies and Materials	15,528	15,528	12,398	3,130
Other Services and Charges	644,276	1,307,897	1,231,996	75,901
Capital Outlay	6,000	6,000	5,698	302
Total Administration	1,797,822	2,461,443	2,226,276	235,167
Economic Development				
Personal Services	83,494	95,007	92,021	2,986
Supplies and Materials	4,200	4,200	707	3,493
Other Services and Charges	115,673	125,684	104,264	21,420
Other Financing Uses	0	41,000	41,000	0
Total Economic Development	203,367	265,891	237,992	27,899
Total City Manager	2,001,189	2,727,334	2,464,268	263,066
Legislative				
Personal Services	126,653	126,653	125,384	1,269
Supplies and Materials	11,886	11,886	7,971	3,915
Other Services and Charges	136,676	111,676	81,277	30,399
Capital Outlay	1,200	1,200	1,191	9
Total Legislative	276,415	251,415	215,823	35,592
Management Information Systems				
Personal Services	874,630	874,630	819,876	54,754
Supplies and Materials	37,246	34,932	22,137	12,795
Other Services and Charges	534,137	559,849	468,458	91,391
Capital Outlay	321,857	606,704	583,752	22,952
Total Management Information Systems	1,767,870	2,076,115	1,894,223	181,892
Finance Department				
Administration and Accounting				
Personal Services	759,005	759,005	702,429	56,576
Supplies and Materials	31,061	30,162	21,813	8,349
Other Services and Charges	336,232	327,641	327,471	170
Capital Outlay	9,600	9,600	7,206	2,394
Total Administration	\$1,135,898	\$1,126,408	\$1,058,919	\$67,489

(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, 2007

(Continued)

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
Income Tax				
Personal Services	\$365,118	\$365,118	\$322,213	\$42,905
Supplies and Materials	52,539	52,537	32,113	20,424
Other Services and Charges	65,390	64,706	48,952	15,754
Capital Outlay	9,600	9,600	8,337	1,263
Other Financing Uses	725,000	725,000	673,306	51,694
Total Income Tax	1,217,647	1,216,961	1,084,921	132,040
Utility Billing Services				
Personal Services	556,034	556,034	500,025	56,009
Supplies and Materials	26,823	26,223	24,491	1,732
Other Services and Charges	59,608	57,857	50,484	7,373
Capital Outlay	49,600	49,600	3,573	46,027
Total Utility Billing Services	692,065	689,714	578,573	111,141
Mayor's Court				
Personal Services	304,014	304,014	278,431	25,583
Supplies and Materials	17,983	17,701	12,560	5,141
Other Services and Charges	274,139	258,134	243,416	14,718
Total Mayor's Court	596,136	579,849	534,407	45,442
Law Administration				
Personal Services	86,267	86,267	85,609	658
Other Services and Charges	320,356	338,380	338,375	5
Total Law Administration	406,623	424,647	423,984	663
Buildings and Grounds				
Personal Services	384,385	384,385	368,331	16,054
Supplies and Materials	75,301	75,106	35,092	40,014
Other Services and Charges	282,173	279,055	263,591	15,464
Capital Outlay	50,946	648,027	646,705	1,322
Total Buildings and Grounds	792,805	1,386,573	1,313,719	72,854
Total Finance Department	4,841,174	5,424,152	4,994,523	429,629
Total General Government	8,886,648	10,479,016	9,568,837	910,179
Total Expenditures	24,386,834	25,910,393	23,583,958	2,326,435
Excess of Revenues Over Expenditures	4,911,984	5,583,104	7,999,423	2,416,319
<u>Other Financing Sources (Uses):</u>				
Proceeds from Sale of Capital Assets	0	2,129	2,129	0
Advances - In	105,000	188,000	188,000	0
Advances - Out	0	(79,200)	(79,200)	0
Transfers - In	0	109,522	109,522	0
Transfers - Out	(6,755,893)	(6,755,893)	(6,755,893)	0
Total Other Financing Sources (Uses)	(6,650,893)	(6,535,442)	(6,535,442)	0
Net Change in Fund Balance	(1,738,909)	(952,338)	1,463,981	2,416,319
Fund Balance at Beginning of Year	13,697,535	13,821,166	13,821,166	0
Prior Year Encumbrances Carried Over	423,018	299,386	299,386	0
Fund Balance at End of Year	\$12,381,644	\$13,168,214	\$15,584,533	\$2,416,319

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, 2007

	Budget		Actual	Variance
	Original	Final		Positive (Negative)
<u>Revenues:</u>				
Property Taxes	\$8,200,000	\$7,468,191	\$7,468,192	\$1
Intergovernmental	1,325,000	2,447,588	2,522,351	74,763
Charges for Services	0	2,181	2,182	1
Fees, Licenses and Permits	0	50	50	0
Interest	160,000	350,000	388,599	38,599
Other	1,500	212	213	1
<i>Total Revenues</i>	<u>9,686,500</u>	<u>10,268,222</u>	<u>10,381,587</u>	<u>113,365</u>
<u>Expenditures:</u>				
Current Operations and Maintenance				
Security of Persons and Property				
Fire Department				
Operations				
Personal Services	9,651,980	9,651,980	8,945,512	706,468
Supplies and Materials	399,485	388,692	345,343	43,349
Other Services and Charges	925,539	867,898	756,321	111,577
Capital Outlay	342,216	341,436	290,399	51,037
<i>Total Expenditures</i>	<u>11,319,220</u>	<u>11,250,006</u>	<u>10,337,575</u>	<u>912,431</u>
Excess of Revenues Over (Under)				
Expenditures	(1,632,720)	(981,784)	44,012	1,025,796
<u>Other Financing Sources:</u>				
Proceeds from Sale of Capital Assets	0	852	853	1
Net Change in Fund Balance	(1,632,720)	(980,932)	44,865	1,025,797
Fund Balance at Beginning of Year	6,725,802	6,795,013	6,795,013	0
Prior Year Encumbrances Carried Over	215,806	146,597	146,597	0
Fund Balance at End of Year	<u>\$5,308,888</u>	<u>\$5,960,678</u>	<u>\$6,986,475</u>	<u>\$1,025,797</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, 2007

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$461,075	\$2,549	\$2,549	\$0
Charges for Services	2,759,800	2,951,547	2,986,996	35,449
Fees, Licenses and Permits	52,000	60,892	60,893	1
Other	16,500	22,454	22,455	1
<i>Total Revenues</i>	3,289,375	3,037,442	3,072,893	35,451
<u>Expenditures:</u>				
Current Operations and Maintenance				
Leisure Time Activities				
Parks and Recreation				
Administration				
Personal Services	584,534	583,991	516,513	67,478
Supplies and Materials	17,261	17,183	9,404	7,779
Other Services and Charges	111,237	107,873	98,287	9,586
Capital Outlay	20,450	20,450	13,045	7,405
Other Financing Uses	12,000	12,000	7,754	4,246
Total Administration	745,482	741,497	645,003	96,494
Recreation Services				
Personal Services	802,709	2,319,118	2,085,769	233,349
Supplies and Materials	126,541	218,535	211,903	6,632
Other Services and Charges	370,379	1,120,539	1,090,958	29,581
Capital Outlay	31,960	76,760	70,294	6,466
Total Recreation Services	1,331,589	3,734,952	3,458,924	276,028
Parks				
Personal Services	140,967	1,388,569	1,331,254	57,315
Supplies and Materials	88,141	274,065	270,361	3,704
Other Services and Charges	88,546	434,928	431,806	3,122
Capital Outlay	279,960	745,351	622,335	123,016
Total Parks	597,614	2,842,913	2,655,756	187,157
Senior Center				
Personal Services	523,088	522,333	478,473	43,860
Supplies and Materials	35,851	35,605	33,824	1,781
Other Services and Charges	78,683	74,472	59,575	14,897
Capital Outlay	90,509	90,509	82,532	7,977
Total Senior Center	728,131	722,919	654,404	68,515
<i>Total Expenditures</i>	3,402,816	8,042,281	7,414,087	628,194
Excess of Revenues				
Under Expenditures	(113,441)	(5,004,839)	(4,341,194)	663,645
<u>Other Financing Sources:</u>				
Proceeds from Sale of Capital Assets	0	166	166	0
Advances - In	0	81,904	81,904	0
Transfers - In	4,045,514	4,045,514	4,045,514	0
<i>Total Other Financing Sources</i>	4,045,514	4,127,584	4,127,584	0
Net Change in Fund Balance	3,932,073	(877,255)	(213,610)	663,645
Fund Balance at Beginning of Year	5,060,893	5,103,757	5,103,757	0
Prior Year Encumbrances Carried Over	478,994	436,130	436,130	0
Fund Balance at End of Year	\$9,471,960	\$4,662,632	\$5,326,277	\$663,645

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, 2007

	Budget		Actual	Variance
	Original	Final		Positive (Negative)
<u>Revenues:</u>				
Charges for Services	\$2,834,000	\$2,898,409	\$2,903,041	\$4,632
Capacity Charges	576,000	601,450	601,450	0
Proceeds of Bonds	1,300,000	1,085,000	1,085,000	0
Premium on Bonds	0	32,057	32,057	0
Sale of Meters	35,000	36,600	36,600	0
Interest	0	2,184	2,185	1
Grants	10,769	10,769	10,769	0
Other	34,924	41,355	41,356	1
Total Revenues	4,790,693	4,707,824	4,712,458	4,634
<u>Expenses:</u>				
Personal Services				
Water Treatment	894,170	894,170	834,029	60,141
System Improvements	563,421	563,421	483,291	80,130
Total Personal Services	1,457,591	1,457,591	1,317,320	140,271
Supplies and Materials				
Water Treatment	368,260	362,901	298,628	64,273
System Improvements	53,763	53,501	52,988	513
Total Supplies and Materials	422,023	416,402	351,616	64,786
Other Services and Charges				
Water Treatment	811,326	810,871	753,533	57,338
System Improvements	84,953	84,061	76,907	7,154
Total Other Services and Charges	896,279	894,932	830,440	64,492
Capital Outlay				
Water Treatment	700,863	662,701	370,034	292,667
System Improvements	1,250,497	1,250,497	1,095,638	154,859
Total Capital Outlay	1,951,360	1,913,198	1,465,672	447,526
Debt Service				
Principal Retirement	350,000	350,000	350,000	0
Interest and Fiscal Charges	106,763	164,838	159,280	5,558
ODNR Debt	96,577	38,502	38,501	1
Bond Issuance Costs	12,807	12,807	12,807	0
Total Debt Service	566,147	566,147	560,588	5,559
Total Expenses	5,293,400	5,248,270	4,525,636	722,634
Net Change in Fund Equity	(502,707)	(540,446)	186,822	727,268
Fund Equity at Beginning of Year	7,102,431	7,161,310	7,161,310	0
Prior Year Encumbrances Carried Over	430,639	371,760	371,760	0
Fund Equity at End of Year	\$7,030,363	\$6,992,624	\$7,719,892	\$727,268

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, 2007

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Charges for Services	\$6,646,682	\$6,363,682	\$6,370,825	\$7,143
Tap-In Fees	13,000	10,275	10,275	0
Capacity Charges	300,000	286,245	286,245	0
Proceeds of Bonds	2,280,000	0	0	0
Other	0	728	729	1
<i>Total Revenues</i>	<u>9,239,682</u>	<u>6,660,930</u>	<u>6,668,074</u>	<u>7,144</u>
<u>Expenses:</u>				
Personal Services				
System Improvements	500,277	500,277	425,882	74,395
Supplies and Materials				
System Improvements	57,950	57,950	22,780	35,170
Other Services and Charges				
Sewer Treatment	7,162,364	7,162,364	7,114,287	48,077
System Improvements	132,994	128,886	76,050	52,836
Total Other Services and Charges	<u>7,295,358</u>	<u>7,291,250</u>	<u>7,190,337</u>	<u>100,913</u>
Capital Outlay				
System Improvements	2,492,206	196,530	187,946	8,584
Debt Service				
Interest and Fiscal Charges	27,087	27,087	0	27,087
<i>Total Expenses</i>	<u>10,372,878</u>	<u>8,073,094</u>	<u>7,826,945</u>	<u>246,149</u>
Net Change in Fund Equity	(1,133,196)	(1,412,164)	(1,158,871)	253,293
Fund Equity at Beginning of Year	1,729,696	1,761,480	1,761,480	0
Prior Year Encumbrances Carried Over	1,302,529	1,270,745	1,270,745	0
Fund Equity at End of Year	<u>\$1,899,029</u>	<u>\$1,620,061</u>	<u>\$1,873,354</u>	<u>\$253,293</u>

City of Westerville, Ohio

Schedule of Revenues, Expenses and Changes in Fund
Equity - Budget (Non-GAAP Budgetary Basis) and Actual
Electric Enterprise Fund
For the Year Ended December 31, 2007

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Charges for Services	\$34,195,737	\$34,042,679	\$34,086,644	\$43,965
Underground Line Charge	40,000	17,940	17,938	(2)
Proceeds of Bonds	17,225,000	16,945,000	16,945,000	0
Premium on Bonds	0	500,595	500,595	0
Sale of Meters	9,000	4,940	4,940	0
Interest	0	27,000	47,437	20,437
Other	45,000	83,363	83,365	2
<i>Total Revenues</i>	<u>51,514,737</u>	<u>51,621,517</u>	<u>51,685,919</u>	<u>64,402</u>
<u>Expenses:</u>				
Personal Services				
Electric System Maintenance	3,898,628	3,898,628	3,459,959	438,669
Supplies and Materials				
Electric System Maintenance	741,006	727,367	567,944	159,423
Other Services and Charges				
Purchased Power	29,546,581	29,774,572	29,697,787	76,785
Electric System Maintenance	1,461,303	1,644,552	1,128,929	515,623
<i>Total Other Services and Charges</i>	<u>31,007,884</u>	<u>31,419,124</u>	<u>30,826,716</u>	<u>592,408</u>
Capital Outlay				
Electric System Maintenance	9,937,165	17,637,383	13,588,150	4,049,233
Debt Service				
Principal Retirement	8,129,940	8,129,940	8,129,940	0
Interest and Fiscal Charges	743,182	743,182	691,962	51,220
Bond Issuance Costs	200,544	200,544	200,544	0
<i>Total Debt Service</i>	<u>9,073,666</u>	<u>9,073,666</u>	<u>9,022,446</u>	<u>51,220</u>
<i>Total Expenses</i>	<u>54,658,349</u>	<u>62,756,168</u>	<u>57,465,215</u>	<u>5,290,953</u>
Net Change in Fund Equity	(3,143,612)	(11,134,651)	(5,779,296)	5,355,355
Fund Equity at Beginning of Year	12,024,839	12,712,039	12,712,039	0
Prior Year Encumbrances Carried Over	5,632,139	4,944,939	4,944,939	0
Fund Equity at End of Year	<u><u>\$14,513,366</u></u>	<u><u>\$6,522,327</u></u>	<u><u>\$11,877,682</u></u>	<u><u>\$5,355,355</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, 2007

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$1,442,245	\$1,365,935	\$1,365,937	\$2
Interest	150	223	224	1
Other	0	2,318	2,319	1
<i>Total Revenues</i>	<u>1,442,395</u>	<u>1,368,476</u>	<u>1,368,480</u>	<u>4</u>
<u>Expenditures:</u>				
Current Operations and Maintenance				
Transportation				
Right of Way Maintenance				
Personal Services	1,019,454	1,018,729	956,398	62,331
Supplies and Materials	365,179	365,062	362,826	2,236
Other Services and Charges	434,906	420,420	402,566	17,854
Capital Outlay	34,000	34,000	24,676	9,324
<i>Total Expenditures</i>	<u>1,853,539</u>	<u>1,838,211</u>	<u>1,746,466</u>	<u>91,745</u>
Excess of Revenues Under Expenditures	(411,144)	(469,735)	(377,986)	91,749
<u>Other Financing Sources:</u>				
Transfers - In	100,000	100,000	100,000	0
Net Change in Fund Balance	(311,144)	(369,735)	(277,986)	91,749
Fund Balance at Beginning of Year	892,079	907,407	907,407	0
Prior Year Encumbrances Carried Over	45,085	29,757	29,757	0
Fund Balance at End of Year	<u>\$626,020</u>	<u>\$567,429</u>	<u>\$659,178</u>	<u>\$91,749</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, 2007

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$116,935	\$110,708	\$110,709	\$1
Interest	650	2,500	2,716	216
<i>Total Revenues</i>	117,585	113,208	113,425	217
<u>Expenditures:</u>				
Current Operations and Maintenance				
Transportation				
Right of Way Maintenance				
Capital Outlay	22,978	9,080	9,080	0
Net Change in Fund Balance	94,607	104,128	104,345	217
Fund Balance at Beginning of Year	161,685	175,583	175,583	0
Prior Year Encumbrances Carried Over	17,978	4,080	4,080	0
Fund Balance at End of Year	\$274,270	\$283,791	\$284,008	\$217

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, 2007

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$458	\$23,914	\$23,916	\$2
Interest	43	1,137	1,236	99
Other	0	1,279	1,279	0
<i>Total Revenues</i>	<u>501</u>	<u>26,330</u>	<u>26,431</u>	<u>101</u>
<u>Expenditures:</u>				
Current Operations and Maintenance				
Security of Persons and Property				
Police Department				
Police Services				
Supplies and Materials	3,035	16,510	16,510	0
Other Services and Charges	0	800	800	0
Capital Outlay	0	19,716	19,716	0
<i>Total Expenditures</i>	<u>3,035</u>	<u>37,026</u>	<u>37,026</u>	<u>0</u>
Net Change in Fund Balance	(2,534)	(10,696)	(10,595)	101
Fund Balance at Beginning of Year	25,477	25,477	25,477	0
Fund Balance at End of Year	<u>\$22,943</u>	<u>\$14,781</u>	<u>\$14,882</u>	<u>\$101</u>

City of Westerville, Ohio

Schedule of Revenues, Expenditures, and Changes in Fund
Balance - Budget (Non-GAAP Budgetary Basis) and Actual
Permissive Motor Vehicle License Special Revenue Fund
For the Year Ended December 31, 2007

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$250,000	\$409,808	\$409,809	\$1
Interest	750	4,800	4,996	196
<i>Total Revenues</i>	250,750	414,608	414,805	197
<u>Expenditures:</u>				
Current Operations and Maintenance				
Transportation				
Right of Way Maintenance				
Capital Outlay	250,000	400,000	400,000	0
Net Change in Fund Balance	750	14,608	14,805	197
Fund Balance at Beginning of Year	609	609	609	0
Fund Balance at End of Year	\$1,359	\$15,217	\$15,414	\$197

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, 2007

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Other	\$200	\$1,725	\$1,725	\$0
<u>Expenditures:</u>				
Current Operations and Maintenance				
General Government				
Other Government				
Other Services and Charges	114	763	762	1
Net Change in Fund Balance	86	962	963	1
Fund Balance at Beginning of Year	251	251	251	0
Fund Balance at End of Year	\$337	\$1,213	\$1,214	\$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, 2007

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Other Local Taxes	\$59,000	\$61,563	\$61,562	(\$1)
<u>Expenditures:</u>				
Current Operations and Maintenance				
General Government				
Other Government				
Other Services and Charges	6,908	61,563	61,562	1
Net Change in Fund Balance	52,092	0	0	0
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	\$52,092	\$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, 2007

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Fines and Forfeitures	\$2,000	\$3,133	\$3,133	\$0
<u>Expenditures:</u>				
Current Operations and Maintenance				
Security of Persons and Property				
Police Department				
Police Services				
Capital Outlay	12,606	12,606	12,557	49
Net Change in Fund Balance	(10,606)	(9,473)	(9,424)	49
Fund Balance at Beginning of Year	18,149	18,149	18,149	0
Fund Balance at End of Year	\$7,543	\$8,676	\$8,725	\$49

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, 2007

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Payments in Lieu of Taxes	\$965,939	\$993,629	\$993,629	\$0
<u>Expenditures:</u>				
Current Operations and Maintenance				
General Government				
Other Government				
Other Services and Charges	1,259,552	1,385,208	1,385,206	2
Excess of Revenues				
Under Expenditures	(293,613)	(391,579)	(391,577)	2
<u>Other Financing Sources:</u>				
Transfers - In	449,100	449,100	449,100	0
Net Change in Fund Balance	155,487	57,521	57,523	2
Fund Balance at Beginning of Year	3,954	3,954	3,954	0
Fund Balance at End of Year	\$159,441	\$61,475	\$61,477	\$2

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, 2007

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Fines and Forfeitures	\$0	\$15,899	\$15,899	\$0
<u>Expenditures:</u>				
Current Operations and Maintenance				
General Government				
Other Government				
Supplies and Materials	0	916	916	0
Other Services and Charges	0	9,538	8,992	546
Capital Outlay	8,906	8,907	8,906	1
<i>Total Expenditures</i>	8,906	19,361	18,814	547
Net Change in Fund Balance	(8,906)	(3,462)	(2,915)	547
Fund Balance at Beginning of Year	36,351	36,350	36,350	0
Prior Year Encumbrances Carried Over	8,906	8,907	8,907	0
Fund Balance at End of Year	\$36,351	\$41,795	\$42,342	\$547

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, 2007

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Other Local Taxes	\$353,245	\$387,640	\$387,641	\$1
<u>Expenditures:</u>				
Current Operations and Maintenance				
General Government				
Other Government				
Supplies and Materials	2,915	2,915	982	1,933
Other Services and Charges	157,570	457,006	454,646	2,360
<i>Total Expenditures</i>	160,485	459,921	455,628	4,293
Net Change in Fund Balance	192,760	(72,281)	(67,987)	4,294
Fund Balance at Beginning of Year	576,137	591,820	591,820	0
Prior Year Encumbrances Carried Over	33,395	17,712	17,712	0
Fund Balance at End of Year	\$802,292	\$537,251	\$541,545	\$4,294

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, 2007

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Income Taxes	\$4,139,000	\$4,165,000	\$4,177,263	\$12,263
<u>Expenditures:</u>	0	0	0	0
Excess of Revenues				
Over Expenditures	4,139,000	4,165,000	4,177,263	12,263
<u>Other Financing Uses:</u>				
Transfers - Out	(3,462,723)	(3,462,723)	(3,462,723)	0
Net Change in Fund Balance	676,277	702,277	714,540	12,263
Fund Balance at Beginning of Year	1,540,499	1,540,499	1,540,499	0
Fund Balance at End of Year	\$2,216,776	\$2,242,776	\$2,255,039	\$12,263

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, 2007

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Fines and Forfeitures	\$2,935	\$8,465	\$8,465	\$0
Interest	643	1,457	1,686	229
<i>Total Revenues</i>	3,578	9,922	10,151	229
<u>Expenditures:</u>				
Current Operations and Maintenance				
Security of Persons and Property				
Police Department				
Police Services				
Capital Outlay	17,190	17,123	17,123	0
Net Change in Fund Balance	(13,612)	(7,201)	(6,972)	229
Fund Balance at Beginning of Year	30,953	30,953	30,953	0
Fund Balance at End of Year	\$17,341	\$23,752	\$23,981	\$229

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, 2007

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Fines and Forfeitures	\$1,300	\$216,443	\$216,443	\$0
Interest	131	11,174	13,187	2,013
<i>Total Revenues</i>	<u>1,431</u>	<u>227,617</u>	<u>229,630</u>	<u>2,013</u>
<u>Expenditures:</u>				
Current Operations and Maintenance				
Security of Persons and Property				
Police Department				
Police Services				
Supplies and Materials	30,939	46,733	46,732	1
Other Services and Charges	938	2,385	2,385	0
Capital Outlay	0	104,382	104,382	0
<i>Total Expenditures</i>	<u>31,877</u>	<u>153,500</u>	<u>153,499</u>	<u>1</u>
Excess of Revenues Over (Under) Expenditures	(30,446)	74,117	76,131	2,014
<u>Other Financing Sources:</u>				
Proceeds from Sale of Capital Assets	0	1,434	1,434	0
Net Change in Fund Balance	(30,446)	75,551	77,565	2,014
Fund Balance at Beginning of Year	140,227	140,976	140,976	0
Prior Year Encumbrances Carried Over	20,939	20,190	20,190	0
Fund Balance at End of Year	<u>\$130,720</u>	<u>\$236,717</u>	<u>\$238,731</u>	<u>\$2,014</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, 2007

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Other	\$9,355	\$18,485	\$18,487	\$2
<u>Expenditures:</u>	0	0	0	0
Net Change in Fund Balance	9,355	18,485	18,487	2
Fund Balance at Beginning of Year	40,794	40,794	40,794	0
Fund Balance at End of Year	\$50,149	\$59,279	\$59,281	\$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, 2007

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Property Taxes	\$192,648	\$95,361	\$95,361	\$0
Intergovernmental	32,037	43,533	43,535	2
Total Revenues	224,685	138,894	138,896	2
<u>Expenditures:</u>				
Debt Service				
Principal Retirement	1,590,060	1,590,060	1,590,060	0
Interest and Fiscal Charges	1,222,627	1,226,127	1,226,085	42
Total Expenditures	2,812,687	2,816,187	2,816,145	42
Excess of Revenues Under Expenditures	(2,588,002)	(2,677,293)	(2,677,249)	44
<u>Other Financing Sources:</u>				
Premium on Bonds	0	11,117	11,117	0
Transfers - In	2,588,002	2,588,002	2,588,002	0
Total Other Financing Sources	2,588,002	2,599,119	2,599,119	0
Net Change in Fund Balance	0	(78,174)	(78,130)	44
Fund Balance at Beginning of Year	199,514	199,514	199,514	0
Fund Balance at End of Year	\$199,514	\$121,340	\$121,384	\$44

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, 2007

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>	\$0	\$0	\$0	\$0
<u>Expenditures:</u>				
Capital Outlay	3,975,422	4,332,221	3,548,886	783,335
Excess of Revenues				
Under Expenditures	(3,975,422)	(4,332,221)	(3,548,886)	783,335
<u>Other Financing Sources:</u>				
Transfers - In	2,628,500	2,628,500	2,628,500	0
Net Change in Fund Balance	(1,346,922)	(1,703,721)	(920,386)	783,335
Fund Balance at Beginning of Year	1,313,487	1,360,488	1,360,488	0
Prior Year Encumbrances Carried Over	675,622	628,621	628,621	0
Fund Balance at End of Year	\$642,187	\$285,388	\$1,068,723	\$783,335

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, 2007

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$0	\$81,904	\$81,904	\$0
Other	10,000	31,265	31,265	0
<i>Total Revenues</i>	10,000	113,169	113,169	0
<u>Expenditures:</u>				
Capital Outlay	221,969	220,812	220,768	44
Excess of Revenues Under Expenditures	(211,969)	(107,643)	(107,599)	44
<u>Other Financing Uses:</u>				
Advances - Out	0	(81,904)	(81,904)	0
Net Change in Fund Balance	(211,969)	(189,547)	(189,503)	44
Fund Balance at Beginning of Year	164,244	165,401	165,401	0
Prior Year Encumbrances Carried Over	91,969	90,812	90,812	0
Fund Balance at End of Year	\$44,244	\$66,666	\$66,710	\$44

City of Westerville, Ohio

Schedule of Revenues, Expenditures, and Changes in Fund
Balance - Budget (Non-GAAP Budgetary Basis) and Actual
Africa Road Improvement Capital Projects Fund
For the Year Ended December 31, 2007

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>	\$0	\$0	\$0	\$0
<u>Expenditures:</u>	0	0	0	0
Excess of Revenues				
Over Expenditures	0	0	0	0
Fund Balance at Beginning of Year	48	48	48	0
Fund Balance at End of Year	<u>\$48</u>	<u>\$48</u>	<u>\$48</u>	<u>\$0</u>

City of Westerville, Ohio

Schedule of Revenues, Expenditures, and Changes in Fund
Balance - Budget (Non-GAAP Budgetary Basis) and Actual
Dempsey Road Improvement Capital Projects Fund
For the Year Ended December 31, 2007

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>	\$0	\$0	\$0	\$0
<u>Expenditures:</u>				
Capital Outlay	3,500	0	0	0
Excess of Revenues				
Under Expenditures	(3,500)	0	0	0
<u>Other Financing Uses:</u>				
Transfers - Out	0	(109,522)	(109,522)	0
Net Change in Fund Balance	(3,500)	(109,522)	(109,522)	0
Fund Balance at Beginning of Year	106,022	109,522	109,522	0
Prior Year Encumbrances Carried Over	3,500	0	0	0
Fund Balance at End of Year	<u>\$106,022</u>	<u>\$0</u>	<u>\$0</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, 2007

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>	\$0	\$0	\$0	\$0
<u>Expenditures:</u>	0	0	0	0
Net Change in Fund Balance	0	0	0	0
Fund Balance at Beginning of Year	178,021	178,021	178,021	0
Fund Balance at End of Year	<u>\$178,021</u>	<u>\$178,021</u>	<u>\$178,021</u>	<u>\$0</u>

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, 2007

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Other	\$0	\$4,380	\$4,381	\$1
<u>Expenditures:</u>				
Capital Outlay	219,361	219,361	219,361	0
Excess of Revenues Under Expenditures	(219,361)	(214,981)	(214,980)	1
<u>Other Financing Uses:</u>				
Advances - Out	(83,000)	(83,000)	(83,000)	0
Net Change in Fund Balance	(302,361)	(297,981)	(297,980)	1
Fund Balance at Beginning of Year	234,274	234,274	234,274	0
Prior Year Encumbrances Carried Over	68,254	68,254	68,254	0
Fund Balance at End of Year	\$167	\$4,547	\$4,548	\$1

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, 2007

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Interest	\$455	\$4,431	\$4,717	\$286
Other	0	15,000	15,000	0
<i>Total Revenues</i>	455	19,431	19,717	286
<u>Expenditures:</u>				
Capital Outlay	67,639	59,617	59,616	1
Net Change in Fund Balance	(67,184)	(40,186)	(39,899)	287
Fund Balance at Beginning of Year	1,892,391	1,900,413	1,900,413	0
Prior Year Encumbrances Carried Over	35,639	27,617	27,617	0
Fund Balance at End of Year	\$1,860,846	\$1,887,844	\$1,888,131	\$287

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, 2007

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$92,455	\$92,455	\$92,456	\$1
<u>Expenditures:</u>	0	0	0	0
Net Change in Fund Balance	92,455	92,455	92,456	1
Fund Balance at Beginning of Year	1,408,609	1,408,609	1,408,609	0
Fund Balance at End of Year	\$1,501,064	\$1,501,064	\$1,501,065	\$1

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, 2007

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>	\$0	\$0	\$0	\$0
<u>Expenditures:</u>	0	0	0	0
Net Change in Fund Balance	0	0	0	0
Fund Balance at Beginning of Year	24,563	24,563	24,563	0
Fund Balance at End of Year	\$24,563	\$24,563	\$24,563	\$0

City of Westerville, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund
Balance - Budget (Non-GAAP Budgetary Basis) and Actual
Parks and Recreation Replacement and Reserve Capital Projects Fund
For the Year Ended December 31, 2007

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>	\$0	\$0	\$0	\$0
<u>Expenditures:</u>				
Capital Outlay	199,695	195,795	141,582	54,213
Excess of Revenues				
Under Expenditures	(199,695)	(195,795)	(141,582)	54,213
<u>Other Financing Sources:</u>				
Transfers - In	150,000	150,000	150,000	0
Net Change in Fund Balance	(49,695)	(45,795)	8,418	54,213
Fund Balance at Beginning of Year	656,463	660,363	660,363	0
Prior Year Encumbrances Carried Over	19,795	15,895	15,895	0
Fund Balance at End of Year	\$626,563	\$630,463	\$684,676	\$54,213

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, 2007

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>	\$0	\$0	\$0	\$0
<u>Expenditures:</u>	0	0	0	0
Excess of Revenues Over Expenditures	0	0	0	0
<u>Other Financing Sources:</u>				
Transfers - In	257,500	257,500	257,500	0
Net Change in Fund Balance	257,500	257,500	257,500	0
Fund Balance at Beginning of Year	1,358,180	1,358,180	1,358,180	0
Fund Balance at End of Year	<u>\$1,615,680</u>	<u>\$1,615,680</u>	<u>\$1,615,680</u>	<u>\$0</u>

City of Westerville, Ohio

Schedule of Revenues, Expenditures, and Changes in Fund
Balance - Budget (Non-GAAP Budgetary Basis) and Actual
Tree Replacement Capital Projects Fund
For the Year Ended December 31, 2007

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Fees, Licenses and Permits	\$9,000	\$9,300	\$9,300	\$0
<u>Expenditures:</u>	0	0	0	0
Net Change in Fund Balance	9,000	9,300	9,300	0
Fund Balance at Beginning of Year	51,988	51,988	51,988	0
Fund Balance at End of Year	\$60,988	\$61,288	\$61,288	\$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, 2007

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Interest	\$12,806	\$15,363	\$15,364	\$1
<u>Expenditures:</u>				
Capital Outlay	231,667	230,828	230,828	0
Net Change in Fund Balance	(218,861)	(215,465)	(215,464)	1
Fund Balance at Beginning of Year	4,324	5,163	5,163	0
Prior Year Encumbrances Carried Over	215,843	215,004	215,004	0
Fund Balance at End of Year	\$1,306	\$4,702	\$4,703	\$1

City of Westerville, Ohio

Schedule of Revenues, Expenditures, and Changes in Fund
Balance - Budget (Non-GAAP Budgetary Basis) and Actual
Safety Building Improvement Capital Projects Fund
For the Year Ended December 31, 2007

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Interest	\$2,085	\$6,084	\$6,085	\$1
<u>Expenditures:</u>	0	0	0	0
Net Change in Fund Balance	2,085	6,084	6,085	1
Fund Balance at Beginning of Year	95,494	95,494	95,494	0
Fund Balance at End of Year	\$97,579	\$101,578	\$101,579	\$1

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, 2007

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Payments in Lieu of Taxes	\$12,826	\$90,515	\$90,515	\$0
<u>Expenditures:</u>	0	0	0	0
Net Change in Fund Balance	12,826	90,515	90,515	0
Fund Balance at Beginning of Year	44,259	44,259	44,259	0
Fund Balance at End of Year	\$57,085	\$134,774	\$134,774	\$0

City of Westerville, Ohio

Schedule of Revenues, Expenditures, and Changes in Fund
Balance - Budget (Non-GAAP Budgetary Basis) and Actual
Northridge Crossing TIF Capital Projects Fund
For the Year Ended December 31, 2007

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Payments in Lieu of Taxes	\$147,266	\$418,507	\$418,507	\$0
<u>Expenditures:</u>				
Capital Outlay	906,826	823,369	823,369	0
Net Change in Fund Balance	(759,560)	(404,862)	(404,862)	0
Fund Balance at Beginning of Year	135,235	218,692	218,692	0
Prior Year Encumbrances Carried Over	906,826	823,369	823,369	0
Fund Balance at End of Year	\$282,501	\$637,199	\$637,199	\$0

City of Westerville, Ohio

Schedule of Revenues, Expenditures, and Changes in Fund
Balance - Budget (Non-GAAP Budgetary Basis) and Actual
Northstar/Worthington Road TIF Capital Projects Fund
For the Year Ended December 31, 2007

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Payments in Lieu of Taxes	\$0	\$136,551	\$136,551	\$0
Intergovernmental	48,472	111,254	111,255	1
<i>Total Revenues</i>	48,472	247,805	247,806	1
<u>Expenditures:</u>				
Capital Outlay	125,517	125,517	125,517	0
Net Change in Fund Balance	(77,045)	122,288	122,289	1
Fund Balance at Beginning of Year	7,948	7,948	7,948	0
Prior Year Encumbrances Carried Over	125,517	125,517	125,517	0
Fund Balance at End of Year	\$56,420	\$255,753	\$255,754	\$1

City of Westerville, Ohio

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

Altair TIF Incentive Capital Projects Fund

For the Year Ended December 31, 2007

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>	\$0	\$0	\$0	\$0
<u>Expenditures:</u>				
Capital Outlay				
Other Services and Charges	330	330	329	1
Capital Outlay	175,545	629,935	629,933	2
Total Capital Outlay	175,875	630,265	630,262	3
Debt Service:				
Bond Issuance Costs	4,482	4,482	4,482	0
<i>Total Expenditures</i>	180,357	634,747	634,744	3
Excess of Revenues Under Expenditures	(180,357)	(634,747)	(634,744)	3
<u>Other Financing Sources:</u>				
Proceeds of Bonds	0	380,000	380,000	0
Advances - In	518,000	79,200	79,200	0
<i>Total Other Financing Sources</i>	518,000	459,200	459,200	0
Net Change in Fund Balance	337,643	(175,547)	(175,544)	3
Fund Balance at Beginning of Year	946	176,491	176,491	0
Prior Year Encumbrances Carried Over	175,545	0	0	0
Fund Balance at End of Year	\$514,134	\$944	\$947	\$3

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, 2007

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Fees, Licenses and Permits	\$14,000	\$45,000	\$45,000	\$0
<u>Expenditures:</u>				
Capital Outlay	0	150,000	150,000	0
Net Change in Fund Balance	14,000	(105,000)	(105,000)	0
Fund Balance at Beginning of Year	126,832	126,832	126,832	0
Fund Balance at End of Year	\$140,832	\$21,832	\$21,832	\$0

City of Westerville, Ohio

Schedule of Revenues, Expenditures, and Changes in Fund
Balance - Budget (Non-GAAP Budgetary Basis) and Actual
Recreation Capital Improvement Capital Projects Fund
For the Year Ended December 31, 2007

	Budget		Actual	Variance
	Original	Final		Favorable (Unfavorable)
<u>Revenues:</u>				
Interest	\$0	\$60	\$68	\$8
<u>Expenditures:</u>	0	0	0	0
Net Change in Fund Balance	0	60	68	8
Fund Balance at Beginning of Year	1,370	1,370	1,370	0
Fund Balance at End of Year	\$1,370	\$1,430	\$1,438	\$8

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, 2007

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Charges for Services	\$1,955,055	\$1,911,000	\$1,914,143	\$3,143
Other	100	546	547	1
<i>Total Revenues</i>	<u>1,955,155</u>	<u>1,911,546</u>	<u>1,914,690</u>	<u>3,144</u>
<u>Expenses:</u>				
Personal Services				
Refuse Operations	80,948	80,948	73,280	7,668
Supplies and Materials				
Refuse Operations	3,950	3,950	3,556	394
Other Services and Charges				
Refuse Operations and Disposal	1,857,138	1,856,648	1,827,584	29,064
Capital Outlay				
Refuse Operations	1,200	1,200	1,191	9
<i>Total Expenses</i>	<u>1,943,236</u>	<u>1,942,746</u>	<u>1,905,611</u>	<u>37,135</u>
Excess of Revenues Over (Under) Expenses	11,919	(31,200)	9,079	40,279
Advances - Out	(105,000)	(105,000)	(105,000)	0
Net Change in Fund Equity	(93,081)	(136,200)	(95,921)	40,279
Fund Equity at Beginning of Year	514,952	515,442	515,442	0
Prior Year Encumbrances Carried Over	138,970	138,480	138,480	0
Fund Equity at End of Year	<u>\$560,841</u>	<u>\$517,722</u>	<u>\$558,001</u>	<u>\$40,279</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, 2007

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Charges for Services	\$400,100	\$459,244	\$459,245	\$1
Other	0	121	121	0
<i>Total Revenues</i>	400,100	459,365	459,366	1
<u>Expenses:</u>				
Personal Services				
Swimming Pool	335,372	335,372	293,394	41,978
Supplies and Materials				
Swimming Pool	59,106	59,100	48,628	10,472
Other Services and Charges				
Swimming Pool	70,698	70,512	70,193	319
Capital Outlay				
Swimming Pool	31,200	31,200	13,813	17,387
<i>Total Expenses</i>	496,376	496,184	426,028	70,156
Net Change in Fund Equity	(96,276)	(36,819)	33,338	70,157
Fund Equity at Beginning of Year	173,824	174,016	174,016	0
Prior Year Encumbrances Carried Over	1,204	1,012	1,012	0
Fund Equity at End of Year	\$78,752	\$138,209	\$208,366	\$70,157

City of Westerville, Ohio

Schedule of Revenues, Expenses and Changes in Fund
Equity - Budget (Non-GAAP Budgetary Basis) and Actual
Garage Internal Service Fund
For the Year Ended December 31, 2007

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Charges for Services	\$1,047,738	\$943,967	\$943,967	\$0
Other	3,500	3,878	3,880	2
<i>Total Revenues</i>	<u>1,051,238</u>	<u>947,845</u>	<u>947,847</u>	<u>2</u>
<u>Expenses:</u>				
Personal Services				
Garage Operations	362,353	362,353	347,288	15,065
Supplies and Materials				
Garage Operations	588,895	528,094	519,771	8,323
Other Services and Charges				
Garage Operations	75,294	75,036	56,136	18,900
Capital Outlay				
Garage Operations	12,400	12,400	10,222	2,178
<i>Total Expenses</i>	<u>1,038,942</u>	<u>977,883</u>	<u>933,417</u>	<u>44,466</u>
Net Change in Fund Equity	12,296	(30,038)	14,430	44,468
Fund Equity at Beginning of Year	39,436	40,495	40,495	0
Prior Year Encumbrances Carried Over	5,809	4,750	4,750	0
Fund Equity at End of Year	<u>\$57,541</u>	<u>\$15,207</u>	<u>\$59,675</u>	<u>\$44,468</u>

City of Westerville, Ohio

Schedule of Revenues, Expenses and Changes in Fund
Equity - Budget (Non-GAAP Budgetary Basis) and Actual
Self-Insurance Internal Service Fund
For the Year Ended December 31, 2007

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Charges for Services	\$250,000	\$250,000	\$250,000	\$0
Other Charges	0	15,766	16,483	717
Interest	0	39,537	45,125	5,588
<i>Total Revenues</i>	<u>250,000</u>	<u>305,303</u>	<u>311,608</u>	<u>6,305</u>
<u>Expenses:</u>				
Other Services and Charges				
Self-Insurance	12,843	35,615	35,615	0
Other				
Self Insurance	0	7,800	7,800	0
<i>Total Expenses</i>	<u>12,843</u>	<u>43,415</u>	<u>43,415</u>	<u>0</u>
Net Change in Fund Equity	237,157	261,888	268,193	6,305
Fund Equity at Beginning of Year	740,050	740,050	740,050	0
Prior Year Encumbrances Carried Over	12,843	12,843	12,843	0
Fund Equity at End of Year	<u>\$990,050</u>	<u>\$1,014,781</u>	<u>\$1,021,086</u>	<u>\$6,305</u>

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City of Westerville, Ohio

Statistical Tables

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

<u>Contents</u>	<u>Pages</u>
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<u>Financial Trends</u>	165-171
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These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.

<u>Revenue Capacity</u>	172-185
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These schedules contain information to help the reader assess the City’s most significant local revenue sources, municipal income taxes and property taxes.

<u>Debt Capacity</u>	186-191
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These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.

<u>Demographic and Economic Information</u>	192-193
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These schedules offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place.

<u>Operating information</u>	194-199
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These schedules contain service and infrastructure data to help the reader understand how the information in the City’s financial report relates to the services the City provides and the activities it performs.

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

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

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Governmental Activities:					
Invested in Capital Assets, Net of Related Debt (1)	\$43,583,753	\$53,450,973	\$60,621,053	\$174,424,267	\$175,769,547
Restricted	23,469,787	22,014,550	17,713,068	16,207,725	23,179,222
Unrestricted	<u>24,341,745</u>	<u>22,517,201</u>	<u>25,208,439</u>	<u>27,408,591</u>	<u>23,590,140</u>
<i>Total Governmental Activities Net Assets</i>	<u>91,395,285</u>	<u>97,982,724</u>	<u>103,542,560</u>	<u>218,040,583</u>	<u>222,538,909</u>
Business-Type Activities:					
Invested in Capital Assets, Net of Related Debt	66,100,531	66,883,895	69,957,465	73,070,150	73,888,303
Unrestricted	<u>36,087,428</u>	<u>32,615,367</u>	<u>29,543,305</u>	<u>27,293,331</u>	<u>28,565,882</u>
<i>Total Business-Type Activities:</i>	<u>102,187,959</u>	<u>99,499,262</u>	<u>99,500,770</u>	<u>100,363,481</u>	<u>102,454,185</u>
Primary Government:					
Invested in Capital Assets, Net of Related Debt	109,684,284	120,334,868	130,578,518	247,494,417	249,657,850
Restricted	23,469,787	22,014,550	17,713,068	16,207,725	23,179,222
Unrestricted	<u>60,429,173</u>	<u>55,132,568</u>	<u>54,751,744</u>	<u>54,701,922</u>	<u>52,156,022</u>
<i>Total Primary Government Net Assets</i>	<u>\$193,583,244</u>	<u>\$197,481,986</u>	<u>\$203,043,330</u>	<u>\$318,404,064</u>	<u>\$324,993,094</u>

(1) The large increase of Invested in Capital Assets, Net of Related Debt for 2006 was a result of the City recording its roads and bridges infrastructure from 1980 through 2003 in that year.

City of Westerville, Ohio

Changes in Net Assets

Last Five Years

(accrual basis of accounting)

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Program Revenues:					
Governmental Activities:					
Charges for Services and Sales:					
Security of Persons and Property	\$120,874	\$233,947	\$121,914	\$78,934	\$248,491
Public Health	41,681	35,246	37,320	27,696	25,950
Leisure Time Activities	2,657,185	2,733,907	3,015,018	2,872,625	3,061,612
Community Development	687,798	884,132	839,071	964,288	823,959
Transportation	27,840	524	84,625	39,600	45,000
General Government	721,914	887,454	920,985	817,796	781,310
Operating Grants, Contributions and Interest	4,576,376	4,594,674	4,827,917	4,703,862	4,921,913
Capital Grants, Contributions and Interest	4,433,334	3,580,626	2,922,366	2,543,228	790,970
<i>Total Governmental Activities Program Revenues</i>	<u>13,267,002</u>	<u>12,950,510</u>	<u>12,769,216</u>	<u>12,048,029</u>	<u>10,699,205</u>
Business-Type Activities:					
Charges for Services:					
Water	3,417,030	3,447,858	3,847,391	3,394,398	3,536,123
Sewer	3,919,162	4,636,563	5,333,784	5,837,587	6,829,737
Electric	21,308,910	23,758,104	28,482,231	30,976,955	34,701,328
Refuse	1,678,786	1,716,930	1,850,321	1,924,673	1,919,708
Swimming Pool	379,970	330,189	406,581	403,826	459,245
Operating Grants, Contributions and Interest	29,433	897,426	0	1,180	58,780
Capital Grants, Contributions and Interest	620,769	2,796,036	1,642,537	1,806,312	667,160
<i>Total Business-Type Activities Program Revenues</i>	<u>31,354,060</u>	<u>37,583,106</u>	<u>41,562,845</u>	<u>44,344,931</u>	<u>48,172,081</u>
<i>Total Primary Government Program Revenues</i>	<u>44,621,062</u>	<u>50,533,616</u>	<u>54,332,061</u>	<u>56,392,960</u>	<u>58,871,286</u>
Expenses:					
Governmental Activities:					
Current:					
Security of Persons and Property	17,861,792	18,294,807	21,059,425	20,547,925	22,438,202
Public Health	53,158	64,095	57,364	51,609	62,869
Leisure Time Activities	6,393,207	8,241,110	8,268,953	8,304,966	8,232,542
Community Development	2,104,386	2,311,744	2,381,720	2,290,453	2,407,120
Basic Utility Services	294,465	280,901	395,574	308,478	1,107,513
Transportation	1,698,334	3,193,662	3,097,704	5,402,240	6,691,837
General Government	8,941,895	8,482,028	9,484,791	9,724,111	9,139,331
Interest and Fiscal Charges	1,340,456	1,446,681	1,371,225	1,299,571	1,231,338
<i>Total Governmental Activities Expenses</i>	<u>38,687,693</u>	<u>42,315,028</u>	<u>46,116,756</u>	<u>47,929,353</u>	<u>51,310,752</u>
Business Type Activities:					
Water	2,328,572	4,060,430	3,171,504	3,138,646	3,335,622
Sewer	4,612,333	4,789,093	5,041,390	5,641,950	6,505,662
Electric	19,205,055	29,445,916	31,124,552	32,346,965	34,024,276
Refuse	1,689,437	1,711,896	1,921,206	1,941,027	1,920,950
Swimming Pool	419,286	438,847	465,973	514,499	462,718
<i>Total Business-Type Activities Expenses</i>	<u>28,254,683</u>	<u>40,446,182</u>	<u>41,724,625</u>	<u>43,583,087</u>	<u>46,249,228</u>
<i>Total Primary Government Expenses</i>	<u>\$66,942,376</u>	<u>\$82,761,210</u>	<u>\$87,841,381</u>	<u>\$91,512,440</u>	<u>\$97,559,980</u>

(Continued)

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

	2003	2004	2005	2006	2007
Net (Expense) / Revenue:					
Governmental Activities	(\$25,420,691)	(\$29,364,518)	(\$33,347,540)	(\$35,881,324)	(\$40,611,547)
Business-Type Activities	3,099,377	(2,863,076)	(161,780)	761,844	1,922,853
<i>Total Primary Government Net Assets</i>	<u>(22,321,314)</u>	<u>(32,227,594)</u>	<u>(33,509,320)</u>	<u>(35,119,480)</u>	<u>(38,688,694)</u>
General Revenues and Transfers:					
Governmental Activities:					
Property Taxes Levied for:					
General Purposes	3,064,515	3,158,862	3,133,506	3,633,506	3,212,914
Fire	7,321,671	7,485,143	7,260,582	7,588,375	7,495,299
Debt Service	346,546	478,843	381,885	451,365	97,622
Municipal Income Taxes Levied for:					
General Purposes	14,507,687	14,879,559	16,208,734	17,027,641	17,755,394
Parks and Recreation	3,392,022	3,477,793	3,854,039	4,015,810	4,218,641
Other Local Taxes (1)	0	0	0	423,190	452,842
Grants and Entitlements not Restricted to Specific Programs	5,177,486	4,787,086	5,778,664	4,828,247	5,392,820
Unrestricted Investment Earnings	1,549,328	1,339,752	1,725,206	3,550,908	4,755,384
Payments in Lieu of Taxes	219,691	294,277	505,051	990,236	1,711,131
Other	45,945	50,642	75,587	94,763	17,826
Transfers	(6,702)	0	(15,878)	0	0
<i>Total Governmental Activities</i>	<u>35,618,189</u>	<u>35,951,957</u>	<u>38,907,376</u>	<u>42,604,041</u>	<u>45,109,873</u>
Business-Type Activities:					
Unrestricted Investment Earnings	68,536	47,236	16,338	12,812	49,622
Other	101,583	127,143	131,072	89,107	118,229
Transfers	6,702	0	15,878	0	0
<i>Total Business-Type Activities</i>	<u>176,821</u>	<u>174,379</u>	<u>163,288</u>	<u>101,919</u>	<u>167,851</u>
Change in Net Assets:					
Governmental Activities	10,197,498	6,587,439	5,559,836	6,722,717	4,498,326
Business-Type Activities	3,276,198	(2,688,697)	1,508	863,763	2,090,704
<i>Total Primary Government</i>	<u>\$13,473,696</u>	<u>\$3,898,742</u>	<u>\$5,561,344</u>	<u>\$7,586,480</u>	<u>\$6,589,030</u>

(1) Prior to 2006, Other Local Taxes were reported as part of Property Taxes

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

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
General Fund					
Reserved	\$1,725,867	\$1,744,357	\$2,849,000	\$3,739,839	\$4,281,968
Unreserved	<u>9,823,053</u>	<u>13,031,337</u>	<u>15,785,641</u>	<u>20,826,043</u>	<u>20,102,695</u>
<i>Total General Fund</i>	<u>11,548,920</u>	<u>14,775,694</u>	<u>18,634,641</u>	<u>24,565,882</u>	<u>24,384,663</u>
All Other Governmental Funds					
Reserved	19,977,908	7,402,480	16,058,633	5,113,628	2,654,691
Unreserved, Undesignated (Deficit)					
Reported in:					
Special Revenue Funds	6,368,954	7,813,995	10,138,859	10,145,548	10,453,257
Debt Service Funds	132,423	(26,024)	9,621	51,031	86,435
Capital Projects Funds	<u>33,356,954</u>	<u>25,179,112</u>	<u>5,938,922</u>	<u>5,297,984</u>	<u>7,438,290</u>
<i>Total All Other Governmental Funds</i>	<u>59,836,239</u>	<u>40,369,563</u>	<u>32,146,035</u>	<u>20,608,191</u>	<u>20,632,673</u>
<i>Total Governmental Funds</i>	<u>\$71,385,159</u>	<u>\$55,145,257</u>	<u>\$50,780,676</u>	<u>\$45,174,073</u>	<u>\$45,017,336</u>

<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
\$4,224,161	\$6,945,451	\$5,520,107	\$10,415,540	\$10,382,188
<u>18,928,266</u>	<u>14,339,936</u>	<u>17,763,200</u>	<u>15,156,954</u>	<u>17,786,689</u>
<u>23,152,427</u>	<u>21,285,387</u>	<u>23,283,307</u>	<u>25,572,494</u>	<u>28,168,877</u>
8,706,933	4,562,592	3,300,041	2,638,377	1,375,144
13,357,816	14,130,666	13,863,104	15,275,719	16,186,181
33,638	89,866	99,873	199,513	121,383
<u>4,659,444</u>	<u>3,045,822</u>	<u>1,066,589</u>	<u>(2,202,362)</u>	<u>(1,515,003)</u>
<u>26,757,831</u>	<u>21,828,946</u>	<u>18,329,607</u>	<u>15,911,247</u>	<u>16,167,705</u>
<u>\$49,910,258</u>	<u>\$43,114,333</u>	<u>\$41,612,914</u>	<u>\$41,483,741</u>	<u>\$44,336,582</u>

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

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
Revenues:					
Property Taxes	\$7,014,107	\$7,117,419	\$7,573,929	\$7,933,107	\$8,006,605
Municipal Income Taxes	11,768,223	15,054,734	16,293,144	17,010,117	17,044,400
Other Local Taxes	92,278	89,536	84,260	73,650	58,460
Payments in Lieu of Taxes	0	0	0	0	0
Intergovernmental	6,166,534	6,368,610	6,740,701	8,251,942	8,549,939
Charges for Services	2,452,965	1,901,639	1,570,159	1,873,729	2,750,166
Fees, Licenses and Permits	486,490	644,933	944,522	1,004,198	1,169,884
Fines and Forfeitures	331,127	475,577	362,585	402,814	503,779
Special Assessments	77,597	76,395	76,935	67,942	67,805
Interest	4,992,406	5,265,192	5,060,136	4,216,092	3,171,205
Net Change in Fair Value of Investments	0	(1,589,939)	298,703	2,141,613	(323,124)
Other	480,157	125,322	641,796	202,033	264,280
Total Revenues	<u>33,861,884</u>	<u>35,529,418</u>	<u>39,646,870</u>	<u>43,177,237</u>	<u>41,263,399</u>
Expenditures:					
Current:					
Security of Persons and Property	12,167,701	11,992,399	13,274,945	14,576,189	16,240,667
Public Health	28,278	66,685	41,875	64,476	43,072
Leisure Time Activities	2,538,639	2,626,899	3,042,156	3,935,183	5,225,703
Community Development	1,459,063	1,945,609	1,820,948	1,873,543	2,037,680
Basic Utility Services	268,518	175,710	172,554	189,730	308,077
Transportation	1,603,619	1,784,131	1,878,920	2,051,760	1,645,043
General Government	5,435,131	5,506,546	5,940,576	6,992,962	7,267,158
Capital Outlay	13,821,921	22,382,376	15,675,951	17,331,013	6,723,329
Debt Service:					
Principal Retirement	344,385	1,266,901	1,376,819	1,398,817	1,535,842
Interest and Fiscal Charges	482,957	1,395,293	1,446,758	1,386,703	1,322,991
Issuance Costs	0	0	0	0	0
Total Expenditures	<u>38,150,212</u>	<u>49,142,549</u>	<u>44,671,502</u>	<u>49,800,376</u>	<u>42,349,562</u>
Excess of Revenues Under Expenditures	<u>(4,288,328)</u>	<u>(13,613,131)</u>	<u>(5,024,632)</u>	<u>(6,623,139)</u>	<u>(1,086,163)</u>
Other Financing Sources (Uses):					
General Obligation Bonds Issued	29,890,000	0	0	0	0
Premium on Debt Issued	170,985	0	0	0	0
Discount on Debt Issued	0	0	0	0	0
Proceeds from Sale of Capital Assets	174,932	332,775	501,475	144,878	13,696
Transfers - In	25,507,171	7,622,514	8,729,025	7,671,378	11,238,364
Transfers - Out	(27,976,171)	(10,678,514)	(8,729,025)	(7,921,378)	(11,438,364)
Total Other Financing Sources (Uses)	<u>27,766,917</u>	<u>(2,723,225)</u>	<u>501,475</u>	<u>(105,122)</u>	<u>(186,304)</u>
Prior Period Adjustments	<u>(767,252)</u>	<u>96,454</u>	<u>158,576</u>	<u>1,121,658</u>	<u>1,115,730</u>
Net Change in Fund Balances	<u>\$22,711,337</u>	<u>(\$16,239,902)</u>	<u>(\$4,364,581)</u>	<u>(\$5,606,603)</u>	<u>(\$156,737)</u>
Debt Service as a Percentage of Noncapital Expenditures	3.4%	9.9%	9.7%	8.6%	8.0%

2003	2004	2005	2006	2007
\$10,430,292	\$10,748,595	\$10,445,069	\$11,227,471	\$10,761,808
17,779,422	18,359,467	19,989,848	21,232,835	21,801,514
363,723	362,261	392,450	345,566	444,698
219,691	294,277	419,948	860,139	1,641,597
10,068,502	12,338,083	12,771,663	10,655,342	10,442,132
2,714,383	3,370,392	3,219,498	3,543,986	3,540,980
852,988	867,242	1,204,137	716,669	810,696
569,604	499,091	505,907	515,463	653,108
0	0	0	0	0
2,545,711	2,153,282	1,791,483	2,639,112	3,868,360
(997,606)	(827,981)	(333,350)	541,300	912,388
167,963	148,019	223,105	229,739	178,036
<u>44,714,673</u>	<u>48,312,728</u>	<u>50,629,758</u>	<u>52,507,622</u>	<u>55,055,317</u>
17,042,390	18,492,909	19,390,459	20,252,931	21,498,778
46,113	55,412	49,572	46,945	67,269
5,765,100	6,202,645	6,491,507	7,466,748	7,007,948
2,054,743	2,260,454	2,332,143	2,252,948	2,387,252
257,312	232,736	323,997	325,564	532,666
1,674,169	2,495,398	3,325,763	2,157,229	2,319,041
8,189,150	9,423,507	8,994,886	9,470,124	11,026,743
8,171,645	12,671,378	8,069,949	7,588,335	4,934,906
1,547,532	1,830,887	1,922,915	1,783,929	1,590,622
1,321,680	1,444,627	1,369,138	1,297,711	1,227,015
120,875	0	0	0	4,482
<u>46,190,709</u>	<u>55,109,953</u>	<u>52,270,329</u>	<u>52,642,464</u>	<u>52,596,722</u>
<u>(1,476,036)</u>	<u>(6,797,225)</u>	<u>(1,640,571)</u>	<u>(134,842)</u>	<u>2,458,595</u>
6,500,000	0	0	0	380,000
0	0	0	0	11,117
(39,984)	0	0	0	0
0	1,300	155,030	5,669	4,582
13,428,670	10,686,542	9,800,829	10,823,630	10,328,138
(13,435,372)	(10,686,542)	(9,816,707)	(10,823,630)	(10,328,138)
6,453,314	1,300	139,152	5,669	395,699
(84,356)	0	0	(1,453)	0
<u>\$4,892,922</u>	<u>(\$6,795,925)</u>	<u>(\$1,501,419)</u>	<u>(\$130,626)</u>	<u>\$2,854,294</u>
7.9%	7.7%	7.4%	6.8%	5.9%

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

<i>Year</i>	<i>Individual</i>				<i>Total Individual</i>	<i>Percentage of Total</i>
	<i>Withholding</i>	<i>Percentage of Total</i>	<i>Non-Withholding</i>	<i>Percentage of Total</i>		
1998	\$ 8,191,948	70%	\$ 2,855,277	24%	\$11,047,225	94%
1999	10,783,448	72	3,111,261	21	13,894,709	93
2000	11,485,497	70	3,576,688	22	15,062,185	92
2001	11,668,108	70	3,700,367	22	15,368,475	92
2002	12,107,459	71	3,633,923	21	15,741,382	92
2003	12,701,957	71	3,733,943	21	16,435,900	92
2004	13,086,987	73	3,694,537	20	16,781,524	93
2005	14,169,776	72	3,636,007	19	17,805,783	91
2006	15,401,321	72	3,878,839	18	19,280,160	90
2007	15,961,301	73	3,862,328	18	19,823,629	91

Source: City Income Tax Department

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

The City levies a municipal income tax of 1.25 percent which became effective January 1, 1999. The rate for 1998 was 1.0 percent.

<i>Business Accounts</i>		
<i>Business Accounts</i>	<i>Percentage of Total</i>	<i>Total</i>
\$ 648,671	6%	\$ 11,695,896
1,029,294	7	14,924,003
1,250,295	8	16,312,480
1,292,198	8	16,660,673
1,288,482	8	17,029,864
1,415,124	8	17,851,024
1,251,854	7	18,033,377
1,727,688	9	19,533,471
2,213,900	10	21,494,059
1,943,513	9	21,767,141

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

<i>Year</i>	<i>General Fund</i>	<i>Parks and Recreation Income Tax Allocation Fund</i>	<i>Total</i>	<i>Percentage Increase</i>
1998	\$ 11,768,223	\$ -	\$ 11,768,223	8.54%
1999	12,407,839	2,646,895	15,054,734	27.93
2000	13,194,892	3,098,252	16,293,144	8.23
2001	13,755,742	3,254,375	17,010,117	4.40
2002	13,784,049	3,260,351	17,044,400	0.20
2003	14,411,457	3,367,965	17,779,422	4.31
2004	14,881,251	3,478,216	18,359,467	3.26
2005	16,150,394	3,839,454	19,989,848	8.88
2006	17,179,148	4,053,687	21,232,835	6.22
2007	17,617,377	4,184,137	21,801,514	2.68

City of Westerville, Ohio
Principal Income Taxpayers - Withholding Accounts
2007 and 1998

<i>Range of Withholding Amount</i>	<i>2007</i>		<i>1998</i>	
	<i>Number of Withholding Accounts</i>	<i>Percentage of Total Withholding Revenue</i>	<i>Number of Withholding Accounts</i>	<i>Percentage of Total Withholding Revenue</i>
\$500,001 and higher	4	25.8%	2	29.5%
\$300,001 - 500,000	4	9.1%	0	0.0%
\$100,001 - 300,000	16	15.8%	8	15.0%
\$55,001 - 100,000	18	7.6%	10	7.6%
Total	42	58.3%	20	52.1%
All Others	3,401	41.7%	2,759	47.9%
Total Withholding Accounts	3,443	100.0%	2,779	100.0%

Source: City Income Tax Department

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

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

Collection Year	Real Property			Tangible	
	Residential/ Agricultural	Commercial/ Industrial/PU	Estimated Actual Value	Public	Utility
	Assessed Value	Assessed Value		Assessed Value	Estimated Actual Value
1998	\$498,853,940	\$131,954,500	\$1,802,309,829	\$25,924,830	\$29,460,034
1999	510,267,370	135,398,120	1,844,758,543	22,504,370	25,573,148
2000	579,887,060	151,051,170	2,088,394,943	23,198,260	26,361,659
2001	589,883,390	169,893,880	2,170,792,200	25,005,670	28,415,534
2002	603,244,580	179,701,610	2,236,989,114	21,627,750	24,576,989
2003	683,824,380	199,217,280	2,522,976,171	20,857,380	23,701,568
2004	694,331,340	201,348,190	2,559,084,371	19,630,910	22,307,852
2005	701,694,570	210,274,550	2,605,626,057	19,697,000	22,382,955
2006	826,421,760	211,306,370	2,964,937,514	18,025,150	20,483,125
2007	839,638,340	223,024,940	3,036,180,800	20,100,820	22,841,841

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

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

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

Source: Franklin County Auditor

Personal Property

<i>General Business</i>		<i>Totals</i>			<i>Weighted Average Tax Rate</i>
<i>Assessed Value</i>	<i>Estimated Actual Value</i>	<i>Assessed Value</i>	<i>Estimated Actual Value</i>	<i>Ratio</i>	
\$62,219,839	\$248,879,356	\$718,953,109	\$2,080,649,219	34.55%	\$10.92
66,114,875	264,459,500	734,284,735	2,134,791,191	34.40	10.83
77,437,297	309,749,188	831,573,787	2,424,505,790	34.30	10.15
78,058,573	312,234,292	862,841,513	2,511,442,026	34.36	10.06
74,734,200	311,392,500	879,308,140	2,572,958,603	34.17	10.31
46,595,889	202,590,822	950,494,929	2,749,268,561	34.57	12.21
46,324,344	201,410,191	961,634,784	2,782,802,415	34.56	12.40
32,567,248	141,596,730	964,233,368	2,769,605,742	34.81	12.17
25,812,208	137,665,109	1,081,565,488	3,123,085,749	34.63	11.21
14,593,774	116,750,192	1,097,357,874	3,175,772,833	34.55	10.75

City of Westerville, Ohio
Principal Property Taxpayers
2007 and 1998

<i>Taxpayer</i>	<i>2007 (1)</i>			<i>1998 (2)</i>		
	<i>Total Assessed Valuation</i>	<i>Rank</i>	<i>Percentage of Total Assessed Valuation</i>	<i>Total Assessed Valuation</i>	<i>Rank</i>	<i>Percentage of Total Assessed Valuation</i>
<u>Public Utilities:</u>						
Columbus Southern Power Co.	\$2,884,250	1	0.26%	-	-	-
Columbia Gas of Ohio, Inc.	1,726,280	2	0.16%	4,132,530	3	0.57%
Ohio Bell Telephone Co.	516,260	3	0.05%	8,320,980	1	1.16%
Nextel West Corporation	-	-	-	4,224,910	2	0.59%
<u>Real Estate:</u>						
Banc One Management Corporation	15,880,000	1	1.45%	18,788,700	1	2.61%
NRI Brookside LLC	9,812,350	2	0.89%	2,624,980	4	0.37%
St. Anns Hospital of Columbus, Inc.	6,889,060	3	0.63%	-	-	-
Otterbein College	6,497,340	4	0.59%	-	-	-
Maxtown Communities LLC	5,508,090	5	0.50%	-	-	-
Meijer Stores Limited Partnership	4,930,670	6	0.45%	-	-	-
Altair Realty LTD	3,786,790	7	0.35%	-	-	-
Spectrum Equities LLC	3,220,000	8	0.29%	2,187,490	7	0.30%
Westerville Plaza LP	3,200,820	9	0.29%	-	-	-
Westerville Square, Inc.	3,197,260	10	0.29%	1,986,350	8	0.28%
Partners at Brookside	-	-	-	11,171,200	2	1.55%
Richard J. Solove and John J. Chester	-	-	-	2,869,270	3	0.40%
Health Care & Retirement Corp. of America	-	-	-	2,585,270	5	0.36%
John W. Messmore TR	-	-	-	2,485,000	6	0.35%
Donald R. Kenney TR	-	-	-	1,884,530	9	0.26%
Kimco Westerville 178 Inc.	-	-	-	1,695,050	10	0.24%
<u>Tangible Personal Property:</u>						
Worthington Cylinder Corp.	1,455,430	1	0.13%	-	-	-
Exel, Inc.	1,438,650	2	0.13%	904,300	9	0.13%
Meijer Stores Limited Partnership	1,371,330	3	0.12%	-	-	-
Sprint Nextel Corporation	1,028,020	4	0.09%	-	-	-
Ohio Bell Telephone Company	977,290	5	0.09%	-	-	-
Tamarkin Company	870,200	6	0.08%	-	-	-
Lake Shore Cryotronics, Inc.	758,670	7	0.07%	-	-	-
Home Depot USA Inc.	662,950	8	0.06%	-	-	-
Roush Equipment Company, Inc.	582,995	9	0.05%	1,252,840	7	0.17%
Cheryl & Company	559,180	10	0.05%	-	-	-
IBM Credit Corporation	-	-	-	12,914,890	1	1.80%
Banc One Corporation	-	-	-	10,321,530	2	1.44%
West-Camp Press, Inc.	-	-	-	1,642,390	3	0.23%
Time Warner Entertainment Co. LP	-	-	-	1,451,250	4	0.20%
Mettler Toledo, Inc.	-	-	-	1,422,800	5	0.20%
Cutler-Hammer IDT, Inc.	-	-	-	1,411,200	6	0.20%
McGraw Hill Companies, Inc.	-	-	-	1,075,600	8	0.15%
Robin Enterprises Company	-	-	-	876,540	10	0.12%
Totals	77,753,885		7.09%	98,229,600		13.66%
All Others	1,019,603,989		92.91%	620,723,509		86.34%
Total Property Assessed Valuation	<u>\$1,097,357,874</u>		<u>100.00%</u>	<u>\$718,953,109</u>		<u>100.00%</u>

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

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City of Westerville, Ohio

Property Tax Levies and Collections
Last Ten Years

<i>Collection Year</i>	<i>Total Current Tax Levy (1)</i>	<i>Current Tax (1) Collections</i>	<i>Percent of Levy Collected (1)</i>	<i>Delinquent Tax Collections (1)</i>	<i>Tax Collected Delaware County (2)</i>
1998	\$6,421,364	\$6,295,786	98.04%	\$119,029	\$1,385,451
1999	6,502,629	6,299,611	96.88	139,307	1,448,097
2000	6,449,184	6,306,357	97.79	139,304	1,556,103
2001	6,846,544	6,575,146	96.04	167,683	1,677,472
2002	6,750,991	6,408,731	94.93	141,351	1,726,314
2003	8,846,108	8,404,735	95.01	210,460	2,289,736
2004	9,320,227	8,908,894	95.59	226,691	2,654,132
2005	9,159,299	8,801,727	96.10	191,058	2,806,773
2006	9,268,229	8,840,226	95.38	185,000	3,223,639
2007	9,072,642	8,706,946	95.97	209,533	3,409,488

(1) Source: Franklin County Auditor's Office

Total Current Tax Levy includes rollback and homestead exemptions.

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

(3) Comparison of Franklin County only.

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

<i>Total Tax Collections</i>	<i>Percentage of Total Tax Collections To Total Tax Levy (3)</i>	<i>Outstanding Delinquent Taxes (4)</i>	<i>Percentage Of Outstanding Delinquent Taxes To Total Tax Levy (3)</i>
\$7,800,266	99.90%	\$259,456	4.04%
7,887,015	99.02	285,849	4.40
8,001,764	99.95	293,721	4.55
8,420,301	98.49	271,398	3.96
8,276,396	97.02	342,260	5.07
10,904,931	97.39	441,373	4.99
11,789,717	98.02	411,333	4.41
11,799,558	98.18	357,572	3.90
12,248,865	97.38	428,003	4.62
12,325,967	98.28	365,696	4.03

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

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
Unvoted Millage				
Operating	<u>\$2.65</u>	<u>\$2.65</u>	<u>\$2.65</u>	<u>\$2.65</u>
Voted Millage - By Levy				
1976 Bond				
Residential/Agricultural Real	0.09	0.09	0.08	0.07
Commercial/Industrial and Public Utility Real	0.09	0.09	0.08	0.07
General Business and Public Utility Personal	0.09	0.09	0.08	0.07
1976 Charter				
Residential/Agricultural Real	0.60	0.60	0.60	0.60
Commercial/Industrial and Public Utility Real	0.60	0.60	0.60	0.60
General Business and Public Utility Personal	0.60	0.60	0.60	0.60
1977 Fire				
Residential/Agricultural Real	1.38	1.38	1.22	1.21
Commercial/Industrial and Public Utility Real	1.41	1.39	1.29	1.26
General Business and Public Utility Personal	3.60	3.60	3.60	3.60
1982 Fire				
Residential/Agricultural Real	0.68	0.67	0.60	0.59
Commercial/Industrial and Public Utility Real	0.78	0.77	0.72	0.70
General Business and Public Utility Personal	1.20	1.20	1.20	1.20
1983 Fire				
Residential/Agricultural Real	0.68	0.67	0.60	0.59
Commercial/Industrial and Public Utility Real	0.80	0.79	0.73	0.71
General Business and Public Utility Personal	1.20	1.20	1.20	1.20
1985 Bond				
Residential/Agricultural Real	0.50	0.46	0.39	0.37
Commercial/Industrial and Public Utility Real	0.50	0.46	0.39	0.37
General Business and Public Utility Personal	0.50	0.46	0.39	0.37
1986 Fire				
Residential/Agricultural Real	1.41	1.40	1.24	1.23
Commercial/Industrial and Public Utility Real	1.68	1.66	1.54	1.50
General Business and Public Utility Personal	2.40	2.40	2.40	2.40
1995 Fire				
Residential/Agricultural Real	1.95	1.95	1.72	1.71
Commercial/Industrial and Public Utility Real	2.01	1.98	1.84	1.79
General Business and Public Utility Personal	2.10	2.10	2.10	2.10

<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
<u>\$2.65</u>	<u>\$2.65</u>	<u>\$2.65</u>	<u>\$2.65</u>	<u>\$2.65</u>	<u>\$2.65</u>
0.06	0.05	0.06	0.00	0.00	0.00
0.06	0.05	0.06	0.00	0.00	0.00
0.06	0.05	0.06	0.00	0.00	0.00
0.60	0.60	0.60	0.60	0.60	0.60
0.60	0.60	0.60	0.60	0.60	0.60
0.60	0.60	0.60	0.60	0.60	0.60
1.20	1.07	1.07	1.06	0.92	0.91
1.23	1.14	1.14	1.14	1.11	1.09
3.60	3.60	3.60	3.60	3.60	3.60
0.59	0.52	0.52	0.52	0.45	0.45
0.69	0.64	0.64	0.63	0.62	0.61
1.20	1.20	1.20	1.20	1.20	1.20
0.59	0.52	0.52	0.52	0.45	0.45
0.70	0.65	0.65	0.64	0.63	0.62
1.20	1.20	1.20	1.20	1.20	1.20
0.34	0.30	0.27	0.25	0.27	0.00
0.34	0.30	0.27	0.25	0.27	0.00
0.34	0.30	0.27	0.25	0.27	0.00
1.23	1.09	1.09	1.08	0.93	0.93
1.47	1.37	1.37	1.36	1.33	1.31
2.40	2.40	2.40	2.40	2.40	2.40
1.70	1.51	1.51	1.50	1.29	1.29
1.76	1.63	1.63	1.62	1.58	1.56
2.10	2.10	2.10	2.10	2.10	2.10

(Continued)

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

	<i>1998</i>	<i>1999</i>	<i>2000</i>	<i>2001</i>
1996 Fire and EMS				
Residential/Agricultural Real	0.33	0.33	0.29	0.29
Commercial/Industrial and Public Utility Real	0.34	0.33	0.31	0.30
General Business and Public Utility Personal	0.35	0.35	0.35	0.35
2002 Fire and EMS				
Residential/Agricultural Real	0.00	0.00	0.00	0.00
Commercial/Industrial and Public Utility Real	0.00	0.00	0.00	0.00
General Business and Public Utility Personal	0.00	0.00	0.00	0.00
2002 Bond				
Residential/Agricultural Real	0.00	0.00	0.00	0.00
Commercial/Industrial and Public Utility Real	0.00	0.00	0.00	0.00
General Business and Public Utility Personal	0.00	0.00	0.00	0.00
Total Voted Millage By Type of Property				
Residential/Agricultural Real	7.62	7.55	6.74	6.66
Commercial/Industrial and Public Utility Real	8.21	8.07	7.50	7.30
General Business and Public Utility Personal	12.04	12.00	11.92	11.89
Total Voted and Unvoted Millage By Type of Property				
Residential/Agricultural Real	10.27	10.20	9.39	9.31
Commercial/Industrial and Public Utility Real	10.86	10.72	10.15	9.95
General Business and Public Utility Personal	14.69	14.65	14.57	14.54
Overlapping Rates By Taxing District				
School District				
Residential/Agricultural Real	39.02	38.52	34.48	38.12
Commercial/Industrial and Public Utility Real	36.96	36.40	33.78	37.11
General Business and Public Utility Personal	61.32	61.15	59.66	63.50
Library				
Residential/Agricultural Real	0.00	0.00	0.00	0.00
Commercial/Industrial and Public Utility Real	0.00	0.00	0.00	0.00
General Business and Public Utility Personal	0.00	0.00	0.00	0.00
County				
Residential/Agricultural Real	0.09-2.78	0.09-2.76	0.32-2.75	0.31-2.73
Commercial/Industrial and Public Utility Real	0.11-3.36	0.11-3.34	0.41-3.13	0.40-3.09
General Business and Public Utility Personal	0.23-3.50	0.23-3.50	0.65-3.15	0.65-3.50

Source: Ohio Department of Taxation

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

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

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

2002	2003	2004	2005	2006	2007
0.29	0.25	0.25	0.25	0.22	0.22
0.30	0.27	0.27	0.27	0.27	0.26
0.35	0.35	0.35	0.35	0.35	0.35
0.00	3.02	3.02	3.01	2.59	2.58
0.00	3.15	3.15	3.14	3.07	3.02
3.40	3.40	3.40	3.40	3.40	3.40
0.00	0.00	0.23	0.20	0.20	0.10
0.00	0.00	0.23	0.20	0.20	0.10
0.00	0.00	0.20	0.20	0.20	0.10
6.60	8.93	9.14	8.99	7.92	7.53
7.15	9.80	10.01	9.85	9.68	9.17
15.25	15.20	15.38	15.30	15.32	14.95
9.25	11.58	11.79	11.64	10.57	10.18
9.80	12.45	12.66	12.50	12.33	11.82
17.90	17.85	18.03	17.95	17.97	17.60
38.81	35.45	35.37	40.69	35.70	41.54
37.43	35.20	34.98	40.33	39.02	44.11
63.40	63.20	63.20	68.01	67.31	72.50
0.00	0.71	0.71	0.71	0.61	0.61
0.00	0.74	0.73	0.73	0.72	0.72
0.80	0.80	0.80	0.80	0.80	0.80
0.31-2.71	0.28-3.09	0.27-3.07	0.27-3.06	0.23-2.61	0.23-2.60
0.40-3.05	0.38-3.30	0.38-3.31	0.38-3.34	0.37-3.21	0.37-3.21
0.65-3.50	0.65-3.50	0.65-3.50	0.65-3.50	0.65-3.50	0.65-3.50

City of Westerville, Ohio
Ratios of Outstanding Debt by Type
Last Ten Years

Year	Governmental Activities				Business-Type Activities		
	General Obligation Bonds	Special Assessment Bonds	Notes Payable	Police Pension Liability	General Obligation Bonds	Notes Payable	ODNR Debt
1998	\$32,190,000	\$158,000	\$0	\$25,763	\$8,110,933	\$0	\$2,070,207
1999	30,967,500	114,000	0	25,362	9,884,130	0	2,040,333
2000	29,635,100	70,000	0	24,943	9,377,227	0	2,009,496
2001	28,271,720	35,000	0	24,506	8,846,304	0	1,977,666
2002	26,870,005	0	394,687	24,051	8,283,716	0	1,944,810
2003	31,882,473	0	296,015	23,576	7,687,798	0	1,910,896
2004	30,152,752	0	197,343	23,081	6,790,925	0	1,875,889
2005	28,429,696	0	0	22,564	6,284,181	1,350,000	1,839,754
2006	26,648,305	0	0	22,025	5,750,772	7,925,000	1,802,455
2007	25,451,222	0	0	21,463	23,750,018	0	1,763,954

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

(2) Source: Franklin County Auditor

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

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

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

<i>Total Outstanding Debt (1)</i>	<i>Estimated Actual Value of Taxable Property (2)</i>	<i>Population (3)</i>	<i>Personal Income (4)</i>	<i>Ratio of Debt to Personal Income</i>	<i>Debt Per Capita</i>
\$42,554,903	\$2,080,649,219	34,833	\$961,913	4.42%	\$1,222
43,031,325	2,134,791,191	34,948	1,008,285	4.27%	1,231
41,116,766	2,424,505,790	35,318	1,085,781	3.79%	1,164
39,155,196	2,511,442,026	35,671	1,121,211	3.49%	1,098
37,517,269	2,572,958,603	35,908	1,159,038	3.24%	1,045
41,800,758	2,749,268,561	36,018	1,181,174	3.54%	1,161
39,039,990	2,782,802,415	36,069	1,216,427	3.21%	1,082
37,926,195	2,769,605,742	36,325	1,269,922	2.99%	1,044
42,148,557	3,123,085,749	36,517	1,326,845	3.18%	1,154
50,986,657	3,175,772,833	36,569	1,380,995	3.69%	1,394

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

<i>Collection Year</i>	<i>General Obligation Bonded Debt (1)</i>	<i>Estimated Actual Value of Taxable Property (2)</i>	<i>Population (3)</i>	<i>Ratio of General Obligation Bonded Debt to Estimated Actual Value</i>	<i>General Obligation Bonded Debt Per Capita</i>
1998	\$32,190,000	\$2,080,649,219	34,833	1.55%	\$924.12
1999	30,967,500	2,134,791,191	34,948	1.45%	886.10
2000	29,635,100	2,424,505,790	35,318	1.22%	839.09
2001	28,271,720	2,511,442,026	35,671	1.13%	792.57
2002	26,870,005	2,572,958,603	35,908	1.04%	748.30
2003	31,882,473	2,749,268,561	36,018	1.16%	885.18
2004	30,152,752	2,782,802,415	36,069	1.08%	835.97
2005	28,429,696	2,769,605,742	36,325	1.03%	782.65
2006	26,648,305	3,123,085,749	36,517	0.85%	729.75
2007	25,451,222	3,175,772,833	36,569	0.80%	695.98

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

(2) Source: Franklin County Auditor

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

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

City of Westerville, Ohio
 Computation of Direct and Overlapping Governmental Debt
 December 31, 2007

<i>Jurisdiction</i>	<i>Debt Outstanding</i>	<i>Percentage Applicable to the City of Westerville (1)</i>	<i>Amount Applicable to the City of Westerville</i>
Direct:			
City of Westerville General Obligation Bonds	<u>\$25,451,222</u>	100.00%	<u>\$25,451,222</u>
Overlapping:			
Westerville City School District	106,274,586	49.35%	52,446,508
Franklin County	243,805,000	3.92%	9,557,156
Blendon Township	<u>377,400</u>	0.08%	<u>302</u>
Total Overlapping Debt	<u>350,456,986</u>		<u>62,003,966</u>
Grand Total	<u><u>\$375,908,208</u></u>		<u><u>\$87,455,188</u></u>

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

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

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

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

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
Total Assessed Valuation	<u>\$718,953,109</u>	<u>\$734,284,735</u>	<u>\$831,573,787</u>	<u>\$862,841,513</u>
Overall debt limitation - 10.5% of assessed valuation	<u>75,490,076</u>	<u>77,099,897</u>	<u>87,315,248</u>	<u>90,598,359</u>
Net Debt Subject to Limitation (General Obligation Bonds)	32,190,000	30,967,500	29,635,100	28,271,720
Less amount available in the debt service fund	<u>(173,256)</u>	<u>(959)</u>	<u>(17,229)</u>	<u>(34,272)</u>
Total Net Debt Subject to Limitation	<u>32,363,256</u>	<u>30,968,459</u>	<u>29,652,329</u>	<u>28,305,992</u>
Legal debt margin within 10.5% limitation	<u>\$43,126,820</u>	<u>\$46,131,438</u>	<u>\$57,662,919</u>	<u>\$62,292,367</u>
Legal Debt Margin as a Percentage of the Debt Limit	57.1%	59.8%	66.0%	68.8%
<hr/>				
Unvoted debt limitation 5.5% of assessed valuation	<u>\$39,542,421</u>	<u>\$40,385,660</u>	<u>\$45,736,558</u>	<u>\$47,456,283</u>
Net Debt Subject to Limitation (General Obligation Bonds)	32,190,000	30,967,500	29,635,100	28,271,720
Less amount available in the debt service fund	<u>(173,256)</u>	<u>(959)</u>	<u>(17,229)</u>	<u>(34,272)</u>
Total Net Debt Subject to Limitation	<u>32,363,256</u>	<u>30,968,459</u>	<u>29,652,329</u>	<u>28,305,992</u>
Legal debt margin within 10% limitation	<u>\$7,179,165</u>	<u>\$9,417,201</u>	<u>\$16,084,229</u>	<u>\$19,150,291</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation	18.2%	23.3%	35.2%	40.4%
Ohio Bond Law sets a limit of 10.5% for voted debt and 5.5% for unvoted debt.				

<i>2002</i>	<i>2003</i>	<i>2004</i>	<i>2005</i>	<i>2006</i>	<i>2007</i>
<u>\$879,308,140</u>	<u>\$950,494,929</u>	<u>\$961,634,784</u>	<u>\$964,233,368</u>	<u>\$1,081,565,488</u>	<u>\$1,097,357,874</u>
<u>92,327,355</u>	<u>99,801,968</u>	<u>100,971,652</u>	<u>101,244,504</u>	<u>113,564,376</u>	<u>115,222,577</u>
<u>26,870,005</u>	<u>31,921,620</u>	<u>30,189,900</u>	<u>28,464,845</u>	<u>26,681,455</u>	<u>25,471,395</u>
<u>(86,435)</u>	<u>(33,638)</u>	<u>(89,866)</u>	<u>(99,873)</u>	<u>(199,513)</u>	<u>(121,383)</u>
<u>26,956,440</u>	<u>31,955,258</u>	<u>30,279,766</u>	<u>28,564,718</u>	<u>26,880,968</u>	<u>25,592,778</u>
<u>\$65,370,915</u>	<u>\$67,846,710</u>	<u>\$70,691,886</u>	<u>\$72,679,786</u>	<u>\$86,683,408</u>	<u>\$89,629,799</u>
70.8%	68.0%	70.0%	71.8%	76.3%	77.8%
<u>\$48,361,948</u>	<u>\$52,277,221</u>	<u>\$52,889,913</u>	<u>\$53,032,835</u>	<u>\$59,486,102</u>	<u>\$60,354,683</u>
<u>26,870,005</u>	<u>31,921,620</u>	<u>30,189,900</u>	<u>28,464,845</u>	<u>26,681,455</u>	<u>25,471,395</u>
<u>(86,435)</u>	<u>(33,638)</u>	<u>(89,866)</u>	<u>(99,873)</u>	<u>(199,513)</u>	<u>(121,383)</u>
<u>26,956,440</u>	<u>31,955,258</u>	<u>30,279,766</u>	<u>28,564,718</u>	<u>26,880,968</u>	<u>25,592,778</u>
<u>\$21,405,508</u>	<u>\$20,321,963</u>	<u>\$22,610,147</u>	<u>\$24,468,117</u>	<u>\$32,605,134</u>	<u>\$34,761,905</u>
44.3%	38.9%	42.7%	46.1%	54.8%	57.6%

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

<i>Year</i>	<i>Population (1)</i>	<i>Total Personal Income (2)</i>	<i>Per Capita Income (3)</i>	<i>School Enrollment (4)</i>	<i>Unemployment Rates (5)</i>		
					<i>Franklin County</i>	<i>Ohio</i>	<i>United States</i>
1998	34,833	\$961,913	\$27,615	13,225	2.5%	4.3%	4.5%
1999	34,948	1,008,285	28,851	13,390	2.2%	4.2%	4.1%
2000	35,318	1,085,781	30,743	13,609	2.1%	4.0%	4.0%
2001	35,671	1,121,211	31,432	13,706	3.2%	4.8%	5.8%
2002	35,908	1,159,038	32,278	13,834	4.4%	5.7%	5.8%
2003	36,018	1,181,174	32,794	14,043	4.9%	6.1%	6.0%
2004	36,069	1,216,427	33,725	14,156	5.4%	6.1%	5.5%
2005	36,325	1,269,922	34,960	14,023	5.3%	5.9%	5.1%
2006	36,517	1,326,845	36,335	14,217	4.5%	5.5%	4.5%
2007	36,569	1,380,995	37,764	14,252	4.7%	5.6%	5.0%

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

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

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

Note: 2007 estimate is interpolated based upon percentage increase from the prior year.

(4) Westerville City School District's CAFR

(5) State of Ohio's CAFR and the Bureau of Labor Statistics

City of Westerville, Ohio

Principal Employers

2007 and 1998

<i>Employer</i>	<i>2007</i>			<i>1998</i>		
	<i>Number of Employees</i>	<i>Rank</i>	<i>Percentage of Total Employment</i>	<i>Number of Employees</i>	<i>Rank</i>	<i>Percentage of Total Employment</i>
JP Morgan Chase Bank NA	3,837	1	2.49%	7,468	1	NA
Mount Carmel Health Systems	2,366	2	1.5%	1,399	5	NA
Westerville City Schools	2,195	3	1.4%	1,912	3	NA
Otterbein College	1,810	4	1.2%	1,564	4	NA
CMS Subsidiary	1,591	5	1.0%	2,015	2	NA
Alliance Data Systems Inc	1,433	6	0.9%	1,232	6	NA
1-800 Flowers (Cheryls Cookies)	959	7	0.6%	1,018	7	NA
City of Westerville	862	8	0.6%	556	9	NA
Heartland Employment	797	9	0.5%	-	-	NA
Meijers	597	10	0.4%	-	-	NA
Worthington Cylinders	-	-	-	887	8	NA
Kroger	-	-	-	452	10	NA
Total Employees	16,447		10.7%	18,503		NA
All Other Employers	137,402		89.3%	NA		NA
Total Employment within the City	153,849		100.00%	NA		NA

Source: City Income Tax Department

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

<i>Function/Program</i>	<i>2005</i>		<i>2006</i>		<i>2007</i>	
	<i>Full-Time</i>	<i>All</i>	<i>Full-Time</i>	<i>All</i>	<i>Full-Time</i>	<i>All</i>
Security of Persons and Property						
Fire	84.00	109.00	84.00	104.00	92.00	103.00
Police	85.00	93.00	87.00	91.00	88.00	92.00
Communications	13.00	18.00	15.00	19.00	15.00	23.00
Total	182.00	220.00	186.00	214.00	195.00	218.00
Leisure Time Activities						
Administration	7.00	12.00	7.00	7.00	8.00	8.00
Recreation	21.40	289.60	20.65	296.20	22.75	286.75
Parks	18.75	42.00	19.25	51.60	19.80	44.80
Senior Center	6.50	13.50	6.75	14.75	7.90	16.90
Total	53.65	357.10	53.65	369.55	58.45	356.45
Community Development	24.00	30.00	24.00	32.00	25.00	28.00
Basic Utility Services	3.90	7.35	6.25	12.20	7.25	9.25
Transportation	16.00	22.25	14.05	23.33	14.05	22.38
General Government						
Legislative	1.00	9.00	1.00	8.00	1.00	9.00
City Manager	12.00	13.00	12.00	15.00	13.00	17.00
Finance	21.00	29.00	21.00	29.20	21.60	26.60
Information Systems	10.00	12.00	10.00	11.00	10.00	10.00
Mayor's Court	3.00	6.00	3.00	7.00	3.00	6.00
Legal	0.00	3.00	0.00	2.00	0.00	2.00
Buildings and Grounds	6.00	6.00	6.00	6.00	6.00	6.00
Total	53.00	78.00	53.00	78.20	54.60	76.60
Business-Type Activities						
Water	18.00	20.60	18.10	24.68	18.60	23.93
Sewer	8.00	12.60	6.40	9.69	5.90	6.74
Refuse	1.05	1.10	1.10	2.05	1.10	1.10
Electric	45.00	48.00	45.00	49.80	47.40	48.40
Swimming Pool	1.35	44.90	1.35	63.45	1.55	56.55
Garage	4.05	4.10	4.10	5.05	5.10	5.60
Total	77.45	131.30	76.05	154.72	79.65	142.32
Total - All Employees	410.00	846.00	413.00	884.00	434.00	853.00

Source: City Payroll Records

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

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

Source: Department annual reports

NA - Information not available

<i>2002</i>	<i>2003</i>	<i>2004</i>	<i>2005</i>	<i>2006</i>	<i>2007</i>
NA	NA	17,026	16,844	16,737	16,883
NA	NA	2,475	2,615	2,689	2,724
NA	NA	2,744	2,894	3,361	3,365
7,387	7,966	8,004	7,338	8,117	7,496
67,736	65,805	63,042	58,852	63,453	61,391
206	297	346	357	346	447
5,560	5,956	5,600	5,532	5,849	5,612
652	752	683	552	619	470
3,920	3,557	3,319	3,600	3,701	3,683
2,437	2,385	2,986	2,986	2,680	2,833
6,357	5,942	6,305	6,586	6,381	6,516
\$441,705	\$380,711	\$330,281	\$406,640	\$403,979	\$459,366
2,434,829	2,600,032	2,813,641	3,016,530	3,545,571	3,083,129

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

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

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

Source: City capital asset records

<i>2002</i>	<i>2003</i>	<i>2004</i>	<i>2005</i>	<i>2006</i>	<i>2007</i>
1	1	1	1	1	1
1	1	1	1	1	1
3	3	3	3	3	3
31	31	32	32	33	34
350.584	392.862	442.477	446.477	446.477	446.827
3.060	3.060	12.920	12.920	12.920	12.920
82.583	87.204	87.204	93.134	93.134	93.134
2	2	2	2	2	2
15.290	16.370	18.020	22.610	22.740	25.090
2	2	2	2	2	2
1	1	1	1	1	1
10	11	12	13	13	13
0	0	1	1	1	1
0	0	1	1	1	1
3	3	3	3	3	3
46	47	48	48	50	48
11	11	11	11	11	11
8	9	9	9	11	11
0	0	0	1	1	1
170	171	178	178	174	190
142	143	150	153	155	162
134	135	140	140	146	147
239	242	251	261	269	270
147	148	150	151	152	152
3,084	3,212	3,437	3,744	4,002	4,019

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Mary Taylor, CPA
Auditor of State

CITY OF WESTERVILLE

FRANKLIN COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JULY 15, 2008**