



**Auditor of State
Betty Montgomery**

CITY OF WESTERVILLE
FRANKLIN COUNTY

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**CITY OF WESTERVILLE
FRANKLIN COUNTY**

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2003**

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements
<u>U.S. DEPARTMENT OF JUSTICE</u>			
COPS in Schools		16.710	\$ 125,000
Total U.S. Department of Justice			125,000
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
Assistance to Firefighters Grant		97.044	33,215
<i>Passed through Ohio Emergency Management Agency Disaster Relief Communities Grant</i>		83.551	56,369
<i>Passed through Ohio Department of Public Safety Public Assistance Grants</i>		97.044	19,006
Total U.S. Department of Homeland Security			108,590
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
<i>Passed Through Ohio Department of Natural Resources Recreation Trails Program</i>		20.219	150,000
<i>Passed Through Ohio Department of Transportation Highway Planning and Construction</i>		20.205	149,747
Total U.S. Department of Transportation			299,747
Total Federal Awards Expenditures			\$ 533,337

The accompanying notes to this schedule are an integral part of this schedule.

**CITY OF WESTERVILLE
FRANKLIN COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FISCAL YEAR ENDED DECEMBER 31, 2003**

NOTE A – SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B – MATCHING REQUIREMENTS

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



**Auditor of State
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE AND ON
INTERNAL CONTROL REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

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

To the City Council:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Westerville, Franklin County, Ohio, (the City) as of and for the year ended December 31, 2003, which collectively comprise the City's basic financial statements, and have issued our report thereon dated September 20, 2004, wherein we noted the City adopted *Governmental Accounting Standards Board Statement No. 34*. 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 *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As a part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts and grants, 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 such an opinion. The results of our tests disclosed no instances of noncompliance we must report under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information and use of the audit committee, management, the City Council, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

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

Betty Montgomery
Auditor of State

September 20, 2004



Auditor of State Betty Montgomery

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

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

To the City Council:

Compliance

We have audited the compliance of the City of Westerville, Franklin County, Ohio, (the City) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2003. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

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

As described in item 2003-001 in the accompanying schedule of findings, the City did not comply with requirements regarding the Davis-Bacon Act that are applicable to its Highway Planning and Construction program. Compliance with such requirements is necessary, in our opinion, for the City to comply with requirements applicable to that program.

In our opinion, except for the noncompliance described in the preceding paragraph, the City complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2003. We also noted an instance of noncompliance that does not require inclusion in this report that we have reported to the management of the City in a separate letter dated September 20, 2004.

Internal Control Over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

We noted a matter involving the internal control over compliance and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect the City's ability to administer a major federal program in accordance with applicable requirements of laws, regulation, contracts and grants. A reportable condition is described in the accompanying schedule of findings as item 2003-001.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we do not believe the reportable condition described above is a material weakness.

Schedule of Federal Awards Expenditures

We have audited the basic financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the City of Westerville, Franklin County, Ohio, as of and for the year ended December 31, 2003, which collectively comprise the City's basic financial statements, and have issued our report thereon dated September 20, 2004, wherein we noted the City adopted *Governmental Accounting Standards Board Statement No. 34*. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of federal awards expenditures is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended for the information and use of the audit committee, management, the City Council, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.



Betty Montgomery
Auditor of State

September 20, 2004

**CITY OF WESTERVILLE
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 § .505
DECEMBER 31, 2003**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material non-compliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	Yes
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified – CFDA #16.710 Qualified – CFDA #20.205
(d)(1)(vi)	Are there any reportable findings under § .510?	Yes
(d)(1)(vii)	Major Programs (list):	COPS in Schools CFDA #16.710 Highway Planning and Construction CFDA #20.205
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > \$ 300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	No

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

None

**CITY OF WESTERVILLE
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 § .505
DECEMBER 31, 2003
(Continued)**

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

Davis-Bacon Act

Finding Number	2003-001
CFDA Title and Number	Highway Planning and Construction CFDA #20.205
Federal Agency	U.S. Department of Transportation
Pass-Through Agency	Ohio Department of Transportation

Reportable condition, Noncompliance finding

40 USC 276a (restated as 40 USCS § 3142) requires that all laborers and mechanics employed by contractors or subcontractors to work on construction contracts in excess of \$2,000 financed by federal assistance funds must be paid wages not less than those established for the locality of the project (prevailing wage rates) by the Department of Labor (DOL).

29 CFR 5.1, 5.2, 5.5, and 5.6 provide that non-federal entities shall include in their construction contracts subject to the Davis-Bacon Act a requirement that the contractor or subcontractor comply with the requirements of the Davis-Bacon Act and the DOL regulations. This includes a requirement for the contractor or subcontractor to submit to the non-Federal entity weekly, for each week in which any contract work is performed, a copy of the payroll and a statement of compliance (certified payrolls). See 29 CFR 5.5(a)(3)(ii)(A)-(C). The City is responsible for instituting activities that assure the construction contractor satisfactorily pays prevailing wages to construction workers employed on the project.

The City's construction contract with Miller Pavement Maintenance, Inc. for the Alum Creek Bikeway included a "Required Contract Provisions – Federal-aid Construction Contracts" attachment that addressed the Davis-Bacon Act. However, the DOL's wage rates were not included in the contract bid documents nor were they provided to the contractor or subcontractors. The contractor and subcontractors submitted the required weekly certified payrolls. However, there was no evidence the City reviewed the submissions to determine whether laborers and mechanics were paid the prevailing wage rates established by the DOL for the locality at the time of the construction payroll.

The City should ensure federally funded construction contracts are in compliance with the Davis-Bacon Act. The City should establish procedures to assure contractors are provided the required DOL prevailing wage rates with the bid documents and again at the time of the contract. In addition, the City should establish procedures to ensure payrolls are in accordance with DOL wages (i.e., spot check 10% of payrolls at least 3 times during the season/project (near beginning, middle and before end).

City of Westerville, Ohio

Comprehensive Annual Financial Report

For the Year Ended December 31, 2003

Issued by the Department of Finance

John P. Winkel
Finance Director

Margaret M. Doone, CPA
Assistant Finance Director

City of Westerville, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2003

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September 20, 2004

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, 2003 is hereby submitted.

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

1. The Introductory Section including a title page, a table of contents, this letter of transmittal which is designed to provide an easily accessible overview and summary of the City's finances, economic prospects and achievements, the City's organization chart, a list of principal officials, and the Certificate of Achievement awarded to the City for its 2002 CAFR.
2. The Financial Section, including the Independent Accountants' Report, Management's Discussion and Analysis, Basic Financial Statements, and various other combining and individual fund financial statements and schedules included as other supplementary information.
3. The Statistical Section, including tables of unaudited data depicting financial and demographic history of the City for the last ten years.

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

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

The Auditor of the State of Ohio (independent auditor) has audited the financial statements of the City. The objective of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended December 31, 2003, 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, 2003, are fairly presented in conformity with GAAP. The independent accountants' report is presented as the first component of the financial section of this report.

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

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

FORM OF GOVERNMENT

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

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

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

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

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

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

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

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

ECONOMIC CONDITION AND OUTLOOK

The City of Westerville, despite the current state and national economic conditions, continues to attract new employers and quality jobs to the community. In 2003 alone, there were more than 10 new companies that announced their moves to Westerville, and five companies that announced expansions here. New developments to the Westar Center of Business have been integral to this recruitment. The City is also attracting new businesses into mature developments such as Eastwind, Brookside, and the Uptown District. New developments have played an enormously positive impact on the City, including acting as a complement to the existing areas already in place. Westerville continues to strive toward maintaining a delicate balance by attracting businesses across the entire Westerville landscape.

American Family Insurance now calls Westerville their regional corporate home. American Family recently moved into the Westar Center of Business, bringing more than 120 jobs to the community with plans for an additional 100 jobs by 2009. The company has more than 60,000 square feet in the 144,000 square foot building.

During 2003, Westerville staked its claim to having the largest office deal in central Ohio when Exel Logistics decided to stay in Westerville and move its headquarters to the burgeoning Westar Center of Business in partnership with Daimler Group developers. The deal not only kept 225 current jobs in Westerville, but Exel is looking to nearly double that number to well over 400 employees in the coming years.

Other successes to bring new jobs to Westerville include ABB Industries, which is constructing a 145,000 square foot office building, also in the Westar Center of Business. ABB plans to bring at least 230 staff to the new facility.

The ProCentury Corp., parent company of property-casualty insurer Century Insurance Group, moved its corporate headquarters to Westerville in late 2003. The company had formerly been located in Columbus. The company is now located in a two-story, 45,000 square foot office building at 465 Cleveland Avenue. The company brought more than 160 associates with the move, and has already grown to about 190 employees. The company expects to have over 220 associates employed in the facility by the end of 2004.

Mount Carmel St. Ann's new, 96,000 square foot Women's Pavilion will open to the public in October. This \$27 million facility, located on the hospital's campus at 500 S. Cleveland Avenue, is the first comprehensive care facility of its kind in central Ohio. It includes more rooms and space in the Labor and Delivery and post-partum units, a perinatology unit to handle high risk pregnancies, and a multitude of other features combining state-of-art technology in maternity services.

The St. Ann's Cancer Center, a 6,000 square foot facility on the main campus, opened in 2000 creating a place where patients can receive radiation and chemotherapy treatments at the same location, close to home. Additionally, Mount Carmel St. Ann's is developing *Jan's Place at St. Ann's*—a comprehensive center for services, products and support for patients during cancer treatment and their celebration of life.

Mount Carmel is also in the process of adding 100,000 square feet of office space for medical personnel, and operates a medical facility offering urgent care, diagnostics, occupational health, rehab services and physician offices in the Westar Center of Business at the eastern intersection of Cleveland Avenue and County Line Road. In all, Mount Carmel St. Ann's investment in Westerville for these expansions is estimated at \$70 million.

A new Children's Hospital branch, which employs 75 medical professionals, opened in the Westar Center of Business in September 2003. This new \$3.7 million, 32,000 square foot facility is located at the intersection of Cleveland Avenue and County Line Road just northwest of the Westerville Community Center.

Westerville officials continue to attract companies to well established office areas in the Brooksedge Office Park, Eastwind Drive, and South State Street areas. Some of the new companies attracted to these mature office areas include Pharmacy Management Group (50 employees), Appelles (154 employees), and MediSpec (30 employees). Delia's, a women's clothing company that moved to Westerville last year from New York, is already expanding in Westerville's Brooksedge area.

Development is expected to continue in 2004, with the possibility of several more Class A office buildings being constructed in the Westar area. Westerville remains committed to attracting companies and developers with a sharp eye for detail, both in building construction and the quality of employers that will reside in Westerville. These new businesses will supplement City services and provide good employment opportunities for Westerville residents.

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

MAJOR INITIATIVES

FOR THE YEAR

During 2003 Governor Bob Taft announced the award of statewide technology grants, including an innovative, unique and energy-efficient project in Westerville. The City of Westerville/AMP-Ohio Commercial Fuel Cell Demonstration project will be the recipient of an \$839,016 grant from the Ohio Fuel Cell Initiative program. The project involves the installation of a 250-kilowatt advanced fuel cell power plant demonstrating the viability and significant benefits associated with the deployment of a utility fuel cell at a local electric utility substation. As an *Energy Smart Community*, Westerville has always committed itself to providing affordable, reliable power for its customers while exploring the use of technologies that are environmentally friendly. This project is an example of that commitment. In the future, residents will have the option to purchase green power (energy which produces no pollution).

Roads continue to be a high priority. In 2003, more than \$2.6 million was invested in street maintenance projects. City inspections occurred on all 400+ lane miles of City streets to determine which streets would receive upgrades as part of the 2004 Street Maintenance Program. Westerville also was awarded a \$3.3 million State of Ohio grant to expand County Line Road West over Alum Creek to Worthington Road.

With the assistance from a Federal Emergency Management Association (FEMA) Grant, lightning prediction systems were installed at Heritage Park, Alum Creek Park North, Metzger Park and the Sports Complex. These lightning systems give park patrons advance notice of the possibility of lightning in the area. A lightning prediction sensor located on top of the Antrim Pavilion at Heritage Park monitors the potential for lightning strikes within a 2.5 mile radius, and horns sound in all parks if there is a possibility for lightning in the area. The

FEMA grant also provided funding for the establishment of a Westerville Disaster Mitigation Plan. In the coming years, Westerville officials will attempt to secure federal funding for a number of projects that could make those who live and work in Westerville safer in the event of an emergency, including severe storms.

During 2003 *Sports Illustrated* President Bruce Hallett announced that the City of Westerville was chosen as its *Sportstown* Ohio. Westerville's commitment to finding creative and resourceful ways to enhance sports for the well being of its community fit perfectly with the principles of the *Sports Illustrated Sportstown Program*. The state of Ohio was profiled in the August 4 (2003) edition, with Westerville being noted as Ohio's Sportstown.

The City of Westerville Department of Parks and Recreation provides 680 sports-related programs annually for pre-schoolers, youths, teens, adults, senior adults and individuals with disabilities. Nearly 2,500 volunteers assist this department in its mission to enhance the community by providing quality and diverse leisure facilities, programs and services to their citizens regardless of age or abilities.

The Westerville Water Plant now has a treatment capacity of 7.5 million gallons per day, and two different water sources. Thanks in part to a grant in excess of \$100,000 from the Ohio Water Development Authority, the City is able to take advantage of existing groundwater resources by constructing new water wells. These new wells expand Westerville's overall water supply and provide an alternative water supply in case Alum Creek would ever become contaminated.

During 2003, Moody's Investors Service reviewed and upgraded the City's bond rating to **Aa1**. Fitch Investors Services assigned their **AA+** rating with a "positive outlook" to the City's credits. The rating reports cited Westerville's significant financial flexibility, increased tax base diversification spurred by new business development, prudent management and institutionalized financial practices.

The Westerville Codified Ordinances are now available for immediate access at www.westerville.org. The ordinances can be accessed by clicking on the "City Council" section of the website. Once in the City Council section, web users just need to click on "Codified Ordinances" and the ordinances will appear by category.

FOR THE FUTURE

Construction is well underway toward the replacement of Fire Station 112, located at the corner of Schrock and Hempstead Roads. This project, and new fire and communications dispatching equipment currently being installed, were made possible by voter approval in Westerville and Blendon Township. Westerville's Fire Division earned the *Life Safety Achievement Award* from the Residential Fire Safety Institute, signifying no loss of life during the past year as a result of a fire.

Hanawalt Road was permanently closed this past September as part of the County Line Road West extension project. The new County Line Road West stub, from Cleveland Avenue west to Alum Creek, is complete and open to traffic. This new 5-lane extension being built over Alum Creek will proceed west all the way to Worthington Road from Cleveland Avenue. The expected completion date for this project, which will provide an alternative east-west route toward I-71 in northern Westerville, is Autumn 2004. Once the entire extension is complete, County Line Road will then run from Worthington Road all the way to State Street, providing a second major east/west route through the Westar Center of Business that doesn't currently exist. City officials were awarded more than \$3.3 million in grant money from the Ohio Public Works Commission for this project.

Spring Road, between Grindstone Avenue and approximately 600 feet south of Maxtown Road, is scheduled for construction in 2004. This project will include the reconstruction of the roadway to three lanes, a storm drainage system including curb and gutter, a new water line, streetlights and a bikeway along the west side of the road. This project is scheduled to coincide with the 2004 reconstruction of the Maxtown Road/Spring Road and Tussic Street Road intersection. Delaware County officials are coordinating the construction upgrades of this multi-jurisdictional project, where Westerville is responsible for improvements on the south leg of the intersection.

This project includes widening the pavement of all legs of the intersection to three lanes, a storm drainage system with curb and gutter, and the installation of a traffic signal. The City of Westerville is working closely with Genoa Township and Delaware County officials to coordinate the construction and minimize the impacts to motorists. Officials expect the traffic signal to be installed and the road open for traffic prior to the end of 2004. Total construction cost for the project is estimated at \$4 million, with Westerville's share totaling \$2.3 million.

Additionally, Delaware County officials expect to begin construction upgrades at the Maxtown Road/Sunbury Road intersection in 2004. This intersection is being widened to add left turn lanes on all legs of the intersection. Construction will also include the installation of a traffic signal.

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

FINANCIAL INFORMATION

INTERNAL CONTROL STRUCTURE AND BUDGETARY CONTROLS

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

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

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

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

FINANCIAL CONDITION

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

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

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

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

As part of this new reporting model, management is responsible for preparing a Management’s Discussion and Analysis of the City. This discussion follows the Independent Accountants’ Report, providing an assessment of the City finances for 2003.

CASH MANAGEMENT

The primary objective of the City’s investment activities is the preservation of capital and the protection of investment principal. The second objective evaluated in investing the City’s funds is the liquidity. Investments are made keeping in mind anticipated cash flow requirements in order to meet the City’s obligations. At December 31, 2003, the City’s market value of investments exceeded cost by \$461,087.

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

Public depositories are required by Ohio law and the City’s investment policy to give security for all public funds on deposit. These institutions may either specifically collateralize individual accounts for amounts in excess of the deposits insured by the Federal Deposit Insurance Corporation or may pledge a pool of securities valued at no less than 105% of the total value of public monies on deposit at that institution. At December 31, 2003, all City funds were secured in accordance with these provisions.

RISK MANAGEMENT

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

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

has occurred and the amount can be reasonably estimated through reviewing actual claims filed in the first few months of the year.

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

OTHER INFORMATION

INDEPENDENT AUDIT

Included in this report is an unqualified audit opinion rendered on the City's financial statements for the year ended December 31, 2003, by the Auditor of State. City management plans to continue to subject the financial statements to an annual independent audit as part of the preparation of a Comprehensive Annual Financial Report. An annual audit serves to maintain and strengthen the City's accounting and budgetary controls.

CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Westerville, Ohio, for its 2002 comprehensive annual financial report. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized CAFR. The report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is the highest form of recognition in the area of governmental financial reporting, and its attainment is a significant accomplishment for the City. We believe this comprehensive annual financial report meets the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA for review and determination of its eligibility for a certificate for 2003.

ACKNOWLEDGMENTS

Sincere gratitude goes to City Council for granting the funds for this project. The Finance Department prepared this Comprehensive Annual Financial Report with the efficient and dedicated services of its entire staff. 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, 2002

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



President

Executive Director

City of Westerville, Ohio

Elected and Appointed Officials
As of December 31, 2003

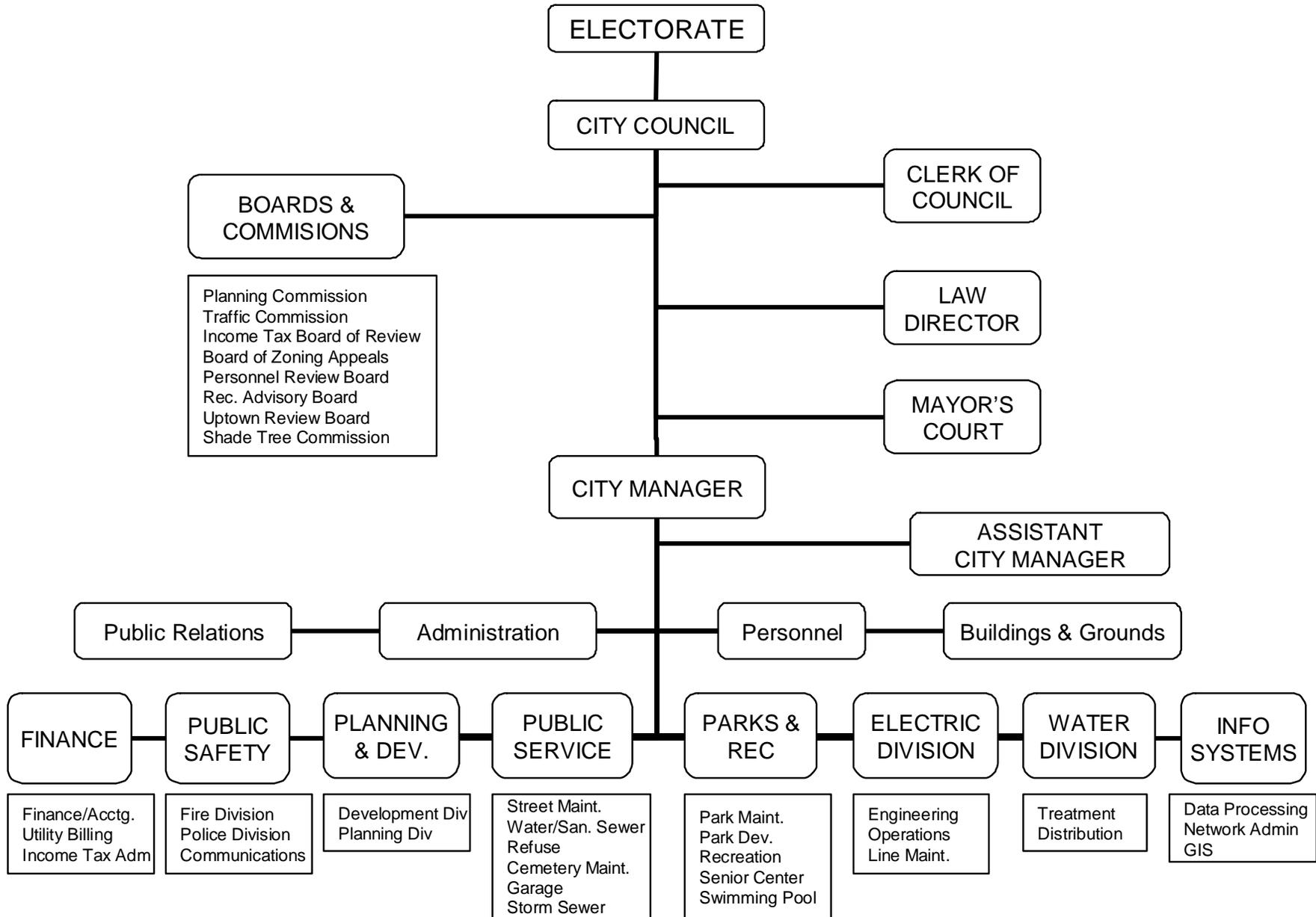
Elected Officials

Diane C. Fosselman	Chair of Council
Terry Winebrenner	Council Member, Vice Chair
Michael Heyeck	Council Member, Mayor
William E. Highfield	Council Member, Vice Mayor
Stewart L. Flaherty	Council Member
Anne Gonzales	Council Member
Damon E. Wetteraurer, Jr.	Council Member

Appointed Officials

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

CITY OF WESTERVILLE – ORGANIZATION CHART





Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT

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

To the City Council:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Westerville, Franklin County, Ohio, (the City), as of and for the year ended December 31, 2003, 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 *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about 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 that 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, 2003, and the respective changes in financial position and cash flows, where applicable, and the respective budgetary comparisons for the General Fund, the Fire Operating Fund, and the Parks and Recreation Operating Fund, thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 3, during the year ended December 31, 2003, the City implemented a new financial reporting model, as required by the provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements- and Management's Discussion and Analysis- for State and Local Governments*.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 20, 2004, 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information the Governmental Accounting Standards Board requires. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

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

Betty Montgomery
Auditor of State

September 20, 2004

City of Westerville, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2003
(Unaudited)

MANAGEMENT'S DISCUSSION AND ANALYSIS

The City of Westerville's discussion and analysis of the annual financial report provides a review of the financial performance for the year ended December 31, 2003.

FINANCIAL HIGHLIGHTS

- The City's total net assets increased \$9,978,779 during 2003. Revenues of governmental activities exceeded expenses by \$7,873,811. The City's unrestricted net assets of \$24,433,160 may be used to meet the City's ongoing governmental activities' obligations. Net assets of business-type activities increased by \$2,104,968. The City's business-type activities had unrestricted net assets of \$36,098,215, which may be used to meet the business-type activities' obligations to citizens and creditors.
- General revenues of governmental activities accounted for \$35,897,632 or 77 percent of all revenues. Program specific revenues in the form of charges for services, grants and contributions accounted for \$10,670,574 or 23 percent of total revenues of \$46,568,206.
- Enterprise funds reflected total operating income of \$1,128,749. The Water and Electric funds reflected operating income of \$615,506 and \$1,488,437, while the sewer, refuse and swimming pool funds reflected operating losses of (\$905,006), (\$10,597) and (\$59,591), respectively. The operating losses of the Sewer, Refuse and Swimming Pool Funds were a result of increasing depreciation costs for all three funds, with less revenue due to weather related conditions affecting the sewer and swimming pool funds, and increased contractual charges from the City of Columbus for sewer treatment services.
- The City had \$38,687,693 in expenses related to governmental activities; \$10,670,574 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily income and property taxes) of \$35,897,632 were more than adequate to provide for these programs. The City had \$29,419,171 in expenses related to business-type activities; these expenses were offset by program specific charges for services of \$31,354,060, along with \$163,377 in general revenues which were more than adequate to cover all expenses.

USING THIS ANNUAL FINANCIAL REPORT

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

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

REPORTING THE CITY AS A WHOLE

Statement of Net Assets and the Statement of Activities

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

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

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

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

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

REPORTING THE CITY'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

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

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

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

THE CITY AS A WHOLE

As stated previously, the Statement of Net Assets looks at the City as a whole. Table 1 provides a summary of the City’s net assets for 2003 compared to 2002.

Table 1
Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2002	2003	2002	2003	2002	2003
Assets						
Current and Other Assets	\$64,606,556	\$70,180,488	\$38,857,033	\$39,884,105	\$103,463,589	\$110,064,593
Nondepreciable Capital Assets	23,422,814	24,182,544	6,855,105	3,526,709	30,277,919	27,709,253
Depreciable Capital Assets, Net	37,719,146	42,949,852	68,203,477	71,344,190	105,922,623	114,294,042
Total Assets	<u>125,748,516</u>	<u>137,312,884</u>	<u>113,915,615</u>	<u>114,755,004</u>	<u>239,664,131</u>	<u>252,067,888</u>
Liabilities						
Current and Other Liabilities	15,468,563	14,334,725	4,957,895	3,023,363	20,426,458	17,358,088
Long-Term Liabilities: Due Within One Year	1,630,808	3,307,439	687,760	973,729	2,318,568	4,281,168
Due in More Than One Year	27,086,872	31,871,094	10,276,186	9,387,492	37,363,058	41,258,586
Total Liabilities	<u>44,186,243</u>	<u>49,513,258</u>	<u>15,921,841</u>	<u>13,384,584</u>	<u>60,108,084</u>	<u>62,897,842</u>

(continued)

Table 1
Net Assets
(Continued)

	Governmental Activities		Business-Type Activities		Total	
	2002	2003	2002	2003	2002	2003
Net Assets						
Invested in Capital Assets, Net Of Related Debt	33,877,268	39,904,398	65,335,236	65,272,205	99,212,504	105,176,603
Restricted for:						
Debt Service	104,683	0	0	0	104,683	0
Capital Outlay	9,170,087	8,418,077	0	0	9,170,087	8,418,077
Other Purposes	11,460,320	15,043,991	0	0	11,460,320	15,043,991
Unrestricted	25,313,457	24,433,160	33,930,216	36,098,215	59,243,673	60,531,375
Total Net Assets	<u>\$79,925,815</u>	<u>\$87,799,626</u>	<u>\$99,265,452</u>	<u>\$101,370,420</u>	<u>\$179,191,267</u>	<u>\$189,170,046</u>

Total net assets increased \$9,899,331. Net assets of the City’s governmental activities increased by \$7,873,811 with unrestricted net assets decreasing \$844,727.

The net assets of the City’s business-type activities increased by \$2,104,968. The City strives to control operation expenses for business-type activities in order to maintain stability in charges for services and closely monitors the trends of our growing community in order to adjust for budgetary issues and changes in city code where necessary.

Table 2 shows the changes in net assets for the year ended December 31, 2003. Since this is the first year the City has prepared financial statements following *GASB Statement No. 34*, revenue and expense comparisons to 2002 are not available. In future years, when prior year information is available, a comparative analysis of government-wide data will be presented.

Table 2
Changes In Net Assets

	Governmental Activities	Business-Type Activities	Total
Revenues			
Program Revenues:			
Charges for Services	\$4,257,292	\$30,703,858	34,961,150
Operating Grants, Contributions and Interest	4,576,376	29,433	4,605,809
Capital Grants, Contributions and Interest	1,836,906	620,769	2,457,675
Total Program Revenues	<u>10,670,574</u>	<u>31,354,060</u>	<u>42,024,634</u>
General Revenues:			
Property and Other Taxes	10,732,732	0	10,732,732
Income Taxes	17,899,709	0	17,899,709
Grants and Entitlements	5,177,486	0	5,177,486
Unrestricted Contributions	272,741	0	272,741
Investment Earnings	1,549,328	61,794	1,611,122
Payment in Lieu of Taxes	219,691	0	219,691
Other	45,945	101,583	147,528
Total General Revenues	<u>35,897,632</u>	<u>163,377</u>	<u>36,061,009</u>
Total Revenues	<u>46,568,206</u>	<u>31,517,437</u>	<u>78,085,643</u>
Program Expenses:			
Security of Persons and Property	17,861,792	0	17,861,792
Public Health	53,158	0	53,158
Leisure Time Activities	6,393,207	0	6,393,207
Community Development	2,104,386	0	2,104,386
Basic Utility Services	294,465	0	294,465
Transportation	1,698,334	0	1,698,334
General Government	8,941,895	0	8,941,895
Interest and Fiscal Charges	1,340,456	0	1,340,456
Water	0	2,554,204	2,554,204
Sewer	0	4,738,704	4,738,704
Electric	0	19,996,524	19,996,524
Refuse	0	1,689,437	1,689,437
Swimming Pool	0	440,302	440,302
Total Expenses	<u>38,687,693</u>	<u>29,419,171</u>	<u>68,106,864</u>
Increase in Net Assets before Transfers	7,880,513	2,098,266	9,978,779
Transfers	(6,702)	6,702	0
Increase in Net Assets	<u>7,873,811</u>	<u>2,104,968</u>	<u>9,978,779</u>
Net Assets January 1, 2003	79,925,815	99,265,452	179,191,267
Net Assets December 31, 2003	<u>\$87,799,626</u>	<u>\$101,370,420</u>	<u>\$189,170,046</u>

Governmental Activities

The 1.25% income tax is the largest source of revenue for the City of Westerville. Employee withholding contributes 71.2% of the revenue received in 2003, with business earnings contributing 7.9% and individuals contributing 20.9%. Residents are permitted, as a credit against their City income tax liability, up to a maximum of .95% of the 1.25% income tax of the amount paid as municipal income tax on the same income in another municipal corporation.

Administration and Council has a quality of life commitment to the citizens and businesses located in Westerville. With this in mind, Council committed, through appropriations in 2003,

\$30,809,076 from governmental and business sources, as well as federal and state grants for capital assets, equipment and repairs. These assets included street reconstruction, street resurfacing, sidewalk replacements, safety and street maintenance equipment and vehicles, as well as park and recreation system improvements.

Governmental program expenses for 2003 were as follows:

Security of Person And Property	46.17%
Public Health	0.14%
Leisure Time Activity	16.53%
Community Development	5.44%
Basic Utility Services	0.76%
Transportation	4.39%
General Government	23.11%
Interest And Fiscal Charges	3.46%
	<u>100.00%</u>

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

When looking at the sources of income to support governmental activities, it should be noted that charges for services are only 9.14% of revenue. Revenues provided by sources other than City residents in the form of operating and capital grants comprise another 13.77%. The remaining revenues are primarily generated locally through property and income taxes. City Council relies on these taxes to furnish the quality of life to businesses and citizens to which they and previous Councils have always been committed.

Business-Type Activities

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

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

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

The City of Westerville purchases wholesale electric power from independent sources and is paid for through user fees billed by the City to Westerville residents and businesses. This

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

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

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

THE CITY'S FUNDS

Information about the City's major governmental funds begins on page 16. These funds are reported using the modified accrual basis of accounting. All Governmental funds had total revenues of \$44,714,673 and expenditures of \$46,190,709. The General Fund balance decreased by \$1,140,161, due primarily to the unrealized decrease in the fair value of investments over the previous year.

The Fire Operating Fund balance increased \$1,601,340, due primarily to increased tax collections of the 3.4 mill operating levy approved by the voters in 2002, intended to fund operations for the subsequent six-year period.

The Parks and Recreation Operating Fund balance increased \$2,179,632, due mainly to the transfer of monies from the Parks and Recreation Income Tax Allocation Fund, which were accumulated as part of the 0.25% income tax increase approved by voters in 1998.

The County Line Road Improvement fund balance decreased \$56,906 due to increased capital outlay expenditures.

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 2003 there were twenty-eight revisions to the General Fund budget. The net effect of the revisions was an increase in the appropriations of \$6,366,911.

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

Original General Fund budgeted revenues were \$25,837,226. The final budgeted amount was \$26,000,005. This increase of \$162,779 was due primarily to an increase in income tax revenues.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

Table 3
Capital Assets
(Net Of Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2002	2003	2002	2003	2002	2003
Land	\$5,899,024	\$6,042,474	\$1,051,604	\$1,051,604	6,950,628	7,094,078
Construction in Progress	17,523,790	18,140,070	6,308,681	2,475,105	23,832,471	20,615,175
Land Improvements	8,825,261	10,328,521	1,046,150	2,455,630	9,871,411	12,784,151
Buildings	24,034,702	23,490,186	3,639,498	3,463,820	27,674,200	26,954,006
Furniture and Equipment	1,608,785	1,605,621	2,702,954	2,839,943	4,311,739	4,445,564
Vehicles	1,343,517	1,067,605	645,629	669,180	1,989,146	1,736,785
Infrastructure	1,906,881	6,457,919	0	0	1,906,881	6,457,919
Water Lines	0	0	16,710,475	17,510,974	16,710,475	17,510,974
Sewer Lines	0	0	11,495,556	11,559,837	11,495,556	11,559,837
Electric System	0	0	31,963,215	32,844,806	31,963,215	32,844,806
Totals	\$61,141,960	\$67,132,396	\$75,563,762	\$74,870,899	\$136,705,722	\$142,003,295

The increase in infrastructure of governmental activities was the result of \$4,551,038 of infrastructure additions (includes streets, curbs and gutters, street lights and related structures) as part of the financial records pursuant to GASB 34. In 2002, storm sewer assets were classified under the category Equipment and were reclassified as infrastructure as of December 31, 2002.

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

Debt

At December 31, 2003, the City of Westerville had \$41,800,758 in debt outstanding.

Table 4
Outstanding Debt at Year-End

	Governmental Activities		Business-Type Activities		Total	
	2002	2003	2002	2003	2002	2003
General Obligation Bonds	\$26,870,005	\$31,882,473	\$8,283,716	\$7,687,798	\$35,153,721	\$39,570,271
ODNR Debt	0	0	1,944,810	1,910,896	1,944,810	1,910,896
Right-of-Way Note	394,687	296,015	0	0	394,687	296,015
Police Pension Liability	24,051	23,576	0	0	24,051	23,576
Total	\$27,288,743	\$32,202,064	\$10,228,526	\$9,598,694	\$37,517,269	\$41,800,758

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

The City's overall 10.5 percent legal debt margin was \$67,913,986 as of December 31, 2003. The more restrictive unvoted legal debt margin within 5.5 percent was \$20,389,239 as of the same date. See Note 14 of the notes to the basic financial statements for more detailed information.

CONTACTING THE CITY'S FINANCE DEPARTMENT

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

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City of Westerville, Ohio
Statement of Net Assets
December 31, 2003

	<i>Governmental Activities</i>	<i>Business-Type Activities</i>	<i>Totals</i>
<u>Assets</u>			
Equity in Pooled Cash and Cash Equivalents	\$48,512,030	\$32,628,937	\$81,140,967
Cash and Cash Equivalents with Fiscal Agents	561,293	641	561,934
Accrued Interest Receivable	463,924	113,856	577,780
Accounts Receivable, Net	65,347	4,691,871	4,757,218
Municipal Income Taxes Receivable	2,503,634	0	2,503,634
Intergovernmental Receivable	3,741,606	89,359	3,830,965
Property and Other Local Taxes Receivable	11,634,094	0	11,634,094
Prepaid Items	269,981	0	269,981
Materials and Supplies Inventory	478,935	1,363,071	1,842,006
Internal Balances	805,552	(805,552)	0
Deferred Charges	118,362	0	118,362
Special Assessments Receivable	0	287,404	287,404
Land Held for Resale	1,025,730	0	1,025,730
Water Rights, Net	0	1,514,518	1,514,518
Nondepreciable Capital Assets	24,182,544	3,526,709	27,709,253
Depreciable Capital Assets, Net	42,949,852	71,344,190	114,294,042
<i>Total Assets</i>	<u>137,312,884</u>	<u>114,755,004</u>	<u>252,067,888</u>
<u>Liabilities</u>			
Accounts Payable	733,499	1,428,728	2,162,227
Contracts Payable	853,491	152,138	1,005,629
Accrued Wages	558,217	113,307	671,524
Retainage Payable	282,965	2,057	285,022
Intergovernmental Payable	601,887	849,207	1,451,094
Accrued Interest Payable	120,248	152,183	272,431
Matured Bonds Payable	10,000	0	10,000
Matured Interest Payable	3,470	641	4,111
Matured Compensated Absences Payable	94,833	0	94,833
Deferred Revenue	11,076,115	301,237	11,377,352
Deposits Held and Due to Others	0	23,865	23,865
Long-Term Liabilities:			
Due Within One Year	3,307,439	973,729	4,281,168
Due in More Than One Year	31,871,094	9,387,492	41,258,586
<i>Total Liabilities</i>	<u>49,513,258</u>	<u>13,384,584</u>	<u>62,897,842</u>
<u>Net Assets</u>			
Invested in Capital Assets, Net of Related Debt	39,904,398	65,272,205	105,176,603
Restricted for:			
Capital Outlay	8,418,077	0	8,418,077
Other Purposes	15,043,991	0	15,043,991
Unrestricted	24,433,160	36,098,215	60,531,375
<i>Total Net Assets</i>	<u>\$87,799,626</u>	<u>\$101,370,420</u>	<u>\$189,170,046</u>

See accompanying notes to the basic financial statements

**City of Westerville, Ohio
Statement of Activities
For the Year Ended December 31, 2003**

	<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	\$17,861,792	\$120,874	\$2,683,717	\$33,215
Public Health	53,158	41,681	0	0
Leisure Time Activities:	6,393,207	2,657,185	28,430	554,967
Community Development	2,104,386	687,798	0	0
Basic Utility Services:	294,465	0	0	0
Transportation	1,698,334	27,840	1,862,654	1,248,724
General Government	8,941,895	721,914	1,575	0
Interest and Fiscal Charges:	1,340,456	0	0	0
<i>Total Governmental Activities</i>	<u>38,687,693</u>	<u>4,257,292</u>	<u>4,576,376</u>	<u>1,836,906</u>
<u>Business-Type Activities:</u>				
Water	2,554,204	3,417,030	11,613	336,356
Sewer	4,738,704	3,919,162	230	284,413
Electric	19,996,524	21,308,910	17,590	0
Refuse	1,689,437	1,678,786	0	0
Swimming Pool	440,302	379,970	0	0
<i>Total Business-Type Activities</i>	<u>29,419,171</u>	<u>30,703,858</u>	<u>29,433</u>	<u>620,769</u>
<i>Total Activities</i>	<u>\$68,106,864</u>	<u>\$34,961,150</u>	<u>\$4,605,809</u>	<u>\$2,457,675</u>

General Revenues

Property and Other Taxes Levied for:

General Purposes

Fire

Debt Service

Municipal Income Taxes Levied for

General Purposes

Parks and Recreation

Grants and Entitlements not Restricted to Specific Program

Unrestricted Contribution:

Unrestricted Investment Earning

Payment in Lieu of Taxes:

Other

Transfers

Total General Revenues and Transfers

Change in Net Assets

Net Assets Beginning of Year - See Note 3

Net Assets End of Year

See accompanying notes to the basic financial statement

Net (Expense) Revenue and Changes in Net Assets

<i>Governmental Activities</i>	<i>Business-Type Activities</i>	<i>Totals</i>
(\$15,023,986)	\$0	(\$15,023,986)
(11,477)	0	(11,477)
(3,152,625)	0	(3,152,625)
(1,416,588)	0	(1,416,588)
(294,465)	0	(294,465)
1,440,884	0	1,440,884
(8,218,406)	0	(8,218,406)
(1,340,456)	0	(1,340,456)
<u>(28,017,119)</u>	<u>0</u>	<u>(28,017,119)</u>
0	1,210,795	1,210,795
0	(534,899)	(534,899)
0	1,329,976	1,329,976
0	(10,651)	(10,651)
0	(60,332)	(60,332)
<u>0</u>	<u>1,934,889</u>	<u>1,934,889</u>
<u>(28,017,119)</u>	<u>1,934,889</u>	<u>(26,082,230)</u>
3,064,515	0	3,064,515
7,321,671	0	7,321,671
346,546	0	346,546
14,507,687	0	14,507,687
3,392,022	0	3,392,022
5,177,486	0	5,177,486
272,741	0	272,741
1,549,328	61,794	1,611,122
219,691	0	219,691
45,945	101,583	147,528
(6,702)	6,702	0
<u>35,890,930</u>	<u>170,079</u>	<u>36,061,009</u>
7,873,811	2,104,968	9,978,779
<u>79,925,815</u>	<u>99,265,452</u>	<u>179,191,267</u>
<u>\$87,799,626</u>	<u>\$101,370,420</u>	<u>\$189,170,046</u>

City of Westerville, Ohio
Balance Sheet
Governmental Funds
December 31, 2003

	<i>General</i>	<i>Fire Operating</i>	<i>Parks and Recreation Operating</i>	<i>County Line Road Improvement</i>
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$14,864,828	\$4,271,920	\$5,136,192	\$3,543,674
Cash and Cash Equivalents with Fiscal Agents	0	0	0	0
Receivables:				
Property and Other Taxes	3,003,321	8,034,660	0	0
Municipal Income Taxes	2,002,907	0	0	0
Accounts	53,727	0	6,224	0
Accrued Interest	428,441	28,878	0	0
Intergovernmental Receivable	1,536,347	561,912	150,000	347,081
Prepaid Items	269,981	0	0	0
Materials and Supplies Inventory	193,089	0	114,854	0
Land Held for Resale	1,025,730	0	0	0
Advances to Other Funds	6,072,406	0	0	0
<i>Total Assets</i>	<u>\$29,450,777</u>	<u>\$12,897,370</u>	<u>\$5,407,270</u>	<u>\$3,890,755</u>
<u>Liabilities and Fund Balances</u>				
<u>Liabilities</u>				
Accounts Payable	\$165,955	\$73,361	\$117,364	\$29,931
Contracts Payable	0	0	35,463	261,345
Retainage Payable	0	0	26,472	106,118
Accrued Wages	291,234	164,419	79,640	0
Intergovernmental Payable	162,282	74,101	39,178	0
Matured Bonds Payable	0	0	0	0
Matured Interest Payable	0	0	0	0
Deferred Revenue	5,516,802	8,596,572	151,677	347,081
Matured Compensated Absences Payable	70,002	24,831	0	0
Advances from Other Funds	0	0	0	2,747,746
<i>Total Liabilities</i>	<u>6,206,275</u>	<u>8,933,284</u>	<u>449,794</u>	<u>3,492,221</u>
<u>Fund Balances</u>				
Reserved for Encumbrances	290,798	124,629	368,879	3,252,824
Reserved for Advances	2,948,937	0	0	0
Reserved for Assets Held for Resale	1,025,730	0	0	0
Reserved for Unclaimed Monies	39,252	0	0	0
Unreserved:				
Undesignated, Reported in:				
General Fund	18,939,785	0	0	0
Special Revenue Funds	0	3,839,457	4,588,597	0
Debt Service Funds	0	0	0	0
Capital Projects Funds (Deficit)	0	0	0	(2,854,290)
<i>Total Fund Balances</i>	<u>23,244,502</u>	<u>3,964,086</u>	<u>4,957,476</u>	<u>398,534</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$29,450,777</u>	<u>\$12,897,370</u>	<u>\$5,407,270</u>	<u>\$3,890,755</u>

See accompanying notes to the basic financial statements

<i>Other Governmental Funds</i>	<i>Total Governmental Funds</i>
\$20,046,639	\$47,863,253
561,293	561,293
596,113	11,634,094
500,727	2,503,634
5,396	65,347
4,532	461,851
1,146,266	3,741,606
0	269,981
144,683	452,626
0	1,025,730
12,937	6,085,343
<u>\$23,018,586</u>	<u>\$74,664,758</u>
\$326,300	\$712,911
556,683	853,491
150,375	282,965
17,217	552,510
221,300	496,861
10,000	10,000
3,470	3,470
1,850,628	16,462,760
0	94,833
2,452,597	5,200,343
<u>5,588,570</u>	<u>24,670,144</u>
4,947,664	8,984,794
12,937	2,961,874
0	1,025,730
0	39,252
0	18,939,785
4,927,020	13,355,074
33,638	33,638
7,508,757	4,654,467
<u>17,430,016</u>	<u>49,994,614</u>
<u>\$23,018,586</u>	<u>\$74,664,758</u>

CITY OF WESTERVILLE, OHIO
Reconciliation Of Total Governmental Fund Balances To
Net Assets Of Governmental Activities
December 31, 2003

Total Governmental Fund Balances \$49,994,614

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

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

Land	6,042,474	
Construction In Progress	18,140,070	
Infrastructure	6,624,372	
Other Capital Assets	50,683,391	
Accumulated Depreciation	<u>(14,609,337)</u>	
<i>Total</i>		66,880,970

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 fund are included in governmental activities in the statement of net assets. 856,509

Adjustment to reflect the consolidation of internal service fund activities related to governmental fund activity. (79,448)

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

Municipal Income Taxes	1,544,915	
Property and Other Taxes	488,962	
Intergovernmental	<u>3,352,768</u>	
<i>Total</i>		5,386,645

Intergovernmental payables include contractually required pension contributions not expected to be paid with expendable available financial resources and therefore not reported in the funds. (101,586)

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. 118,362

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	(120,248)	
General Obligation Bonds	(31,921,620)	
Discount on Bonds	39,147	
Police Pension	(23,576)	
Compensated Absences	(2,934,128)	
Notes Payable	<u>(296,015)</u>	
<i>Total</i>		<u>(35,256,440)</u>

Net Assets of Governmental Activities \$87,799,626

See accompanying notes to the basic financial statements

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City of Westerville, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2003

	<i>General</i>	<i>Fire Operating</i>	<i>Parks and Recreation Operating</i>
<u>Revenues</u>			
Property Taxes	\$2,712,582	\$7,374,243	\$0
Municipal Income Taxes	14,411,457	0	0
Other Local Taxes	0	0	0
Payment in Lieu of Taxes	0	0	0
Intergovernmental	5,070,084	2,268,250	0
Charges for Services	241,164	1,719	2,471,500
Fees, Licenses and Permits	669,024	50	84,708
Fines and Forfeitures	447,410	0	0
Interest	2,324,687	153,143	0
Decrease in Fair Value of Investments	(959,554)	(30,769)	0
Other	79,764	2,300	43,824
<i>Total Revenues</i>	<u>24,996,618</u>	<u>9,768,936</u>	<u>2,600,032</u>
<u>Expenditures</u>			
Current:			
Security of Persons and Property	8,799,882	8,167,596	0
Public Health	46,113	0	0
Leisure Time Activities	0	0	5,765,100
Community Development	2,054,743	0	0
Basic Utility Services	257,312	0	0
Transportation	0	0	0
General Government	7,377,749	0	0
Capital Outlay	0	0	26,472
Debt Service:			
Principal Retirement	475	0	0
Interest and Fiscal Charges	1,017	0	0
Issuance Costs	0	0	0
<i>Total Expenditures</i>	<u>18,537,291</u>	<u>8,167,596</u>	<u>5,791,572</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>6,459,327</u>	<u>1,601,340</u>	<u>(3,191,540)</u>
<u>Other Financing Sources (Uses)</u>			
General Obligation Bonds Issued	0	0	0
Discount on Debt Issued	0	0	0
Transfers - In	1,588	0	5,371,172
Transfers - Out	(7,601,076)	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>(7,599,488)</u>	<u>0</u>	<u>5,371,172</u>
Net Change in Fund Balances	(1,140,161)	1,601,340	2,179,632
Fund Balances Beginning of Year - Restated (See Note 3)	<u>24,384,663</u>	<u>2,362,746</u>	<u>2,777,844</u>
<i>Fund Balances End of Year</i>	<u>\$23,244,502</u>	<u>\$3,964,086</u>	<u>\$4,957,476</u>

See accompanying notes to the basic financial statements

<i>County Line Road Improvement</i>	<i>Other Governmental Funds</i>	<i>Total Governmental Funds</i>
\$0	\$343,467	\$10,430,292
0	3,367,965	17,779,422
0	363,723	363,723
0	219,691	219,691
620,097	2,110,071	10,068,502
0	0	2,714,383
0	99,206	852,988
0	122,194	569,604
0	67,881	2,545,711
0	(7,283)	(997,606)
0	42,075	167,963
620,097	6,728,990	44,714,673
0	74,912	17,042,390
0	0	46,113
0	0	5,765,100
0	0	2,054,743
0	0	257,312
0	1,674,169	1,674,169
0	811,401	8,189,150
1,453,331	6,691,842	8,171,645
98,672	1,448,385	1,547,532
0	1,320,663	1,321,680
0	120,875	120,875
1,552,003	12,142,247	46,190,709
(931,906)	(5,413,257)	(1,476,036)
0	6,500,000	6,500,000
0	(39,984)	(39,984)
875,000	7,180,910	13,428,670
0	(5,834,296)	(13,435,372)
875,000	7,806,630	6,453,314
(56,906)	2,393,373	4,977,278
455,440	15,036,643	45,017,336
\$398,534	\$17,430,016	\$49,994,614

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, 2003

Net Change in Fund Balances - Total Governmental Funds \$4,977,278

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

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

Capital Outlay	8,296,489	
Depreciation	<u>(2,556,007)</u>	
<i>Excess of Capital Outlay over Depreciation Expense</i>		5,740,482

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. 272,741

Governmental funds only report the disposal of fixed assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each sale.
 Loss on Disposal Of Assets (1,415)

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. 141,433

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	1,448,385	
Street and Construction Infrastructure Notes Payments	98,672	
Police Pension Principal Payments	<u>475</u>	
<i>Total</i>		1,547,532

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. Deferred revenues changed by these amounts this year:

Municipal Income Taxes	120,287	
Property and Other Taxes	(61,283)	
Intergovernmental	1,489,774	
Charges for Services	13,846	
Fees, Licenses and Permits	<u>16,945</u>	
<i>Total</i>		1,579,569

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:

Bond Discounts that were Deferred	39,147	
Bond Issuance Costs that were Deferred	<u>118,362</u>	
<i>Total</i>		157,509

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.
 Bonds Payable (6,500,000)

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:
 Increase in Accrued Interest (15,426)

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:

Decrease in Compensated Absences	13,625	
Increase in Intergovernmental Payables	<u>(39,517)</u>	
<i>Total</i>		<u>(25,892)</u>

Change in Net Assets of Governmental Activities \$7,873,811

See accompanying notes to the basic financial statements

City of Westerville, Ohio
Statement of Revenues, Expenditures, and Changes in Fund
Balance - Budget (Non-GAAP Budgetary Basis) and Actual
General Fund
For the Year Ended December 31, 2003

	<i>Budget</i>		<i>Actuals</i>			<i>Variance Positive (Negative)</i>
	<i>Original</i>	<i>Final</i>	<i>Cash Transactions</i>	<i>Encumbrances</i>	<i>Total</i>	
<u>Revenues</u>						
Property Taxes	\$2,626,393	\$2,712,582	\$2,712,582		\$2,712,582	\$0
Municipal Income Tax	13,753,250	14,261,407	14,468,739		14,468,739	207,332
Intergovernmental	4,743,226	5,065,799	5,120,227		5,120,227	54,428
Charges for Services	518,450	271,354	272,887		272,887	1,533
Fees, Licenses and Permits	566,350	659,295	664,787		664,787	5,492
Fines and Forfeitures	388,417	416,507	416,507		416,507	0
Interest	2,785,000	2,535,000	2,528,196		2,528,196	(6,804)
Miscellaneous	456,140	78,061	79,764		79,764	1,703
<i>Total Revenues</i>	<u>25,837,226</u>	<u>26,000,005</u>	<u>26,263,689</u>		<u>26,263,689</u>	<u>263,684</u>
<u>Expenditures</u>						
Current Operations and Maintenance						
Security of Persons and Property	9,650,190	9,725,052	8,756,060	70,993	8,827,053	897,999
Public Health	55,375	55,375	43,153	2,960	46,113	9,262
Community Development	2,283,615	2,261,144	2,061,397	30,048	2,091,445	169,699
Basic Utility Services	362,469	359,215	264,494	6,492	270,986	88,229
General Government	8,191,064	8,327,335	7,385,438	363,368	7,748,806	578,529
<i>Total Expenditures</i>	<u>20,542,713</u>	<u>20,728,121</u>	<u>18,510,542</u>	<u>473,861</u>	<u>18,984,403</u>	<u>1,743,718</u>
Excess of Revenues Over Expenditures	5,294,513	5,271,884	7,753,147	(473,861)	7,279,286	2,007,402
<u>Other Financing Sources (Uses)</u>						
Advances - In	3,455,000	4,455,000	4,575,097		4,575,097	120,097
Advances - Out	(3,350,000)	(7,834,503)	(7,834,503)	0	(7,834,503)	0
Operating Transfers - In	0	1,587	1,588		1,588	1
Operating Transfers - Out	(6,054,076)	(7,751,076)	(7,601,076)	0	(7,601,076)	150,000
<i>Total Other Financing Sources (Uses)</i>	<u>(5,949,076)</u>	<u>(11,128,992)</u>	<u>(10,858,894)</u>	<u>0</u>	<u>(10,858,894)</u>	<u>270,098</u>
Net Change in Fund Balance	(654,563)	(5,857,108)	(3,105,747)	(473,861)	(3,579,608)	2,277,500
Fund Balance at Beginning of Year	17,002,919	17,108,240	17,479,213	(370,973)	17,108,240	0
Prior Year Encumbrances Carried Over	476,294	370,973	0	370,973	370,973	0
<i>Fund Balance at End of Year</i>	<u>\$16,824,650</u>	<u>\$11,622,105</u>	<u>\$14,373,466</u>	<u>(\$473,861)</u>	<u>\$13,899,605</u>	<u>\$2,277,500</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, 2003

	<i>Budget</i>		<i>Actual</i>		<i>Variance Positive (Negative)</i>	
	<i>Original</i>	<i>Final</i>	<i>Cash Transactions</i>	<i>Encumbrances Total</i>		
Revenues						
Property Taxes	\$7,899,920	\$7,374,242	\$7,374,243		\$7,374,243	\$1
Intergovernmental	2,040,529	2,362,831	2,362,833		2,362,833	2
Charges for Services	1,500	1,674	1,719		1,719	45
Fees, Licenses and Permits	0	50	50		50	0
Interest	50,000	119,000	151,212		151,212	32,212
Miscellaneous	0	2,319	2,300		2,300	(19)
<i>Total Revenues</i>	<u>9,991,949</u>	<u>9,860,116</u>	<u>9,892,357</u>		<u>9,892,357</u>	<u>32,241</u>
Expenditures						
Current Operations and Maintenance						
Security of Persons and Property	8,853,263	8,882,150	8,063,800	184,359	8,248,159	633,991
Net Change in Fund Balance	1,138,686	977,966	1,828,557	(184,359)	1,644,198	666,232
Fund Balance at Beginning of Year	2,253,161	2,299,274	2,415,741	(116,467)	2,299,274	0
Prior Year Encumbrances Carried Over	162,580	116,467	0	116,467	116,467	0
<i>Fund Balance at End of Year</i>	<u>\$3,554,427</u>	<u>\$3,393,707</u>	<u>\$4,244,298</u>	<u>(\$184,359)</u>	<u>\$4,059,939</u>	<u>\$666,232</u>

See accompanying notes to the basic financial statement

City of Westerville, Ohio
Statement of Revenues, Expenditures, and Changes in Fund
Balance - Budget (Non-GAAP Budgetary Basis) and Actual
Parks and Recreation Operating Special Revenue Fund
For the Year Ended December 31, 2003

	<i>Budget</i>		<i>Actual</i>		<i>Variance Positive (Negative)</i>
	<i>Original</i>	<i>Final</i>	<i>Cash Transactions</i>	<i>Encumbrances</i>	
<u>Revenues</u>					
Intergovernmental	\$212,000	\$0	\$0		\$0
Charges for Services	2,330,600	2,451,700	2,467,609		2,467,609
Fees, Licenses and Permits	33,000	84,709	84,708		84,708
Miscellaneous	0	43,823	43,824		43,824
<i>Total Revenues</i>	<u>2,575,600</u>	<u>2,580,232</u>	<u>2,596,141</u>		<u>2,596,141</u>
<u>Expenditures</u>					
Current Operations and Maintenance:					
Leisure Time Activities	6,838,657	6,937,575	5,732,290	519,246	6,251,536
Excess of Revenues					
Under Expenditures	(4,263,057)	(4,357,343)	(3,136,149)	(519,246)	(3,655,395)
<u>Other Financing Sources</u>					
Operating Transfers - In	5,371,172	5,371,172	5,371,172		5,371,172
Net Change in Fund Balance	1,108,115	1,013,829	2,235,023	(519,246)	1,715,777
Fund Balance at Beginning of Year	2,426,846	2,522,282	2,901,171	(378,889)	2,522,282
Prior Year Encumbrances Carried Over	474,325	378,889	0	378,889	378,889
<i>Fund Balance at End of Year</i>	<u>\$4,009,286</u>	<u>\$3,915,000</u>	<u>\$5,136,194</u>	<u>(\$519,246)</u>	<u>\$4,616,948</u>

See accompanying notes to the basic financial statements

City of Westerville, Ohio
Statement of Fund Net Assets
Proprietary Funds
December 31, 2003

	<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 Equivalent:	\$10,004,182	\$3,179,294	\$18,515,877
Cash and Cash Equivalents with Fiscal Agent	641	0	0
Receivables:			
Accounts, Net	391,008	569,600	3,476,108
Intergovernmental	10,769	0	78,590
Accrued Interest	11,433	0	0
Materials and Supplies Inventory:	118,982	10,812	1,233,277
<i>Total Current Assets</i>	<u>10,537,015</u>	<u>3,759,706</u>	<u>23,303,852</u>
<u>Non-current Assets</u>			
Accrued Interest Receivable	57,388	45,035	0
Special Assessments Receivable	161,033	126,371	0
Water Rights, Net	1,514,518	0	0
Capital Assets			
Nondepreciable Capital Asset	1,576,222	109,301	1,761,186
Depreciable Capital Assets, Net	19,509,852	11,924,262	37,938,871
<i>Total Non-current Assets</i>	<u>22,819,013</u>	<u>12,204,969</u>	<u>39,700,057</u>
<i>Total Assets</i>	<u>33,356,028</u>	<u>15,964,675</u>	<u>63,003,909</u>
<u>Liabilities</u>			
<u>Current Liabilities</u>			
Accounts Payable	18,706	6,556	1,277,915
Contracts Payable	29,529	0	122,609
Accrued Wages	27,562	10,343	71,852
Retainage Payable	2,057	0	0
Matured Interest Payable	641	0	0
Accrued Interest Payable	139,723	0	12,460
Intergovernmental Payable	15,843	787,127	42,669
Deferred Revenue	161,033	126,371	13,833
Deposits Held and Due to Others	0	0	23,865
Compensated Absences Payable	44,853	28,439	221,352
ODNR Loans Payable	35,007	0	0
General Obligation Bonds Payable	505,000	0	133,280
<i>Total Current Liabilities</i>	<u>979,954</u>	<u>958,836</u>	<u>1,919,835</u>
<u>Long-Term Liabilities</u>			
Advances from Other Funds	0	0	0
Compensated Absences Payable, Net	205,733	50,460	188,169
ODNR Loans Payable, Net	1,875,889	0	0
General Obligation Bonds Payable, Net	4,154,418	0	2,895,100
<i>Total Long-Term Liabilities</i>	<u>6,236,040</u>	<u>50,460</u>	<u>3,083,269</u>
<i>Total Liabilities</i>	<u>7,215,994</u>	<u>1,009,296</u>	<u>5,003,104</u>
<u>Net Assets</u>			
Invested in Capital Assets, Net of:			
Related Debt	14,515,760	12,033,563	36,671,677
Unrestricted	11,624,274	2,921,816	21,329,128
<i>Total Net Assets</i>	<u>\$26,140,034</u>	<u>\$14,955,379</u>	<u>\$58,000,805</u>

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

See accompanying notes to the basic financial statement

<i>Enterprise Funds</i>		<i>Governmental Activities</i>
<i>Other Enterprise Funds</i>	<i>Totals</i>	<i>Internal Service Funds</i>
\$929,584	\$32,628,937	\$648,777
0	641	0
255,155	4,691,871	0
0	89,359	0
0	11,433	2,073
0	1,363,071	26,309
<u>1,184,739</u>	<u>38,785,312</u>	<u>677,159</u>
0	102,423	0
0	287,404	0
0	1,514,518	0
80,000	3,526,709	0
1,971,205	71,344,190	251,426
<u>2,051,205</u>	<u>76,775,244</u>	<u>251,426</u>
<u>3,235,944</u>	<u>115,560,556</u>	<u>928,585</u>
125,551	1,428,728	20,588
0	152,138	0
3,550	113,307	5,707
0	2,057	0
0	641	0
0	152,183	0
3,568	849,207	3,440
0	301,237	0
0	23,865	0
5,798	300,442	17,728
0	35,007	0
0	638,280	0
<u>138,467</u>	<u>3,997,092</u>	<u>47,463</u>
885,000	885,000	0
17,723	462,085	24,613
0	1,875,889	0
0	7,049,518	0
<u>902,723</u>	<u>10,272,492</u>	<u>24,613</u>
<u>1,041,190</u>	<u>14,269,584</u>	<u>72,076</u>
2,051,205	65,272,205	251,426
143,549	36,018,767	605,083
<u>\$2,194,754</u>	<u>101,290,972</u>	<u>\$856,509</u>
	79,448	
	<u>\$101,370,420</u>	

City of Westerville, Ohio
Statement of Revenues,
Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended December 31, 2003

	<i>Business Type Activities -</i>		
	<i>Water</i>	<i>Sewer</i>	<i>Electric</i>
<u>Operating Revenues</u>			
Charges for Services	\$2,721,105	\$3,826,537	\$21,274,584
Tap-In Fees	0	7,275	0
Other Operating Revenues	44,599	0	56,175
<i>Total Operating Revenues</i>	<u>2,765,704</u>	<u>3,833,812</u>	<u>21,330,759</u>
<u>Operating Expenses</u>			
Personal Services	1,172,255	504,523	3,133,413
Contractual Services	141,062	3,700,395	14,307,527
Materials and Supplies	71,139	132,217	355,549
Other	11,548	955	51,689
Depreciation	754,194	400,728	1,994,144
<i>Total Operating Expenses</i>	<u>2,150,198</u>	<u>4,738,818</u>	<u>19,842,322</u>
<i>Operating Income (Loss)</i>	<u>615,506</u>	<u>(905,006)</u>	<u>1,488,437</u>
<u>Non-Operating Revenues (Expenses)</u>			
Interest	105,220	2,957	992
Operating Grants	11,613	230	17,590
Underground Line and Capacity Charges	695,925	85,350	34,326
Interest and Fiscal Charges	(404,280)	0	(154,520)
Decrease in Fair Value	(47,375)	0	0
<i>Total Non-Operating Revenues (Expenses)</i>	<u>361,103</u>	<u>88,537</u>	<u>(101,612)</u>
Income (Loss) Before Capital Contributions and Transfers	976,609	(816,469)	1,386,825
Capital Contributions	336,356	284,413	0
Transfers - In	5,266	1,436	0
Change in Net Assets	1,318,231	(530,620)	1,386,825
Net Assets Beginning of Year - Restated (See Note 3)	<u>24,821,803</u>	<u>15,485,999</u>	<u>56,613,980</u>
<i>Net Assets End of Year</i>	<u>\$26,140,034</u>	<u>\$14,955,379</u>	<u>\$58,000,805</u>

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

Change in Net Assets of business-type activities

See accompanying notes to the basic financial statements

<i>Enterprise Funds</i>		<i>Governmental Activities</i>
<i>All Other Enterprise Funds</i>	<i>Totals</i>	<i>Internal Service Funds</i>
\$2,058,756	\$29,880,982	\$838,399
0	7,275	0
809	101,583	974
<u>2,059,565</u>	<u>29,989,840</u>	<u>839,373</u>
369,227	5,179,418	254,630
1,492,264	19,641,248	148,889
55,842	614,747	267,052
4,143	68,335	6,500
208,277	3,357,343	21,372
<u>2,129,753</u>	<u>28,861,091</u>	<u>698,443</u>
(70,188)	1,128,749	140,930
0	109,169	10,523
0	29,433	0
0	815,601	0
0	(558,800)	0
0	(47,375)	(9,300)
<u>0</u>	<u>348,028</u>	<u>1,223</u>
(70,188)	1,476,777	142,153
0	620,769	0
<u>0</u>	<u>6,702</u>	<u>0</u>
(70,188)	2,104,248	142,153
<u>2,264,942</u>		<u>714,356</u>
<u>\$2,194,754</u>		<u>\$856,509</u>
	<u>720</u>	
	<u>\$2,104,968</u>	

City of Westerville, Ohio
Statement of Cash Flows
Proprietary Funds
For The Year Ended December 31, 2003

	<i>Business Type Activities -</i>		
	<i>Water</i>	<i>Sewer</i>	<i>Electric</i>
<u>Increases (Decreases) in Cash and Cash Equivalents:</u>			
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$2,741,057	\$3,855,832	\$20,818,437
Interfund Services Provided	0	0	446,393
Cash Payments for Personal Services	(1,141,406)	(495,926)	(3,100,199)
Cash Payments for Materials and Supplies	(212,583)	(12,912)	(511,783)
Cash Payments for Other Services and Charges	(37,642)	(3,861,407)	(14,363,640)
Interfund Services Used	(100,447)	(2,675)	0
Cash Payments for Claims	0	0	0
Cash Received From Operating Portion of Tap-in Fees	0	7,275	0
Other Operating Revenues	45,282	0	55,249
Underground Lines and Capacity Charges	695,925	85,350	34,326
Deposits Received	0	0	2,103
Deposits Refunded/Applied	0	0	(9,985)
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>1,990,186</u>	<u>(424,463)</u>	<u>3,370,901</u>
<u>Cash Flows from Non-Capital Financing Activities:</u>			
Operating Grants Received	844	230	17,000
Advances to Other Funds	0	0	0
Transfers from Other Funds	5,266	1,436	0
<i>Net Cash Provided by (Used for) Non-Capital Financing Activities</i>	<u>6,110</u>	<u>1,666</u>	<u>17,000</u>
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Acquisition and Construction of Capital Assets	(694,110)	(81,528)	(1,156,260)
Principal Paid on General Obligation Bonds	(485,000)	0	(131,615)
Interest Paid on General Obligation Bonds	(275,970)	0	(154,974)
Principal Paid on ODNR Debt	(33,914)	0	0
Interest Paid on ODNR Debt	(62,662)	0	0
<i>Net Cash Used for Capital and Related Financing Activities</i>	<u>(1,551,656)</u>	<u>(81,528)</u>	<u>(1,442,849)</u>
<u>Cash Flows From Investing Activities:</u>			
Decrease in Fair Value of Cash Equivalents	(47,375)	0	0
Interest	113,163	0	992
<i>Net Cash Provided by Investing Activities</i>	<u>65,788</u>	<u>0</u>	<u>992</u>
Net Increase (Decrease) in Cash and Cash Equivalents	510,428	(504,325)	1,946,044
Cash and Cash Equivalents at Beginning of Year	9,494,395	3,683,619	16,569,833
<i>Cash and Cash Equivalents at End of Year</i>	<u>\$10,004,823</u>	<u>\$3,179,294</u>	<u>\$18,515,877</u>

<i>Enterprise Funds</i>		<i>Governmental Activities</i>
<i>All Other Enterprise Funds</i>	<i>Totals</i>	<i>Internal Service Funds</i>
\$2,042,358	\$29,457,684	\$0
0	446,393	838,399
(367,354)	(5,104,885)	(263,213)
(51,204)	(788,482)	(267,816)
(1,487,930)	(19,750,619)	(35,469)
(12,834)	(115,956)	(3,675)
0	0	(222,224)
0	7,275	0
809	101,340	974
0	815,601	0
0	2,103	0
0	(9,985)	0
123,845	5,060,469	46,976
0	18,074	0
(105,000)	(105,000)	0
0	6,702	0
(105,000)	(80,224)	0
(21,235)	(1,953,133)	0
0	(616,615)	0
0	(430,944)	0
0	(33,914)	0
0	(62,662)	0
(21,235)	(3,097,268)	0
0	(47,375)	(9,300)
0	114,155	13,657
0	66,780	4,357
(2,390)	1,949,757	51,333
931,974	30,679,821	597,444
\$929,584	\$32,629,578	\$648,777

(Continued)

City of Westerville, Ohio
Statement of Cash Flows
Proprietary Funds
For The Year Ended December 31, 2003
(Continued)

	<i>Business Type Activities --</i>		
	<i>Water</i>	<i>Sewer</i>	<i>Electric</i>
Reconciliation of Operating Income (Loss) to			
<u>Net Cash Provided by (Used for) Operating Activities:</u>			
Operating Income (Loss)	\$615,506	(\$905,006)	\$1,488,437
Adjustments to Reconcile Operating Income (Loss)			
<u>to Net Cash Provided by (Used for) Operating Activities:</u>			
Depreciation and Amortization	754,194	400,728	1,994,144
Change in Provision for Uncollectable Accounts Receivable	(1,755)	(781)	1,242
Adjustment for Underground Lines and Capacity Charges	695,925	85,350	34,326
<u>Changes in Assets and Liabilities:</u>			
(Increase) Decrease in Accounts Receivable	24,055	30,494	48,038
Increase in Intergovernmental Receivable	(10,769)	0	(590)
(Increase) Decrease in Material and Supplies Inventory	1,421	(392)	(2,216)
Decrease in Accounts Payable	(15,976)	(6,987)	(103,781)
Increase (Decrease) in Contracts Payable	(93,243)	(32,756)	62,144
Decrease in Interfund Payables	(3,045)	(1,196)	(8,192)
Increase in Accrued Wages	5,092	1,516	11,395
Increase (Decrease) in Compensated Absences	18,523	3,929	4,722
Decrease in Retainage Payable	(6,859)	(17,828)	(89,163)
Increase (Decrease) in Intergovernmental Payable	7,117	18,466	16,666
Decrease in Deferred Revenue	0	0	(79,489)
Decrease in Deposits Held and Due to Others	0	0	(6,782)
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>\$1,990,186</u>	<u>(\$424,463)</u>	<u>\$3,370,901</u>
<u>Noncash Capital and Related Financing Activities:</u>			
Trade-In Allowance of Equipment and Vehicles	\$11,800	\$0	\$0
Service Lines Donated by Developers and Capitalized at Fair Market Value	336,356	284,413	0
<i>Total Noncash Investing, Capital, and Financing Activities</i>	<u>\$348,156</u>	<u>\$284,413</u>	<u>\$0</u>

See accompanying notes to the basic financial statements

<u>Enterprise Funds</u>		<u>Governmental</u>
<i>All Other</i>		<i>Activities -</i>
<i>Enterprise</i>		<i>Internal</i>
<i>Funds</i>	<i>Totals</i>	<i>Service Funds</i>
(\$70,188)	\$1,128,749	\$140,930
208,277	3,357,343	21,372
(2,359)	(3,653)	0
0	815,601	0
(9,896)	92,691	0
0	(11,359)	0
0	(1,187)	(4,035)
(1,644)	(128,388)	(102,708)
0	(63,855)	0
(450)	(12,883)	0
232	18,235	836
(67)	27,107	(10,678)
0	(113,850)	0
(60)	42,189	1,259
0	(79,489)	0
0	(6,782)	0
<u>\$123,845</u>	<u>\$5,060,469</u>	<u>\$46,976</u>
\$0	\$11,800	\$0
0	620,769	0
<u>\$0</u>	<u>\$632,569</u>	<u>\$0</u>

City of Westerville, Ohio
Statement of Fiduciary
Assets and Liabilities
Agency Funds
December 31, 2003

Assets

Equity in Pooled Cash and Cash Equivalent:	\$875,943
Cash and Cash Equivalents with Fiscal Agents:	11,526
Receivables:	
Property and Other Local Taxes	<u>840</u>

Total Assets \$888,309

Liabilities

Accounts Payable	\$840
Undistributed Monies	583,219
Intergovernmental Payable	153,239
Deposits Held and Due to Others:	<u>151,011</u>

Total Liabilities \$888,309

See accompanying notes to the basic financial statement

City of Westerville, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2003

NOTE 1 – DESCRIPTION OF THE CITY AND REPORTING ENTITY

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

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

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

THE REPORTING ENTITY

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

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

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

City of Westerville, Ohio

Notes to the Basic Financial Statements (Continued)

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

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

BASIS OF PRESENTATION

The City's basic financial statements consist of government-wide statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The statement of net assets and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The 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. 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.

County Line Road Improvement Fund – To account for street improvements financed by OPWC grants and transfers from the general fund.

City of Westerville, Ohio

Notes to the Basic Financial Statements (Continued)

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

PROPRIETARY FUNDS

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

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

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

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

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

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

FIDUCIARY FUNDS

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

City of Westerville, Ohio

Notes to the Basic Financial Statements (Continued)

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

MEASUREMENT FOCUS

A. GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

B. FUND FINANCIAL STATEMENTS

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

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

BASIS OF ACCOUNTING

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

REVENUES - EXCHANGE AND NON-EXCHANGE TRANSACTION

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available. Available means that the resources will be collected within the current year or are expected to be collected soon

City of Westerville, Ohio

Notes to the Basic Financial Statements (Continued)

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

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, grants, entitlements and donations. On an accrual basis, revenue from income tax is recognized in the year in which the income is earned. Revenue from property taxes is recognized in the year for which the taxes are levied. (See Note 8.) Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

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

DEFERRED REVENUES

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

Property taxes for which there is an enforceable legal claim as of December 31, 2003, but were levied to finance 2004 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met have also been recorded as deferred revenue.

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

EXPENSES/EXPENDITURES

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

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

City of Westerville, Ohio

Notes to the Basic Financial Statements (Continued)

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

BUDGETS AND BUDGETARY ACCOUNTING

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

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

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

CASH AND CASH EQUIVALENTS

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

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

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

City of Westerville, Ohio

Notes to the Basic Financial Statements (Continued)

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

The City has invested funds in the State Treasury Asset Reserve of Ohio (STAROhio) during 2003. 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, 2003.

Interest allocation is determined by the Ohio Constitution, State statutes, and local ordinances adopted under City Charter. Under these provisions, City 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) 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. All remaining interest is credited to the General Fund. Interest revenue credited to the General Fund during 2003 amounted to \$2,324,687, which includes \$2,156,367 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, 2003, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

INTANGIBLE ASSET - WATER RIGHTS

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

City of Westerville, Ohio

Notes to the Basic Financial Statements (Continued)

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

CAPITAL ASSETS

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

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

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

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

The City's infrastructure consists of streets, curbs and gutters, sidewalks, street lighting, storm sewer, and water and sewer lines. For 2003, the City reported general infrastructure for the first time. The City only reports the amounts acquired after 2002. In 2002, storm sewer assets were classified under the category Equipment and were reclassified as infrastructure as of December 31, 2002. The City plans to phase in the prior year amounts in future years.

COMPENSATED ABSENCES

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

City of Westerville, Ohio

Notes to the Basic Financial Statements (Continued)

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

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

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

INTERFUND RECEIVABLES AND PAYABLES

On fund financial statements, outstanding interfund loans and unpaid amounts for interfund services are reported as "Advances to Other Funds" and "Advances from Other Funds". Interfund balances are eliminated on the governmental-wide statement of net assets except for any net residual amounts due between governmental and business-type activities, which are presented as "internal balances."

ACCRUED LIABILITIES AND LONG-TERM OBLIGATIONS

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, contractually required pension contributions and 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 loans, bonds, notes and the police pension liability are recognized as liabilities on the governmental fund financial statements when due.

BOND DISCOUNTS, PREMIUMS/ISSUANCE COSTS

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

City of Westerville, Ohio

Notes to the Basic Financial Statements (Continued)

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

CONTRIBUTIONS OF CAPITAL

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

RESERVES OF FUND BALANCE

Reserves of fund balance in governmental funds indicate that a portion of fund balance is not available for expenditure or is legally segregated for a specific future use. Land held for resale is equally offset by a fund balance reserve in the governmental funds which indicates that it does not constitute available expendable resources even though it is a component of net current assets. Fund balances are reserved for encumbrances, land held for resale, unclaimed monies and advances between funds to the extent they will not be repaid in 2004.

INTERFUND TRANSACTIONS

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

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

NET ASSETS

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

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

City of Westerville, Ohio

Notes to the Basic Financial Statements (Continued)

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

OPERATING REVENUES AND EXPENSES

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

ESTIMATES

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

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

CHANGES IN ACCOUNTING PRINCIPLES

For 2003, the City has implemented GASB Statement No. 34, "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments", GASB Statement No. 37, "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus", Statement No. 38, "Certain Financial Statement Note Disclosures", GASB Statement No. 41, "Budgetary Comparison Schedules – Perspective Differences", and GASB Interpretation No. 6, "Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements."

GASB 34 creates new basic financial statements for reporting on the City's financial activities. The financial statements now include government-wide financial statements prepared on an accrual basis of accounting and fund financial statements which present information for individual major funds rather than by fund type. Nonmajor funds are presented in total in one column. Fiduciary funds and the internal service funds are reported by type.

The government-wide financial statements split the City's programs between governmental and business-type activities. Except for the restatement explained below, the beginning net asset amount for the business-type activities equals fund equity of the proprietary funds from last year. The beginning net assets amount for governmental activities reflects the change in fund balance for governmental funds at December 31, 2002, caused by the conversion to the accrual basis of accounting.

GASB Statement No. 37 clarifies certain provisions of Statement No. 34, including the required content of Management's Discussion and Analysis, the classification of program revenues and the criteria for determining major funds.

City of Westerville, Ohio

Notes to the Basic Financial Statements (Continued)

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

GASB Statement No. 38 modifies, establishes and rescinds certain financial statement note disclosures.

GASB Statement No. 41 only applies when there are significant perspective differences that prevent an entity from associating the estimated revenues and appropriations from its legally adopted budget to the major revenue sources and functional expenditures that are reported in the general and major special revenue funds. This statement did not apply to the City for 2003.

GASB Interpretation No. 6 clarifies the application of standards for modified accrual recognition of certain liabilities and expenditures in areas where differences have arisen, or potentially could arise, in interpretation and practice.

RESTATEMENT OF FUND BALANCE

The implementation of these changes had the following effects on fund balance of the major and nonmajor funds of the City as they were previously reported. The transition from governmental fund balance to net assets of the governmental activities is also presented.

The balance of unclaimed monies that is included in the General Fund was found to be understated in the prior year's report. This correction is identified in the following table as a prior period adjustment.

City of Westerville, Ohio

Notes to the Basic Financial Statements (Continued)

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

	<i>General</i>	<i>Fire Operating</i>	<i>Parks and Recreation Operating</i>	<i>County Line Road Improvement</i>
Fund Balances,				
December 31, 2002	\$24,208,970	\$2,277,628	\$2,763,303	\$455,440
Prior Period Adjustments	11,094	0	0	0
GASB Interpretation No. 6	164,599	85,118	14,541	0
Adjusted Fund Balance,				
December 31, 2002	\$24,384,663	\$2,362,746	\$2,777,844	\$455,440

	<i>Nonmajor</i>	<i>Total Governmental</i>
Fund Balances, December 31, 2002	\$15,031,388	\$44,736,729
Prior Period Adjustments	0	11,094
GASB Interpretation No. 6	5,255	269,513
Adjusted Fund Balance,		
December 31, 2002	\$15,036,643	45,017,336

GASB 34 Adjustments:

Deferred Assets:

Delinquent Property Taxes	550,245
Municipal Income Taxes	1,424,628
Intergovernmental Receivables	1,832,203
Capital Assets, Net	60,869,162
Internal Service	714,356
Internal Balances	(78,728)
Intergovernmental Payables	(62,069)
Accrued Interest Payable	(104,822)
Long-Term Liabilities	(30,236,496)

Governmental Activities,

Net Assets December 31, 2002	\$79,925,815
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City of Westerville, Ohio

Notes to the Basic Financial Statements (Continued)

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

	<u>Water</u>	<u>Sewer</u>	<u>Electric</u>	<u>Nonmajor</u>	<u>Business-Type Activities</u>
Fund Equity, December 31, 2002	\$24,825,997	\$15,489,291	\$56,061,562	\$1,759,759	\$98,136,609
Accrued Interest Receivable	(4,194)	(3,292)	0	0	(7,486)
Intergovernmental Receivable	0	0	78,000	0	78,000
Capital Assets, Net	<u>0</u>	<u>0</u>	<u>474,418</u>	<u>505,183</u>	<u>979,601</u>
Adjusted Net Assets, December 31, 2002	<u>\$24,821,803</u>	<u>\$15,485,999</u>	<u>\$56,613,980</u>	<u>\$2,264,942</u>	99,186,724
Internal Balance					<u>78,728</u>
Net Assets at December 31, 2002					<u>\$ 99,265,452</u>

NOTE 4 – ACCOUNTABILITY

At December 31, 2003, the Hotel Tax Special Revenue Fund, the Cleveland Avenue Extension Improvement Capital Projects Fund and the Recreation Capital Improvement Capital Projects Fund had deficit balances of \$8,916, \$807,819 and \$109,054, 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.

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).

City of Westerville, Ohio

Notes to the Basic Financial Statements (Continued)

NOTE 5 - BUDGETARY BASIS OF ACCOUNTING (continued)

- (c) Outstanding year-end encumbrances are treated as expenditures (budget basis) rather than as a reservation of fund balance (GAAP basis).
- (d) Advances – In and Advances – Out are operating transactions (budget basis) as opposed to balances sheet transactions (GAAP basis).

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

	<i>Net Change In Fund Balance</i>		
	<i>General</i>	<i>Fire Operating</i>	<i>Parks and Recreation Operating</i>
	<u>General</u>	<u>Operating</u>	<u>Operating</u>
GAAP Basis	(\$1,140,161)	\$1,601,340	\$2,179,632
<u>Increases (decreases) Due To:</u>			
Revenue Accruals	1,267,071	123,421	(3,891)
Expenditure Accruals	26,749	103,796	59,282
Encumbrances Outstanding			
At Year End (Budget Basis)	(473,861)	(184,359)	(519,246)
Advances	<u>(3,259,406)</u>	<u>0</u>	<u>0</u>
Budget Basis	<u><u>(\$3,579,608)</u></u>	<u><u>\$1,644,198</u></u>	<u><u>\$1,715,777</u></u>

NOTE 6 - DEPOSITS AND INVESTMENTS

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

Active deposits are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the City Treasury, in commercial accounts payable or withdrawable 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.

City of Westerville, Ohio

Notes to the Basic Financial Statements (Continued)

NOTE 6 - DEPOSITS AND INVESTMENTS *(continued)*

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

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

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

1. United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions; and
6. The State Treasurer's investment pool (STAR Ohio).

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

1. Bonds of the State of Ohio;

City of Westerville, Ohio

Notes to the Basic Financial Statements (Continued)

NOTE 6 - DEPOSITS AND INVESTMENTS *(continued)*

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

3. Obligations of the City.

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

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

At year-end, the carrying amount of the City's deposits was \$2,887,644, and the bank balance was \$3,594,656. Of the bank balance, \$100,000 was covered by federal depository insurance. The remaining amounts were uninsured and uncollateralized. Although the balance was collateralized by securities held by the financial institutions' trust departments in the City's name and all State statutory requirements for the deposit of money had been followed, non compliance with federal requirements could potentially subject the City to a successful claim by the FDIC.

GASB Statement No. 3, "Deposits with Financial Institutions, Investments (including repurchase agreements) and Reverse Repurchase Agreements" requires that local governments disclose the carrying amounts and fair value of investments, classified by risk. The City's investments are categorized as either (1) insured or registered or for which the securities are held by the City or its agent in the City's name, (2) uninsured and unregistered for which the securities are held by the counterparty's trust department or agent in the City's name or (3) uninsured and unregistered for which the securities are held by the counterparty, or by its trust department or agent but not in the City's name.

	<i>Category</i>			<i>Fair/Carrying</i>
	<i>1</i>	<i>2</i>	<i>3</i>	<i>Value</i>
U.S. Agency Securities	\$0	\$67,003,775	\$0	\$67,003,775
STAROhio	0	0	0	12,698,951
Total Investments	\$0	\$67,003,775	\$0	\$79,702,726

City of Westerville, Ohio

Notes to the Basic Financial Statements (Continued)

NOTE 6 - DEPOSITS AND INVESTMENTS (continued)

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

	<i>Cash and Cash Equivalents/Deposits</i>	<i>Investments</i>
<i>GASB Statement No. 9</i>	\$82,590,370	\$0
Investments:		
U.S. Agency Securities	(67,003,775)	67,003,775
STAROhio	(12,698,951)	12,698,951
<i>GASB Statement No. 3</i>	\$2,887,644	\$79,702,726

NOTE 7 - MUNICIPAL INCOME TAX

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

NOTE 8 - PROPERTY TAX

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the City. Property tax revenue received during 2003 for real and public utility property taxes represents collections of 2002 taxes. Property tax payments received during 2003 for tangible personal property (other than public utility property) are for 2003 taxes.

2003 real property taxes are levied after October 1, 2003 on the assessed value as of January 1, 2003, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2003 real property taxes are collected in and intended to finance 2004.

City of Westerville, Ohio

Notes to the Basic Financial Statements (Continued)

NOTE 8 - PROPERTY TAX (continued)

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2003 public utility property taxes became a lien December 31, 2002, are levied after October 1, 2003, and are collected in 2004 with real property taxes.

2003 tangible personal property taxes are levied after October 1, 2002, on the value as of December 31, 2002. Collections are made in 2003. Tangible personal property assessments are 25 percent of true value for capital assets and 23 percent of true value for inventory.

The full tax rate for all City operations for the Year Ended December 31, 2003, was \$17.85 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2003 property tax receipts were based are as follows:

<u>Category</u>	<u>Franklin County</u>	<u>Delaware County</u>	<u>Total</u>
Real Estate			
Residential and Agricultural	\$517,791,270	\$166,033,110	\$683,824,380
Commercial and Industrial	158,896,150	40,321,130	199,217,280
Tangible Personal Property	30,255,290	16,340,599	46,595,889
Public Utility Personal	<u>17,004,470</u>	<u>3,852,910</u>	<u>20,857,380</u>
<i>Totals</i>	<u>\$723,947,180</u>	<u>\$226,547,749</u>	<u>\$950,494,929</u>

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

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

The County Treasurers collect property taxes on behalf of all taxing districts in the county, including the City of Westerville. The County Auditors periodically remit to the City its portion of the taxes. Property taxes receivable represents real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2003, 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 2003 operations. The receivable is offset by deferred revenue. On a full accrual basis, collectible delinquent property taxes have been recorded as revenue while the remainder of the receivable is deferred.

City of Westerville, Ohio

Notes to the Basic Financial Statements (Continued)

NOTE 9 - RECEIVABLES

Receivables at December 31, 2003 consisted of taxes, interest, interfund, accounts (billings for user charged services including unbilled utility services), and intergovernmental receivables arising from grants, entitlements and shared revenues. All receivables are considered fully collectible except accounts receivable related to business-type services.

A summary of accounts receivable related to business-type services is as follows:

	<i>Water</i>	<i>Sewer</i>	<i>Refuse</i>	<i>Electric</i>	<i>Swimming Pool</i>	<i>Total</i>
Accounts Receivable - Gross	\$401,034	\$584,205	\$261,636	\$3,565,239	\$61	\$4,812,175
Less: Allowance for Uncollectibles	(10,026)	(14,605)	(6,542)	(89,131)	0	(120,304)
Net Accounts Receivable	\$391,008	\$569,600	\$255,094	\$3,476,108	\$61	\$4,691,871

A summary of the principal items of intergovernmental receivables follows:

	<i>Amounts</i>
Governmental Activities	
Local Government - Franklin County	\$803,779
Local Government - Delaware County	133,900
Local Government - State	163,144
Local Government - Revenue Assistance	87,604
Liquor Permits	2,552
Estate Taxes	143,627
COPS Grant	31,250
OPWC County Line Road Improvement Grant	347,081
Alum Creek Park South Grant	209,520
County Line Acres Bikeway Grant	150,000
Alum Creek Bikeway Grant	187,431
Homestead And Rollback	628,732
Gasoline Tax - Cents Per Gallon	276,588
Gasoline Tax - Municipal Excise	225,824
Motor Vehicle License Tax	192,489
Permissive Motor Vehicle License Taxes	24,951
Blendon Township Fire Services	133,134
<i>Total Intergovernmental Receivable</i>	<i>\$3,741,606</i>

City of Westerville, Ohio

Notes to the Basic Financial Statements

(Continued)

NOTE 10 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2003, was as follows:

	<i>Restated Balance At 12/31/2002</i>	<i>Additions</i>	<i>Deletions</i>	<i>Balance At 12/31/2003</i>
Governmental Activities				
Capital Assets, Not Being Depreciated				
Land	\$5,899,024	\$143,450	\$0	\$6,042,474
Construction in Progress	17,523,790	7,395,998	(6,779,718)	18,140,070
Total Capital Assets, Not Being Depreciated	<u>23,422,814</u>	<u>7,539,448</u>	<u>(6,779,718)</u>	<u>24,182,544</u>
Depreciable Capital Assets:				
Land Improvements	10,379,951	2,305,985	0	12,685,936
Buildings	28,527,884	180,514	0	28,708,398
Furniture and Equipment	5,310,496	434,090	(34,019)	5,710,567
Vehicles	4,209,354	197,594	(107,920)	4,299,028
Infrastructure	1,933,055	4,691,317	0	6,624,372
Total Depreciable Capital Assets	<u>50,360,740</u>	<u>7,809,500</u>	<u>(141,939)</u>	<u>58,028,301</u>
Less Accumulated Depreciation:				
Land Improvements	(1,554,690)	(802,725)	0	(2,357,415)
Buildings	(4,493,182)	(725,030)	0	(5,218,212)
Furniture and Equipment	(3,701,711)	(435,839)	32,604	(4,104,946)
Vehicles	(2,865,837)	(473,506)	107,920	(3,231,423)
Infrastructure	(26,174)	(140,279)	0	(166,453)
Total Accumulated Depreciation	<u>(12,641,594)</u>	<u>(2,577,379)</u>	<u>140,524</u>	<u>(15,078,449)</u>
Depreciable Capital Assets, Net	<u>37,719,146</u>	<u>5,232,121</u>	<u>(1,415)</u>	<u>42,949,852</u>
Governmental Activities Capital Assets, Net	<u>\$61,141,960</u>	<u>\$12,771,569</u>	<u>(\$6,781,133)</u>	<u>\$67,132,396</u>

City of Westerville, Ohio

Notes to the Basic Financial Statements

(Continued)

NOTE 10 - CAPITAL ASSETS (continued)

	<i>Restated Balance At 12/31/2002</i>	<i>Additions</i>	<i>Deletions</i>	<i>Balance At 12/31/2003</i>
Business-Type Activities				
Capital Assets, Not Being Depreciated				
Land	\$1,051,604	\$0	\$0	\$1,051,604
Construction in Progress	6,308,681	798,633	(4,632,209)	2,475,105
Total Capital Assets, Not Being Depreciated	7,360,285	798,633	(4,632,209)	3,526,709
Depreciable Capital Assets:				
Land Improvements	1,627,176	1,645,417	0	3,272,593
Buildings	6,445,604	0	0	6,445,604
Furniture and Equipment	5,623,267	403,574	0	6,026,841
Vehicles	1,551,517	191,676	(130,226)	1,612,967
Infrastructure				
Water Lines	26,512,129	1,384,033	0	27,896,162
Sewer Lines	20,619,459	445,413	0	21,064,872
Electric System	46,932,995	2,502,742	(321,214)	49,114,523
Total Depreciable Capital Assets	109,312,147	6,572,855	(451,440)	115,433,562
Less Accumulated Depreciation:				
Land Improvements	(581,026)	(235,937)	0	(816,963)
Buildings	(2,806,106)	(175,678)	0	(2,981,784)
Furniture and Equipment	(2,920,313)	(266,585)	0	(3,186,898)
Vehicles	(905,888)	(168,125)	130,226	(943,787)
Infrastructure				
Water Lines	(9,801,654)	(583,534)	0	(10,385,188)
Sewer Lines	(9,123,903)	(381,132)	0	(9,505,035)
Electric System	(14,969,780)	(1,546,352)	246,415	(16,269,717)
Total Accumulated Depreciation	(41,108,670)	(3,357,343)	376,641	(44,089,372)
Depreciable Capital Assets, Net	68,203,477	3,215,512	(74,799)	71,344,190
Business-Type Activities Capital Assets, Net	\$75,563,762	\$4,014,145	(\$4,707,008)	\$74,870,899

City of Westerville, Ohio

Notes to the Basic Financial Statements (Continued)

NOTE 10 - CAPITAL ASSETS (continued)

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

Governmental activities:

Security of Person And Property	\$567,506
Public Health	\$7,045
Leisure Time Activites	1,333,784
Community Environment	26,238
Basic Utility Services	42,213
Transportation	38,266
General Government	562,327
Total Depreciation Expense	<u>\$2,577,379</u>

Business-type activities:

Water	\$754,194
Sewer	\$400,728
Electric	1,994,144
Refuse	156,492
Swimming Pool	51,785
Total Depreciation Expense	<u>\$3,357,343</u>

NOTE 11 - DEFINED BENEFIT PENSION PLANS

A. OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM

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

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

City of Westerville, Ohio

Notes to the Basic Financial Statements (Continued)

NOTE 11 - DEFINED BENEFIT PENSION PLANS (continued)

For the year ended December 31, 2003, the members of all three plans, except those in law enforcement or public safety participating in the traditional plan, were required to contribute 8.5 percent of their annual covered salaries. Members participating in the traditional plan who were in law enforcement contributed 10.1 percent of their annual covered salary; members in public safety contributed 9 percent. The City's contribution rate for pension benefits for 2003 was 8.55 percent, except for those plan members in law enforcement or public safety. For those classifications, the City's pension contributions were 11.7 percent of covered payroll. The Ohio Revised Code provides statutory authority for member and employer contributions.

The City's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2003, 2002, and 2001 were \$1,095,958, \$1,038,227, and \$1,012,374, respectively; 95.49 percent has been contributed for 2003 and 100 percent for 2002 and 2001. Contributions to the member-directed plan for 2003 were \$19,230 made by the City and \$12,063 made by the plan members.

B. OHIO POLICE AND FIRE PENSION FUND

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

Plan members are required to contribute 10 percent of their annual covered salary to fund pension obligations while the City is required to contribute 11.75 percent for police officers and 16.25 percent for firefighters. Contributions are authorized by State statute. The City's contributions to OP&F for police and firefighters were \$556,612 and \$795,712 for the year ended December 31, 2003, \$504,922 and \$731,034 for the year ended December 31, 2002, and \$470,832, and \$648,074 for the year ended December 31, 2001. The full amount has been contributed for 2002 and 2001. 92.35 percent for police and 94.13 percent for firefighters has been contributed for 2003 with the remainder being reported as a liability.

NOTE 12 - POSTEMPLOYMENT BENEFITS

A. OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and primary survivor Postemployment Benefit as described in *GASB Statement No. 12*. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care

City of Westerville, Ohio

Notes to the Basic Financial Statements (Continued)

NOTE 12 - POSTEMPLOYMENT BENEFITS *(continued)*

based on authority granted by State statute. The 2003 local government employer contribution rate was 13.55 percent of covered payroll (16.7 percent for public safety and law enforcement); 5.00 percent of covered payroll was the portion that was used to fund health care.

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2002, include a rate of return on investments of 8.00 percent, an annual increase in active employee total payroll of 4.00 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50 percent and 6.3 percent based on additional annual pay increases. Health care premiums were assumed to increase 4.00 percent annually.

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

The number of active contributing participants in the traditional and combined plans was 364,881. Actual employer contributions for 2003 which were used to fund postemployment benefits were \$640,911. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2002, (the latest information available) were \$10.0 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$18.7 billion and \$8.7 billion, respectively.

In December 2001, the Board adopted the Health Care "Choices" Plan. The Choices Plan will be offered to all persons newly hired in an OPERS covered position after January 1, 2003, with no prior service credit accumulated toward health care coverage. Choices will incorporate a cafeteria approach, offering a broader range of health care options. The Plan uses a graded scale from ten to thirty years to calculate a monthly health care benefit. This is in contrast to the ten-year "cliff" eligibility standard for the present Plan.

The benefit recipient will be free to select the option that best meets their needs. Recipients will fund health care costs in excess of their monthly health care benefit. The Plan will also offer a spending account feature, enabling the benefit recipient to apply their allowance toward specific medical expenses, much like a Medical Spending Account.

B. OHIO POLICE AND FIRE PENSION FUND

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

City of Westerville, Ohio

Notes to the Basic Financial Statements (Continued)

NOTE 12 - POSTEMPLOYMENT BENEFITS (continued)

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

The City's actual contributions for 2003 that were used to fund postemployment benefits were \$367,127 for police and \$379,493 for firefighters. The OP&F's total health care expense for the year ended December 31, 2002, (the latest information available) was \$141,028,006, which was net of member contributions of \$12,623,875. The number of OP&F participants eligible to receive health care benefits as of December 31, 2002, was 13,527 for police and 10,396 for firefighters.

NOTE 13 - EMPLOYEE BENEFITS

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

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

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

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

City of Westerville, Ohio

Notes to the Basic Financial Statements

(Continued)

NOTE 14 - BONDED DEBT AND OTHER LONG-TERM OBLIGATIONS

Bonded debt and other long-term obligations payable activity for the Year Ended December 31, 2003, were as follows:

<i>Types / Issues</i>	<i>Interest Rates</i>	<i>Balance 12/31/02</i>	<i>Issued</i>	<i>Retired</i>	<i>Balance 12/31/03</i>	<i>Due Within One Year</i>
<u>Business-Type Activities</u>						
<u>General Obligation Bonds</u>						
1992 Water Works Refunding and Improvement Term Bonds	3.45 - 6.45 %	\$2,140,000	\$0	\$185,000	\$1,955,000	\$195,000
1998 Water Works Refunding and Improvement Bonds	3.10 - 5.25%	3,170,000	0	300,000	2,870,000	310,000
Accounting Gain on Refunding Issue		(186,279)	20,697	0	(165,582)	20,697
1998 Transportation Improvement Bonds	3.10 - 5.25%	1,174,995	0	51,615	1,123,380	53,280
1999 Electric System Improvement Bonds	3.80 - 5.55%	1,985,000	0	80,000	1,905,000	80,000
Total General Obligation Bonds		8,283,716	20,697	616,615	7,687,798	658,977
<u>Other Long-Term Obligations</u>						
Compensated Absences		735,420	316,314	289,207	762,527	300,442
ODNR Debt		1,944,810	0	33,914	1,910,896	35,007
Total Other Long-Term Obligations		2,680,230	316,314	323,121	2,673,423	335,449
Total Business-Type Activities		\$10,963,946	\$337,011	\$939,736	\$10,361,221	\$994,426
<u>Governmental Activities</u>						
<u>General Obligation Bonds</u>						
1974 Drainage System Improvement Bonds	5.375%	\$100,000	\$0	\$50,000	\$50,000	\$50,000
1986 Municipal Facilities Series A Bonds	7.375%	820,000	0	205,000	615,000	205,000
1986 Municipal Facilities Series B Bonds	7.375%	180,000	0	45,000	135,000	45,000
1998 Transportation Improvement Bonds	3.10 - 5.25%	2,275,005	0	103,385	2,171,620	106,720
1998 Recreation Facilities Bonds	3.10 - 5.25%	23,495,000	0	1,045,000	22,450,000	1,085,000
2003 Fire/EMS Improvement Bonds-Voted	2.00 - 4.65%	0	2,575,000	0	2,575,000	95,000
Discount on Debt Issue		0	(16,410)	(344)	(16,066)	0
2003 Fire/EMS Improvement Bonds-Blendon	2.00 - 4.65%	0	425,000	0	425,000	15,700
Discount on Debt Issue		0	(2,553)	(53)	(2,500)	0
2003 Municipal Facilities Improvement Bonds	2.00 - 4.65%	0	3,500,000	0	3,500,000	129,300
Discount on Debt Issue		0	(21,021)	(440)	(20,581)	0
Total Governmental General Obligation Bonds		26,870,005	6,460,016	1,447,548	31,882,473	1,731,720
<u>Other Long-Term Obligations</u>						
2001 County Line Road Right-of-Way Note	0.00%	394,687	0	98,672	296,015	98,672
Compensated Absences		3,000,772	1,149,569	1,173,872	2,976,469	1,476,552
Police Pension Liability		24,051	0	475	23,576	495
Total Other Long-Term Obligations		3,419,510	1,149,569	1,273,019	3,296,060	1,575,719
Total Governmental Activities		\$30,289,515	\$7,609,585	\$2,720,567	\$35,178,533	\$3,307,439

City of Westerville, Ohio

Notes to the Basic Financial Statements (Continued)

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

1992 WATER WORKS REFUNDING AND IMPROVEMENT BONDS/DEFEASED DEBT: The 1992 Water Works Refunding and Improvement Bonds included serial and term bonds in the total amount of \$8,540,000. In 1998, the City defeased \$3,015,000 of the 1992 Water Works Refunding and Improvement Serial Bonds by placing the net proceeds, \$3,284,067, of the 1998 Water Works Refunding and Improvement Bonds into an irrevocable trust with an escrow agent who in turn purchased U. S. Government Securities which were to be used to provide for all future debt service payments on the 1992 Series Serial Bonds. In December, 2002, the escrow agent paid the remaining principal of \$2,788,000 with monies held in the trust.

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$269,067. One-thirteenth of this amount will be charged annually to interest expense through the year 2011, with the difference reported in the accompanying financial statements as a deduction from bonds payable. The outstanding balance to be charged as of December 31, 2003 is \$165,582.

The 1992 Water Works Refunding and Improvement Term Bonds stated to mature on or after December 1, 2003, are subject to redemption by and at the option of the City, in whole or in part on any date on or after December 31, 2002, in integral multiples of \$5,000 at the following redemption prices (expressed as percentages of the principal amount redeemed), plus accrued interest to the redemption date:

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

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

City of Westerville, Ohio

Notes to the Basic Financial Statements

(Continued)

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

General obligation bonds, other than the 1992 and 1998 Water Works Refunding and Improvement Bonds discussed above, outstanding at December 31, 2003 consisted of the following:

<u>Bond Issue</u>	<u>Original Issue</u>	<u>Maturity Date</u>	<u>Balance</u> <i>12/31/2003</i>
1998 Transportation Improvement	\$1,333,320	December, 2018	\$1,123,380
1999 Electric System Improvement	2,200,000	December, 2019	1,905,000
1974 Drainage System Improvement - Voted	1,500,000	December, 2004	50,000
1986 Municipal Facilities Series A - Voted	4,045,000	December, 2006	615,000
1986 Municipal Facilities Series B	900,000	December, 2006	135,000
1998 Transportation Improvement	2,666,680	December, 2018	2,171,620
1998 Recreation Facilities	27,250,000	December, 2018	22,450,000
2003 Fire/EMS Improvement - Voted	2,575,000	December, 2023	2,575,000
2003 Fire/EMS Improvement Bonds - Blendon	425,000	December, 2023	425,000
2003 Municipal Facilities Improvement	3,500,000	December, 2023	3,500,000

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

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

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

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

INDUSTRIAL DEVELOPMENT REVENUE BONDS: The City has four outstanding issues of industrial development revenue bonds in the aggregate principal amount of \$1,480,000 at December 31, 2003 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.

City of Westerville, Ohio

Notes to the Basic Financial Statements (Continued)

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

The City's overall legal debt margin was \$67,913,986, with an unvoted debt margin of \$20,389,239 at December 31, 2003.

FUTURE DEBT SERVICE REQUIREMENTS: The principal and interest requirements to retire the long-term debt obligations outstanding at December 31, 2003 are:

<i>Governmental Activities</i>						
<i>Year</i>	<i>General Obligation Bonds</i>		<i>Police Pension</i>		<i>Long-Term Note</i>	
	<i>Principal</i>	<i>Interest</i>	<i>Principal</i>	<i>Interest</i>	<i>Principal</i>	<i>Interest</i>
	2004	\$1,731,720	\$1,439,969	\$495	\$997	\$98,672
2005	1,725,055	1,368,163	517	976	197,343	0
2006	1,783,390	1,296,759	539	953	0	0
2007	1,590,060	1,222,629	562	930	0	0
2008	1,648,395	1,163,358	586	906	0	0
2009-2013	9,432,025	4,609,839	3,330	4,130	0	0
2014-2018	11,880,975	2,130,755	4,109	3,351	0	0
2019-2030	2,130,000	303,918	13,438	3,681	0	0
<i>Totals</i>	<i>\$31,921,620</i>	<i>\$13,535,390</i>	<i>\$23,576</i>	<i>\$15,924</i>	<i>\$296,015</i>	<i>\$0</i>

<i>Business-Type Activities</i>						
<i>Year</i>	<i>Refunding and Improvement Bonds</i>		<i>Electric System and Transportation Improvements</i>		<i>ODNR Debt</i>	
	<i>Principal</i>	<i>Interest</i>	<i>Principal</i>	<i>Interest</i>	<i>Principal</i>	<i>Interest</i>
	2004	\$505,000	\$253,990	\$133,280	\$149,519	\$35,007
2005	480,000	230,550	139,945	143,827	36,135	60,441
2006	520,000	207,750	146,610	137,689	37,299	59,277
2007	565,000	182,586	154,940	131,133	38,501	58,075
2008	605,000	154,717	156,605	124,080	39,741	56,835
2009-2013	2,150,000	256,193	917,975	494,863	218,761	264,120
2014-2018	0	0	1,209,025	233,186	256,348	226,533
2019-2035	0	0	170,000	8,235	1,249,104	392,697
<i>Totals</i>	<i>\$4,825,000</i>	<i>\$1,285,786</i>	<i>\$3,028,380</i>	<i>\$1,422,532</i>	<i>\$1,910,896</i>	<i>\$1,179,547</i>

City of Westerville, Ohio

Notes to the Basic Financial Statements

(Continued)

NOTE 15 - CONSTRUCTION COMMITMENTS

The City has entered into various contracts for the construction and acquisition of capital assets. At December 31, 2003, the significant outstanding construction commitments are:

<u>Projects</u>	<u>Contract Amount</u>	<u>Amount Expended</u>	<u>Balance At 12/31/03</u>
2003 Street Rehabilitation	\$2,344,131	\$2,300,905	\$43,226
Alum Creek Bike Path Improvement	305,446	204,580	100,866
BMX Skateboard Park	236,231	184,139	52,092
Communication Center Improvement	725,980	563,369	162,611
County Line Bikeway	203,010	168,722	34,288
County Line Road Extension West	4,979,830	1,086,667	3,893,163
Fire Station 112	1,950,000	26,100	1,923,900
Hanby Park Improvements	9,975	3,716	6,259
Heritage Park Improvement - Phase II	1,530,588	1,420,910	109,678
Huber Village/Annehurst Village Underground Cable	223,789	0	223,789
Lime Sludge Removal	168,630	122,218	46,412
Metzger Park Improvements	57,508	0	57,508
Petit/McCorkle Road Improvement	243,204	235,626	7,578
Senior Center Bus Port	101,800	70,804	30,996
Spring Grove North Park Improvement	294,997	287,749	7,248
State and Walnut Traffic Signal	194,719	0	194,719
Walnut Ridge Park Improvements	22,543	0	22,543
Westerville Community Center	863,581	740,831	122,750
Westerville Municipal Improvements	742,578	334,977	407,601
Totals	<u><u>\$15,198,540</u></u>	<u><u>\$7,751,313</u></u>	<u><u>\$7,447,227</u></u>

NOTE 16 - RISK MANAGEMENT

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

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

City of Westerville, Ohio

Notes to the Basic Financial Statements (Continued)

NOTE 16 - RISK MANAGEMENT *(continued)*

processes and advises the CORMA Treasurer/Board regarding payment of claims. The City reports a liability when it is probable that a loss has occurred and the amount can be reasonably estimated through reviewing actual claims filed in the first few months of the year.

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

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

The changes in claims payable during the years December 31, 2002 and 2003 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>
2002	\$0	\$377,221	\$377,221	\$0
2003	0	222,224	222,224	0

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

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

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

City of Westerville, Ohio

Notes to the Basic Financial Statements (Continued)

NOTE 17 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund balances at December 31, 2003, consist of the following individual fund receivables and payables:

Receivable	Payable			Totals
	<i>County</i>	<i>Nonmajor</i>	<i>Nonmajor</i>	
	<i>Line Road</i>	<i>Governmental</i>	<i>Business-type</i>	
	<i>Improvement</i>	<i>Funds</i>	<i>Fund</i>	
General	\$2,747,746	\$2,439,660	\$885,000	\$6,072,406
Nonmajor Governmental Fund	0	12,937	0	12,937
Totals	\$2,747,746	\$2,452,597	\$885,000	\$6,085,343

The amount due to the non-major governmental funds from the non-major governmental funds resulted from a loan from the Cable Franchise Fee Special Revenue Fund to the Hotel Tax Special Revenue Fund. The amount due to the General Fund from the non-major Business-type Fund results from a long-term loan to the Refuse Enterprise Fund to help fund operations. The balance of the amounts due to the General Fund results from loans to the County Line Road Improvement Capital Projects Fund and various other capital projects funds for the purpose of funding construction projects. The General Fund will be reimbursed when funds become available in the non-major governmental funds. Of the total amount due at year-end, \$2,948,937 is not expected to be repaid in 2004.

Transfers made during the year ended December 31, 2003 were as follows:

Transfers From	Transfers To						
	<i>General</i>	<i>Parks and</i>	<i>County</i>				<i>Nonmajor</i>
		<i>Recreation</i>	<i>Line Road</i>				<i>Governmental</i>
		<i>Operating</i>	<i>Improvement</i>	<i>Water</i>	<i>Sewer</i>	<i>Funds</i>	<i>Totals</i>
General	\$0	\$2,607,167	\$875,000	\$0	\$0	\$4,118,909	\$7,601,076
Nonmajor Governmental Funds	1,588	2,764,005	0	5,266	1,436	3,062,001	5,834,296
Totals	\$1,588	\$5,371,172	\$875,000	\$5,266	\$1,436	\$7,180,910	\$13,435,372

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

City of Westerville, Ohio

Notes to the Basic Financial Statements (Continued)

NOTE 18 - JOINTLY GOVERNED ORGANIZATION

The Westerville, Minerva Park, and Blendon Township Joint Hospital District is a jointly governed organization managed by a nine member board consisting of three elected officials from each of the governmental entities comprising the Joint Hospital District. The Joint Hospital District possesses its own budgeting and taxing authority and does not receive contributions or payments from its members. The participating members do not retain an ongoing financial interest or an ongoing financial responsibility for the Joint Hospital District.

NOTE 19 - RELATED ORGANIZATION

The Westerville Industry and Commerce Corporation (WICC) is a not-for-profit corporation formed to promote industrial, economic, commercial and civic development in and around the City. WICC is governed by a seven member self-perpetuating board of trustees of which four trustees are elected and/or appointed officials from the City. The board of trustees possesses its own contracting and budgeting authority, hires and fires personnel and does not depend on the City for operating subsidies.

NOTE 20 - RISK SHARING POOL

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

NOTE 21 - CONTINGENT LIABILITIES

A. 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.

B. FEDERAL AND STATE GRANTS

For the period January 1, 2003, to December 31, 2003, the City received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies or their designees. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the City believes such disallowance, if any, would be immaterial.

Combining Statements
And
Individual Fund Schedules

City of Westerville, Ohio

Nonmajor Fund Descriptions

SPECIAL REVENUE FUNDS

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

Nonmajor Special Revenue Funds

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

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

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

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

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

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

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

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

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

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

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

City of Westerville, Ohio

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

Nonmajor Special Revenue Funds (continued)

Community Transportation Fund - To account for money received from transfers from the General Fund to provide public transportation services through the Central Ohio Transit Authority (COTA) bus line.

FEMA Grants - To account for grant monies received as reimbursement for emergency snow removal associated with the February, 2003 winter storms.

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

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

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

DEBT SERVICE FUNDS

Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term and special assessment debt principal and interest. The following are descriptions of the City's nonmajor debt service funds:

Nonmajor Debt Service Funds

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

Special Assessment Fund - To account for the retirement of debt issued to finance improvements deemed to benefit the proprietaries against which special assessments are levied. Because all special assessment debt was retired in 2002, the balance of this fund was transferred to the General Bond Retirement Fund.

City of Westerville, Ohio

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

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.

Safety Building Improvement Fund - To account for the cost of constructing municipal facilities.

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

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

Hiawatha Avenue Improvement Fund - To account for street improvements financed by OPWC grants and transfers from the general fund.

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

McCorkle Boulevard Improvement Fund - To account for road construction 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 transfers from the general fund.

Sunbury Road Improvement Fund - To account for street improvements jointly constructed by the City of Westerville and Franklin County. City financing comes from transfers from the general fund and OPWC grants.

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.

City of Westerville, Ohio

Nonmajor Fund Descriptions
(continued)

Nonmajor Capital Projects Funds (continued)

North State Street Improvement Fund - To account for street improvements financed by 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.

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, 2003**

	<i>Nonmajor Special Revenue Funds</i>	<i>Nonmajor Debt Service Funds</i>	<i>Nonmajor Capital Projects Funds</i>	<i>Total Nonmajor Governmental Funds</i>
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalent	\$4,282,263	\$33,638	\$15,730,738	\$20,046,639
Cash and Cash Equivalents with Fiscal Agent	547,823	13,470	0	561,293
Receivables:				
Property and Other Taxes	80,299	515,814	0	596,113
Municipal Income Tax:	500,727	0	0	500,727
Accounts	2,396	0	3,000	5,396
Accrued Interest	1,013	0	3,519	4,532
Intergovernmental Receivable	719,852	29,463	396,951	1,146,266
Materials and Supplies Inventory	144,683	0	0	144,683
Advances to Other Funds	12,937	0	0	12,937
<i>Total Assets</i>	<u>\$6,291,993</u>	<u>\$592,385</u>	<u>\$16,134,208</u>	<u>\$23,018,586</u>
<u>Liabilities and Fund Balances</u>				
<u>Liabilities</u>				
Accounts Payable	\$56,086	\$0	\$270,214	\$326,300
Contracts Payable	0	0	556,683	556,683
Retainage Payable	0	0	150,375	150,375
Accrued Wages	17,217	0	0	17,217
Intergovernmental Payable	8,614	0	212,686	221,300
Matured Bonds Payable	0	10,000	0	10,000
Matured Interest Payable	0	3,470	0	3,470
Deferred Revenue	908,400	545,277	396,951	1,850,628
Advances from Other Funds	12,937	0	2,439,660	2,452,597
<i>Total Liabilities</i>	<u>1,003,254</u>	<u>558,747</u>	<u>4,026,569</u>	<u>5,588,570</u>
<u>Fund Balances</u>				
Reserved for Encumbrances	348,782	0	4,598,882	4,947,664
Reserved for Advances	12,937	0	0	12,937
Unreserved:				
Undesignated, Reported in				
Special Revenue Fund:	4,927,020	0	0	4,927,020
Debt Service Funds	0	33,638	0	33,638
Capital Projects Funds	0	0	7,508,757	7,508,757
<i>Total Fund Balances</i>	<u>5,288,739</u>	<u>33,638</u>	<u>12,107,639</u>	<u>17,430,016</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$6,291,993</u>	<u>\$592,385</u>	<u>\$16,134,208</u>	<u>\$23,018,586</u>

**City of Westerville, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2003**

	<i>Street Maintenance</i>	<i>State Highway</i>	<i>DARE</i>
<u>Assets</u>			
Equity in Pooled Cash and Cash Equivalents	\$1,870,593	\$343,896	\$19,976
Cash and Cash Equivalents with Fiscal Agents	0	0	0
Receivables:			
Property and Other Taxes	0	0	0
Municipal Income Taxes	0	0	0
Accounts	2,396	0	0
Accrued Interest	0	0	145
Intergovernmental Receivable	642,783	52,118	0
Materials and Supplies Inventory	144,683	0	0
Advances to Other Funds	0	0	0
<i>Total Assets</i>	<u>\$2,660,455</u>	<u>\$396,014</u>	<u>\$20,121</u>
<u>Liabilities and Fund Balances</u>			
<u>Liabilities</u>			
Accounts Payable	\$30,261	\$0	\$943
Accrued Wages	16,885	0	0
Intergovernmental Payable	8,608	0	0
Deferred Revenue	544,204	43,931	0
Advances from Other Funds	0	0	0
<i>Total Liabilities</i>	<u>599,958</u>	<u>43,931</u>	<u>943</u>
<u>Fund Balances</u>			
Reserved for Encumbrances	79,085	7,072	1,990
Reserved for Advances	0	0	0
Unreserved:			
Undesignated, Reported in:			
Special Revenue Funds (Deficit)	1,981,412	345,011	17,188
<i>Total Fund Balances (Deficit)</i>	<u>2,060,497</u>	<u>352,083</u>	<u>19,178</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$2,660,455</u>	<u>\$396,014</u>	<u>\$20,121</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>
\$874,582	\$248	\$0	\$10,928	\$124,174	\$56,836
547,823	0	0	0	0	0
0	0	4,021	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
24,951	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$1,447,356</u>	<u>\$248</u>	<u>\$4,021</u>	<u>\$10,928</u>	<u>\$124,174</u>	<u>\$56,836</u>
\$0	\$0	\$0	\$0	\$0	\$8,200
0	0	0	0	0	332
0	0	0	0	0	6
0	0	0	0	0	0
0	0	12,937	0	0	0
<u>0</u>	<u>0</u>	<u>12,937</u>	<u>0</u>	<u>0</u>	<u>8,538</u>
246,570	0	0	0	0	200
0	0	0	0	0	0
<u>1,200,786</u>	<u>248</u>	<u>(8,916)</u>	<u>10,928</u>	<u>124,174</u>	<u>48,098</u>
<u>1,447,356</u>	<u>248</u>	<u>(8,916)</u>	<u>10,928</u>	<u>124,174</u>	<u>48,298</u>
<u>\$1,447,356</u>	<u>\$248</u>	<u>\$4,021</u>	<u>\$10,928</u>	<u>\$124,174</u>	<u>\$56,836</u>

(continued)

City of Westerville, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2003
(Continued)

	<i>Cable TV Franchise Fee</i>	<i>Parks and Recreation Income Tax Allocation</i>
<u>Assets</u>		
Equity in Pooled Cash and Cash Equivalents	\$592,171	\$265,377
Cash and Cash Equivalents with Fiscal Agents	0	0
Receivables:		
Property and Other Taxes	76,278	0
Municipal Income Taxes	0	500,727
Accounts	0	0
Accrued Interest	0	0
Intergovernmental Receivable	0	0
Materials and Supplies Inventory	0	0
Advances to Other Funds	12,937	0
<i>Total Assets</i>	<u>\$681,386</u>	<u>\$766,104</u>
<u>Liabilities and Fund Balances</u>		
<u>Liabilities</u>		
Accounts Payable	\$15,075	\$0
Accrued Wages	0	0
Intergovernmental Payable	0	0
Deferred Revenue	11,282	308,983
Advances from Other Funds	0	0
<i>Total Liabilities</i>	<u>26,357</u>	<u>308,983</u>
<u>Fund Balances</u>		
Reserved for Encumbrances	8,724	0
Reserved for Advances	12,937	0
Unreserved:		
Undesignated, Reported in:		
Special Revenue Funds (Deficit)	633,368	457,121
<i>Total Fund Balances (Deficit)</i>	<u>655,029</u>	<u>457,121</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$681,386</u>	<u>\$766,104</u>

<i>Drug Enforcement</i>	<i>Criminal Activity Forfeiture</i>	<i>McVay Endowment</i>	<i>Total Nonmajor Special Revenue Funds</i>
\$7,300	\$115,282	\$900	\$4,282,263
0	0	0	547,823
0	0	0	80,299
0	0	0	500,727
0	0	0	2,396
48	820	0	1,013
0	0	0	719,852
0	0	0	144,683
0	0	0	12,937
<u>\$7,348</u>	<u>\$116,102</u>	<u>\$900</u>	<u>\$6,291,993</u>
\$0	\$1,607	\$0	\$56,086
0	0	0	17,217
0	0	0	8,614
0	0	0	908,400
0	0	0	12,937
<u>0</u>	<u>1,607</u>	<u>0</u>	<u>1,003,254</u>
0	5,141	0	348,782
0	0	0	12,937
7,348	109,354	900	4,927,020
<u>7,348</u>	<u>114,495</u>	<u>900</u>	<u>5,288,739</u>
<u>\$7,348</u>	<u>\$116,102</u>	<u>\$900</u>	<u>\$6,291,993</u>

City of Westerville, Ohio
Balance Sheet
Nonmajor Debt Service Fund
December 31, 2003

	<i>General Bond Retirement</i>
<u>Assets</u>	
Equity in Pooled Cash and Cash Equivalents:	\$33,638
Cash and Cash Equivalents with Fiscal Agents:	13,470
Receivables:	
Property and Other Taxes	515,814
Intergovernmental Receivables	29,463
<i>Total Assets</i>	\$592,385
 <u>Liabilities and Fund Balances</u>	
<u>Liabilities</u>	
Matured Bonds Payable	\$10,000
Matured Interest Payable	3,470
Deferred Revenue	545,277
<i>Total Liabilities</i>	558,747
 <u>Fund Balances</u>	
Unreserved:	
Undesignated, Reported in	
Debt Service Funds	33,638
<i>Total Liabilities and Fund Balances</i>	\$592,385

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City of Westerville, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2003

	<i>General Capital Improvement</i>	<i>Safety Building Improvement</i>	<i>Recreation Improvement</i>
<u>Assets</u>			
Equity in Pooled Cash and Cash Equivalents	\$3,668,783	\$938	\$27,430
Receivables:			
Accounts	0	0	3,000
Accrued Interest	0	0	0
Intergovernmental Receivabl	0	0	0
<i>Total Assets</i>	<u>\$3,668,783</u>	<u>\$938</u>	<u>\$30,430</u>
<u>Liabilities and Fund Balances</u>			
<u>Liabilities</u>			
Accounts Payable	\$39,786	\$0	\$0
Contracts Payable	334,051	0	0
Retainage Payable	28,050	0	0
Intergovernmental Payabl	0	0	0
Deferred Revenue	0	0	0
Advances from Other Fund	0	0	0
<i>Total Liabilities</i>	<u>401,887</u>	<u>0</u>	<u>0</u>
<u>Fund Balances</u>			
Reserved for Encumbrance:	469,483	0	0
Unreserved:			
Undesignated, Reported in:			
Capital Projects Funds (Deficit)	2,797,413	938	30,430
<i>Total Fund Balances (Deficit)</i>	<u>3,266,896</u>	<u>938</u>	<u>30,430</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$3,668,783</u>	<u>\$938</u>	<u>\$30,430</u>

<i>Dempsey Road Improvement</i>	<i>Spring Road Improvement</i>	<i>Maxtown Road Improvement</i>	<i>Parks and Recreation Capital Improvement</i>	<i>North State Street Improvement</i>	<i>Cleveland Avenue Extension Improvement</i>
\$126,000	\$233,659	\$597,769	\$3,395,174	\$1,040,494	\$142,181
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	209,520	0	0
<u>\$126,000</u>	<u>\$233,659</u>	<u>\$597,769</u>	<u>\$3,604,694</u>	<u>\$1,040,494</u>	<u>\$142,181</u>
\$0	\$0	\$49,507	\$128,190	\$27,449	\$0
0	0	0	45,455	0	0
0	0	0	66,440	0	0
0	0	0	0	0	0
0	0	0	209,520	0	0
0	0	0	873,000	0	950,000
<u>0</u>	<u>0</u>	<u>49,507</u>	<u>1,322,605</u>	<u>27,449</u>	<u>950,000</u>
0	0	544,433	639,279	101,442	0
<u>126,000</u>	<u>233,659</u>	<u>3,829</u>	<u>1,642,810</u>	<u>911,603</u>	<u>(807,819)</u>
<u>126,000</u>	<u>233,659</u>	<u>548,262</u>	<u>2,282,089</u>	<u>1,013,045</u>	<u>(807,819)</u>
<u>\$126,000</u>	<u>\$233,659</u>	<u>\$597,769</u>	<u>\$3,604,694</u>	<u>\$1,040,494</u>	<u>\$142,181</u>

City of Westerville, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2003
(Continued)

	<i>Parks and Recreation Replacement and Reserve</i>	<i>Street Replacement and Reserve</i>	<i>Tree Replacement</i>
<u>Assets</u>			
Equity in Pooled Cash and Cash Equivalents	\$450,000	\$400,000	\$58,667
Receivables:			
Accounts	0	0	0
Accrued Interest	0	0	0
Intergovernmental Receivable	0	0	0
<i>Total Assets</i>	<u>\$450,000</u>	<u>\$400,000</u>	<u>\$58,667</u>
<u>Liabilities and Fund Balances</u>			
<u>Liabilities</u>			
Accounts Payable	\$0	\$0	\$0
Contracts Payable	0	0	0
Retainage Payable	0	0	0
Intergovernmental Payable	0	0	0
Deferred Revenue	0	0	0
Advances from Other Funds	0	0	0
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Fund Balances</u>			
Reserved for Encumbrances:	0	0	434
Unreserved:			
Undesignated, Reported in:			
Capital Projects Funds (Deficit)	450,000	400,000	58,233
<i>Total Fund Balances (Deficit)</i>	<u>450,000</u>	<u>400,000</u>	<u>58,667</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$450,000</u>	<u>\$400,000</u>	<u>\$58,667</u>

<i>City Buildings Improvement</i>	<i>Safety Building Capital Improvement</i>	<i>Perimeter Road Improvement</i>	<i>Recreation Capital Improvement</i>	<i>Total Nonmajor Capital Projects Funds</i>
\$1,923,867	\$2,908,261	\$288,470	\$469,045	\$15,730,738
0	0	0	0	3,000
0	0	0	3,519	3,519
0	0	0	187,431	396,951
<u>\$1,923,867</u>	<u>\$2,908,261</u>	<u>\$288,470</u>	<u>\$659,995</u>	<u>\$16,134,208</u>
\$18,438	\$3,121	\$0	\$3,723	\$270,214
92,259	26,100	0	58,818	556,683
30,254	2,900	0	22,731	150,375
0	0	0	212,686	212,686
0	0	0	187,431	396,951
0	333,000	0	283,660	2,439,660
<u>140,951</u>	<u>365,121</u>	<u>0</u>	<u>769,049</u>	<u>4,026,569</u>
523,973	2,197,992	0	121,846	4,598,882
1,258,943	345,148	288,470	(230,900)	7,508,757
<u>1,782,916</u>	<u>2,543,140</u>	<u>288,470</u>	<u>(109,054)</u>	<u>12,107,639</u>
<u>\$1,923,867</u>	<u>\$2,908,261</u>	<u>\$288,470</u>	<u>\$659,995</u>	<u>\$16,134,208</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, 2003

	<i>Nonmajor Special Revenue Funds</i>	<i>Nonmajor Debt Service Funds</i>	<i>Nonmajor Capital Projects Funds</i>	<i>Total Nonmajor Governmental Funds</i>
<u>Revenues</u>				
Property Taxes	\$0	\$343,467	\$0	\$343,467
Municipal Income Taxes	3,367,965	0	0	3,367,965
Other Local Taxes	363,723	0	0	363,723
Payment in Lieu of Taxes	219,691	0	0	219,691
Intergovernmental	1,768,882	44,643	296,546	2,110,071
Fees, Licenses and Permits	2,066	0	97,140	99,206
Fines and Forfeitures	122,194	0	0	122,194
Interest	5,556	0	62,325	67,881
Decrease in Fair Value of Investments	(488)	0	(6,795)	(7,283)
Other	5,726	2,239	34,110	42,075
Total Revenues	5,855,315	390,349	483,326	6,728,990
<u>Expenditures</u>				
Current:				
Security of Persons and Property	74,912	0	0	74,912
Transportation	1,674,169	0	0	1,674,169
General Government	702,177	0	109,224	811,401
Capital Outlay	0	0	6,691,842	6,691,842
Debt Service:				
Principal Retirement	0	1,448,385	0	1,448,385
Interest and Fiscal Charges	0	1,320,351	312	1,320,663
Issuance Costs	0	0	120,875	120,875
Total Expenditures	2,451,258	2,768,736	6,922,253	12,142,247
Excess of Revenues Over (Under) Expenditures	3,404,057	(2,378,387)	(6,438,927)	(5,413,257)
<u>Other Financing Sources (Uses)</u>				
General Obligation Bonds Issued	0	0	6,500,000	6,500,000
Discount on Debt Issued	0	0	(39,984)	(39,984)
Transfers - In	713,979	2,370,866	4,096,065	7,180,910
Transfers - Out	(5,064,857)	(45,277)	(724,162)	(5,834,296)
Total Other Financing Sources (Uses)	(4,350,878)	2,325,589	9,831,919	7,806,630
Net Change in Fund Balances	(946,821)	(52,798)	3,392,992	2,393,373
Fund Balances Beginning of Year	6,235,560	86,436	8,714,647	15,036,643
Fund Balances End of Year	\$5,288,739	\$33,638	\$12,107,639	\$17,430,016

City of Westerville, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2003

	<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
Payment in Lieu of Taxes	0	0	0
Intergovernmental	1,184,141	96,055	9,538
Fees, Licenses and Permits	0	0	0
Fines and Forfeitures	0	0	0
Interest	71	466	663
Decrease in Fair Value of Investments	0	0	62
Other	1,905	0	2,186
<i>Total Revenues</i>	<u>1,186,117</u>	<u>96,521</u>	<u>12,449</u>
<u>Expenditures</u>			
Current:			
Security of Persons and Property	0	0	4,925
Transportation	1,452,854	24,015	0
General Government	0	0	0
<i>Total Expenditures</i>	<u>1,452,854</u>	<u>24,015</u>	<u>4,925</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(266,737)</u>	<u>72,506</u>	<u>7,524</u>
<u>Other Financing Sources (Uses)</u>			
Transfers - In	561,476	0	0
Transfers - Out	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>561,476</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	294,739	72,506	7,524
Fund Balances (Deficit) Beginning of Year	<u>1,765,758</u>	<u>279,577</u>	<u>11,654</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$2,060,497</u>	<u>\$352,083</u>	<u>\$19,178</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	52,638	0	0
0	0	0	0	219,691
459,382	0	0	0	0
0	0	0	0	0
0	0	0	2,921	0
711	0	0	0	0
0	0	0	0	0
0	675	0	0	0
<u>460,093</u>	<u>675</u>	<u>52,638</u>	<u>2,921</u>	<u>219,691</u>
0	0	0	258	0
197,300	0	0	0	0
0	1,610	50,732	0	320,795
<u>197,300</u>	<u>1,610</u>	<u>50,732</u>	<u>258</u>	<u>320,795</u>
<u>262,793</u>	<u>(935)</u>	<u>1,906</u>	<u>2,663</u>	<u>(101,104)</u>
0	0	0	0	152,503
0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>152,503</u>
262,793	(935)	1,906	2,663	51,399
<u>1,184,563</u>	<u>1,183</u>	<u>(10,822)</u>	<u>8,265</u>	<u>72,775</u>
<u>\$1,447,356</u>	<u>\$248</u>	<u>(\$8,916)</u>	<u>\$10,928</u>	<u>\$124,174</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, 2003
(Continued)

	<i>Mayor's Court Computer</i>	<i>Cable TV Franchise Fee</i>	<i>Parks and Recreation Income Tax Allocation</i>	<i>Community Transportation</i>
<u>Revenues</u>				
Municipal Income Taxes	\$0	\$0	\$3,367,965	\$0
Other Local Taxes	0	311,085	0	0
Payment in Lieu of Taxes	0	0	0	0
Intergovernmental	0	0	0	0
Fees, Licenses and Permits	0	0	0	0
Fines and Forfeitures	38,013	0	0	0
Interest	0	0	0	0
Decrease in Fair Value of Investments	0	0	0	0
Other	60	0	0	0
<i>Total Revenues</i>	<u>38,073</u>	<u>311,085</u>	<u>3,367,965</u>	<u>0</u>
<u>Expenditures</u>				
Current:				
Security of Persons and Property	0	0	0	0
Transportation	0	0	0	0
General Government	96,086	232,954	0	0
<i>Total Expenditures</i>	<u>96,086</u>	<u>232,954</u>	<u>0</u>	<u>0</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(58,013)</u>	<u>78,131</u>	<u>3,367,965</u>	<u>0</u>
<u>Other Financing Sources (Uses)</u>				
Transfers - In	0	0	0	0
Transfers - Out	0	0	(5,031,188)	(13,903)
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>(5,031,188)</u>	<u>(13,903)</u>
Net Change in Fund Balances	(58,013)	78,131	(1,663,223)	(13,903)
Fund Balances (Deficit) Beginning of Year	<u>106,311</u>	<u>576,898</u>	<u>2,120,344</u>	<u>13,903</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$48,298</u></u>	<u><u>\$655,029</u></u>	<u><u>\$457,121</u></u>	<u><u>\$0</u></u>

<i>FEMA Grants</i>	<i>Drug Enforcement</i>	<i>Criminal Activity Forfeiture</i>	<i>McVay Endowment</i>	<i>Total Nonmajor Special Revenue Funds</i>
\$0	\$0	\$0	\$0	\$3,367,965
0	0	0	0	363,723
0	0	0	0	219,691
19,766	0	0	0	1,768,882
0	2,066	0	0	2,066
0	0	81,260	0	122,194
0	238	3,407	0	5,556
0	(30)	(520)	0	(488)
0	0	0	900	5,726
<u>19,766</u>	<u>2,274</u>	<u>84,147</u>	<u>900</u>	<u>5,855,315</u>
0	50	69,679	0	74,912
0	0	0	0	1,674,169
0	0	0	0	702,177
0	50	69,679	0	2,451,258
<u>19,766</u>	<u>2,224</u>	<u>14,468</u>	<u>900</u>	<u>3,404,057</u>
0	0	0	0	713,979
(19,766)	0	0	0	(5,064,857)
<u>(19,766)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(4,350,878)</u>
0	2,224	14,468	900	(946,821)
0	5,124	100,027	0	6,235,560
<u>\$0</u>	<u>\$7,348</u>	<u>\$114,495</u>	<u>\$900</u>	<u>\$5,288,739</u>

City of Westerville, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Debt Service Funds
For the Year Ended December 31, 2003

	<i>General Bond Retirement</i>	<i>Special Assessment</i>	<i>Total Nonmajor Debt Service Funds</i>
<u>Revenues</u>			
Property Taxes	\$343,467	\$0	\$343,467
Intergovernmental	44,643	0	44,643
Other	2,239	0	2,239
<i>Total Revenues</i>	<u>390,349</u>	<u>0</u>	<u>390,349</u>
<u>Expenditures</u>			
Debt Service:			
Principal Retirement	1,448,385	0	1,448,385
Interest and Fiscal Charges	1,320,351	0	1,320,351
<i>Total Expenditures</i>	<u>2,768,736</u>	<u>0</u>	<u>2,768,736</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(2,378,387)</u>	<u>0</u>	<u>(2,378,387)</u>
<u>Other Financing Sources (Uses)</u>			
Transfers - In	2,370,866	0	2,370,866
Transfers - Out	0	(45,277)	(45,277)
<i>Total Other Financing Sources (Uses)</i>	<u>2,370,866</u>	<u>(45,277)</u>	<u>2,325,589</u>
Net Change in Fund Balances	(7,521)	(45,277)	(52,798)
Fund Balances Beginning of Year	41,159	45,277	86,436
<i>Fund Balances End of Year</i>	<u>\$33,638</u>	<u>\$0</u>	<u>\$33,638</u>

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City of Westerville, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2003

	<i>General Capital Improvement</i>	<i>Safety Building Improvement</i>	<i>Recreation Improvement</i>	<i>Africa Road Improvement</i>
Revenues				
Intergovernmental	\$0	\$0	\$0	\$0
Fees, Licenses and Permits	0	0	0	0
Interest	0	0	0	0
Decrease in Fair Value of Investments	0	0	0	0
Other	0	0	9,556	0
<i>Total Revenues</i>	<u>0</u>	<u>0</u>	<u>9,556</u>	<u>0</u>
Expenditures				
Current:				
General Government	0	0	0	0
Capital Outlay	3,166,243	0	0	18,931
Debt Service:				
Interest and Fiscal Charges	0	0	0	0
Issuance Costs	0	0	0	0
<i>Total Expenditures</i>	<u>3,166,243</u>	<u>0</u>	<u>0</u>	<u>18,931</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(3,166,243)</u>	<u>0</u>	<u>9,556</u>	<u>(18,931)</u>
Other Financing Sources (Uses)				
General Obligation Bonds Issued	0	0	0	0
Discount on Debt Issued	0	0	0	0
Transfers - In	3,436,484	0	0	0
Transfers - Out	(280,000)	(48,946)	0	(383,714)
<i>Total Other Financing Sources (Uses)</i>	<u>3,156,484</u>	<u>(48,946)</u>	<u>0</u>	<u>(383,714)</u>
Net Change in Fund Balances	(9,759)	(48,946)	9,556	(402,645)
Fund Balances (Deficit) Beginning of Year	<u>3,276,655</u>	<u>49,884</u>	<u>20,874</u>	<u>402,645</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$3,266,896</u>	<u>\$938</u>	<u>\$30,430</u>	<u>\$0</u>

<i>Hiawatha Avenue Improvement</i>	<i>Dempsey Road Improvement</i>	<i>McCorkle Boulevard Improvement</i>	<i>Spring Road Improvement</i>	<i>Maxtown Road Improvement</i>	<i>Sunbury Road Improvement</i>
\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	323,609	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	323,609	0
0	0	0	0	(323,609)	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	260,635	0
(798)	0	(4,591)	0	0	(6,113)
(798)	0	(4,591)	0	260,635	(6,113)
(798)	0	(4,591)	0	(62,974)	(6,113)
798	126,000	4,591	233,659	611,236	6,113
\$0	\$126,000	\$0	\$233,659	\$548,262	\$0

(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, 2003
(Continued)

	<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>
Revenues				
Intergovernmental	\$0	\$281,546	\$0	\$0
Fees, Licenses and Permits	0	0	0	0
Interest	25,050	0	0	0
Decrease in Fair Value of Investments	0	0	0	0
Other	15,000	0	0	0
<i>Total Revenues</i>	<u>40,050</u>	<u>281,546</u>	<u>0</u>	<u>0</u>
Expenditures				
Current:				
General Government	109,224	0	0	0
Capital Outlay	490,655	104,225	16,322	0
Debt Service:				
Interest and Fiscal Charges	0	0	0	0
Issuance Costs	0	0	0	0
<i>Total Expenditures</i>	<u>599,879</u>	<u>104,225</u>	<u>16,322</u>	<u>0</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(559,829)</u>	<u>177,321</u>	<u>(16,322)</u>	<u>0</u>
Other Financing Sources (Uses)				
General Obligation Bonds Issued	0	0	0	0
Discount on Debt Issued	0	0	0	0
Transfers - In	0	0	0	150,000
Transfers - Out	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>150,000</u>
Net Change in Fund Balances	(559,829)	177,321	(16,322)	150,000
Fund Balances (Deficit) Beginning of Year	<u>2,841,918</u>	<u>835,724</u>	<u>(791,497)</u>	<u>300,000</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$2,282,089</u>	<u>\$1,013,045</u>	<u>(\$807,819)</u>	<u>\$450,000</u>

<i>Street Replacement and Reserve</i>	<i>Tree Replacement</i>	<i>City Buildings Improvement</i>	<i>Safety Building Capital Improvement</i>	<i>Perimeter Road Improvement</i>	<i>Recreation Capital Improvement</i>	<i>Total Nonmajor Capital Projects Funds</i>
\$0	\$15,000	\$0	\$0	\$0	\$0	\$296,546
0	69,300	0	0	27,840	0	97,140
0	0	9,423	10,553	0	17,299	62,325
0	0	0	0	0	(6,795)	(6,795)
0	0	4,777	4,777	0	0	34,110
0	84,300	14,200	15,330	27,840	10,504	483,326
0	0	0	0	0	0	109,224
0	29,954	1,401,721	689,528	0	450,654	6,691,842
0	0	312	0	0	0	312
0	0	59,731	61,144	0	0	120,875
0	29,954	1,461,764	750,672	0	450,654	6,922,253
0	54,346	(1,447,564)	(735,342)	27,840	(440,150)	(6,438,927)
0	0	3,250,000	3,250,000	0	0	6,500,000
0	0	(19,520)	(20,464)	0	0	(39,984)
200,000	0	0	48,946	0	0	4,096,065
0	0	0	0	0	0	(724,162)
200,000	0	3,230,480	3,278,482	0	0	9,831,919
200,000	54,346	1,782,916	2,543,140	27,840	(440,150)	3,392,992
200,000	4,321	0	0	260,630	331,096	8,714,647
\$400,000	\$58,667	\$1,782,916	\$2,543,140	\$288,470	(\$109,054)	\$12,107,639

City of Westerville, Ohio
Nonmajor 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. 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, 2003

	<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	\$597,034	\$332,550	\$929,584
<i>Receivables:</i>			
Accounts, Net	255,094	61	255,155
<i>Total Current Assets</i>	<u>852,128</u>	<u>332,611</u>	<u>1,184,739</u>
<i>Non-current Assets:</i>			
<i>Capital Assets:</i>			
Nondepreciable Capital Assets	12,500	67,500	80,000
Depreciable Capital Assets, Net	1,464,959	506,246	1,971,205
<i>Total Non-current Assets</i>	<u>1,477,459</u>	<u>573,746</u>	<u>2,051,205</u>
<i>Total Assets</i>	<u>2,329,587</u>	<u>906,357</u>	<u>3,235,944</u>
<u>Liabilities</u>			
<i>Current Liabilities:</i>			
Accounts Payable	118,726	6,825	125,551
Accrued Wages	1,893	1,657	3,550
Intergovernmental Payable	1,214	2,354	3,568
Compensated Absences Payable	5,798	0	5,798
<i>Total Current Liabilities</i>	<u>127,631</u>	<u>10,836</u>	<u>138,467</u>
<i>Long-Term Liabilities:</i>			
Advances from Other Funds	885,000	0	885,000
Compensated Absences Payable	17,723	0	17,723
<i>Total Long-Term Liabilities</i>	<u>902,723</u>	<u>0</u>	<u>902,723</u>
<i>Total Liabilities</i>	<u>1,030,354</u>	<u>10,836</u>	<u>1,041,190</u>
<u>Net Assets</u>			
Invested in Capital Assets	1,477,459	573,746	2,051,205
Unrestricted (Deficit)	(178,226)	321,775	143,549
<i>Total Net Assets</i>	<u>\$1,299,233</u>	<u>\$895,521</u>	<u>\$2,194,754</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, 2003

	<i>Refuse</i>	<i>Swimming Pool</i>	<i>Total Nonmajor Enterprise Funds</i>
<u>Operating Revenues</u>			
Charges for Services	\$1,678,786	\$379,970	\$2,058,756
Other Operating Revenues	68	741	809
<i>Total Operating Revenues</i>	<u>1,678,854</u>	<u>380,711</u>	<u>2,059,565</u>
<u>Operating Expenses</u>			
Personal Services	90,271	278,956	369,227
Contractual Services	1,433,926	58,338	1,492,264
Materials and Supplies	4,619	51,223	55,842
Other	4,143	0	4,143
Depreciation and Amortization	156,492	51,785	208,277
<i>Total Operating Expenses</i>	<u>1,689,451</u>	<u>440,302</u>	<u>2,129,753</u>
Change in Net Assets	(10,597)	(59,591)	(70,188)
Net Assets Beginning of Year	<u>1,309,830</u>	<u>955,112</u>	<u>2,264,942</u>
<i>Net Assets End of Year</i>	<u><u>\$1,299,233</u></u>	<u><u>\$895,521</u></u>	<u><u>\$2,194,754</u></u>

City of Westerville, Ohio
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For The Year Ended December 31, 2003

	<i>Refuse</i>	<i>Swimming Pool</i>	<i>Total Nonmajor Enterprise Funds</i>
<u>Increases (Decreases) in Cash and Cash Equivalents:</u>			
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$1,662,403	\$379,955	\$2,042,358
Cash Payments for Personal Services	(89,428)	(277,926)	(367,354)
Cash Payments for Materials and Supplies	(3,059)	(48,145)	(51,204)
Cash Payments for Other Services and Charges	(1,437,876)	(50,054)	(1,487,930)
Interfund Services Used	(138)	(12,696)	(12,834)
Other Operating Revenues	68	741	809
<i>Net Cash Provided by (Used for) Operating Activities</i>	131,970	(8,125)	123,845
<u>Cash Flows from Non-Capital Financing Activities:</u>			
Advances to Other Funds	(105,000)	0	(105,000)
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Acquisition and Construction of Capital Assets	0	(21,235)	(21,235)
Net Increase (Decrease) in Cash and Cash Equivalents	26,970	(29,360)	(2,390)
Cash and Cash Equivalents at Beginning of Year	570,064	361,910	931,974
<i>Cash and Cash Equivalents at End of Year</i>	\$597,034	\$332,550	\$929,584
<u>Reconciliation of Operating Loss to Net Cash Provided by (Used for) Operating Activities:</u>			
Operating Loss	(\$10,597)	(\$59,591)	(\$70,188)
<u>Adjustments to Reconcile Operating Loss to Net Cash Provided by (Used for) Operating Activities:</u>			
Depreciation and Amortization	156,492	51,785	208,277
Change in Provision for Uncollectable Accounts Receivable	(2,359)	0	(2,359)
<u>Changes in Assets and Liabilities:</u>			
Increase in Accounts Receivable	(9,881)	(15)	(9,896)
Decrease in Accounts Payable	(558)	(1,086)	(1,644)
Decrease in Interfund Payables	(213)	(237)	(450)
Increase (Decrease) in Accrued Wages	324	(92)	232
Decrease in Compensated Absences	(67)	0	(67)
Increase (Decrease) in Intergovernmental Payable	(1,171)	1,111	(60)
<i>Net Cash Provided by (Used for) Operating Activities</i>	\$131,970	(\$8,125)	\$123,845

City of Westerville, Ohio

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. 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, 2003

	<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	\$110,698	\$538,079	\$648,777
Receivables:			
Accrued Interest	0	2,073	2,073
Materials and Supplies Inventory	26,309	0	26,309
<i>Total Current Assets</i>	<u>137,007</u>	<u>540,152</u>	<u>677,159</u>
<i>Non-current Assets:</i>			
Capital Assets:			
Depreciable Capital Assets, Net	251,426	0	251,426
<i>Total Assets</i>	<u>388,433</u>	<u>540,152</u>	<u>928,585</u>
<u>Liabilities</u>			
<i>Current Liabilities:</i>			
Accounts Payable	18,515	2,073	20,588
Accrued Wages	5,707	0	5,707
Intergovernmental Payable	3,440	0	3,440
Compensated Absences Payable	17,728	0	17,728
<i>Total Current Liabilities</i>	<u>45,390</u>	<u>2,073</u>	<u>47,463</u>
<i>Long-Term Liabilities:</i>			
Compensated Absences Payable	24,613	0	24,613
<i>Total Liabilities</i>	<u>70,003</u>	<u>2,073</u>	<u>72,076</u>
<u>Net Assets</u>			
Invested in Capital Assets	251,426	0	251,426
Unrestricted	67,004	538,079	605,083
<i>Total Net Assets</i>	<u>\$318,430</u>	<u>\$538,079</u>	<u>\$856,509</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, 2003

	<i>Garage</i>	<i>Self- Insurance</i>	<i>Total Internal Service Funds</i>
<u>Operating Revenues</u>			
Charges for Services	\$588,399	\$250,000	\$838,399
Other Operating Revenues	17	957	974
<i>Total Operating Revenues</i>	<u>588,416</u>	<u>250,957</u>	<u>839,373</u>
<u>Operating Expenses</u>			
Personal Services	254,630	0	254,630
Contractual Services	42,476	106,413	148,889
Materials and Supplies	267,052	0	267,052
Other	0	6,500	6,500
Depreciation and Amortization	21,372	0	21,372
<i>Total Operating Expenses</i>	<u>585,530</u>	<u>112,913</u>	<u>698,443</u>
<i>Operating Income (Loss)</i>	<u>2,886</u>	<u>138,044</u>	<u>140,930</u>
<u>Non-Operating Revenues (Expenses)</u>			
Interest	0	10,523	10,523
Decrease in Fair Value	0	(9,300)	(9,300)
<i>Total Non-Operating Revenues (Expenses)</i>	<u>0</u>	<u>1,223</u>	<u>1,223</u>
Change in Net Assets	2,886	139,267	142,153
Net Assets Beginning of Year	<u>315,544</u>	<u>398,812</u>	<u>714,356</u>
<i>Net Assets End of Year</i>	<u><u>\$318,430</u></u>	<u><u>\$538,079</u></u>	<u><u>\$856,509</u></u>

City of Westerville, Ohio
Combining Statement of Cash Flows
Internal Service Funds
For The Year Ended December 31, 2003

	<i>Garage</i>	<i>Self- Insurance</i>	<i>Total Internal Service Funds</i>
<u>Increases (Decreases) in Cash and Cash Equivalents:</u>			
<u>Cash Flows from Operating Activities:</u>			
Internal Services Provided	\$588,399	\$250,000	\$838,399
Cash Payments for Personal Services	(263,213)	0	(263,213)
Cash Payments for Materials and Supplies	(267,816)	0	(267,816)
Cash Payments for Other Services and Charges	(35,469)	0	(35,469)
Internal Services Used	(3,675)	0	(3,675)
Cash Payments for Claims	0	(222,224)	(222,224)
Other Operating Revenues	17	957	974
<i>Net Cash Provided by Operating Activities</i>	<u>18,243</u>	<u>28,733</u>	<u>46,976</u>
<u>Cash Flows From Investing Activities:</u>			
Decrease in Fair Value of Cash Equivalents	0	(9,300)	(9,300)
Interest	0	13,657	13,657
<i>Net Cash Provided by Investing Activities</i>	<u>0</u>	<u>4,357</u>	<u>4,357</u>
Net Increase in Cash and Cash Equivalents	18,243	33,090	51,333
Cash and Cash Equivalents at Beginning of Year	<u>92,455</u>	<u>504,989</u>	<u>597,444</u>
<i>Cash and Cash Equivalents at End of Year</i>	<u><u>\$110,698</u></u>	<u><u>\$538,079</u></u>	<u><u>\$648,777</u></u>
<u>Reconciliation of Operating Income to Net Cash Provided by Operating Activities:</u>			
Operating Income	\$2,886	\$138,044	\$140,930
<u>Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:</u>			
Depreciation and Amortization	21,372	0	21,372
<u>Changes in Assets and Liabilities:</u>			
Increase in Material and Supplies Inventory	(4,035)	0	(4,035)
Increase (Decrease) in Accounts Payable	6,603	(109,311)	(102,708)
Increase in Accrued Wages	836	0	836
Decrease in Compensated Absences	(10,678)	0	(10,678)
Increase in Intergovernmental Payable	1,259	0	1,259
<i>Net Cash Provided by Operating Activities</i>	<u><u>\$18,243</u></u>	<u><u>\$28,733</u></u>	<u><u>\$46,976</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. 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, 2003

	<i>Hotel Tax</i>	<i>Payroll Revolving</i>	<i>Columbus Sewer Capacity</i>
<u>Assets</u>			
Equity In Pooled Cash And Cash Equivalents	\$0	\$583,219	\$123,304
Cash and Cash Equivalents With Fiscal Agents	0	0	0
Property and Other Local Taxes Receivable	840	0	0
<i>Total Assets</i>	<u>\$840</u>	<u>\$583,219</u>	<u>\$123,304</u>
<u>Liabilities</u>			
Accounts Payable	\$840	\$0	\$0
Undistributed Monies	0	583,219	0
Intergovernmental Payable	0	0	123,304
Deposits Held And Due To Others	0	0	0
<i>Total Liabilities</i>	<u>\$840</u>	<u>\$583,219</u>	<u>\$123,304</u>

<i>State Building Standards</i>	<i>Performance Bond</i>	<i>Mayor's Court</i>	<i>Public Use Fees</i>	<i>Totals</i>
\$873	\$145,047	\$0	\$23,500	\$875,943
0	0	11,526	0	11,526
0	0	0	0	840
<u>\$873</u>	<u>\$145,047</u>	<u>\$11,526</u>	<u>\$23,500</u>	<u>\$888,309</u>
\$0	\$0	\$0	\$0	\$840
0	0	0	0	583,219
873	0	5,562	23,500	153,239
0	145,047	5,964	0	151,011
<u>\$873</u>	<u>\$145,047</u>	<u>\$11,526</u>	<u>\$23,500</u>	<u>\$888,309</u>

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

For The Year Ended December 31, 2003

<u>Hotel Tax</u>	<i>Balance January 1, 2003</i>	<i>Additions</i>	<i>Deductions</i>	<i>Balance December 31, 2003</i>
<u>Assets</u>				
Equity In Pooled Cash And Cash Equivalents	\$0	\$16,610	\$16,610	\$0
Receivables:				
Property and Other Local Taxes	704	840	704	840
<i>Total Assets</i>	<u>\$704</u>	<u>\$17,450</u>	<u>\$17,314</u>	<u>\$840</u>
<u>Liabilities</u>				
Accounts Payable	<u>\$704</u>	<u>\$17,450</u>	<u>\$17,314</u>	<u>\$840</u>
<u>Payroll Revolving Fund</u>				
<u>Assets</u>				
Equity In Pooled Cash And Cash Equivalents	<u>\$940,436</u>	<u>\$15,613,916</u>	<u>\$15,971,133</u>	<u>\$583,219</u>
<u>Liabilities</u>				
Undistributed Monies	<u>\$940,436</u>	<u>\$15,613,916</u>	<u>\$15,971,133</u>	<u>\$583,219</u>
<u>Columbus Sewer Capacity</u>				
<u>Assets</u>				
Equity In Pooled Cash And Cash Equivalents	<u>\$308,234</u>	<u>\$347,820</u>	<u>\$532,750</u>	<u>\$123,304</u>
<u>Liabilities</u>				
Intergovernmental Payable	<u>\$308,234</u>	<u>\$347,820</u>	<u>\$532,750</u>	<u>\$123,304</u>
<u>State Building Standards</u>				
<u>Assets</u>				
Equity In Pooled Cash And Cash Equivalents	<u>\$802</u>	<u>\$12,142</u>	<u>\$12,071</u>	<u>\$873</u>
<u>Liabilities</u>				
Intergovernmental Payable	<u>\$802</u>	<u>\$12,142</u>	<u>\$12,071</u>	<u>\$873</u>
<u>Performance Bond</u>				

City of Westerville, Ohio
Combining Statement Of Changes In Assets And Liabilities
Agency Funds
(Continued)
For The Year Ended December 31, 2003

	<i>Balance January 1, 2003</i>	<i>Additions</i>	<i>Deductions</i>	<i>Balance December 31, 2003</i>
Mayor's Court				
<u>Assets</u>				
Cash and Cash Equivalents with Fiscal Agents	\$7,810	\$11,526	\$7,810	\$11,526
<u>Liabilities</u>				
Intergovernmental Payable	\$5,120	\$5,562	\$5,120	\$5,562
Deposits Held And Due To Others	2,690	5,964	2,690	5,964
<i>Total Liabilities</i>	<u>\$7,810</u>	<u>\$11,526</u>	<u>\$7,810</u>	<u>\$11,526</u>
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	\$1,399,204	\$16,208,957	\$16,732,218	\$875,943
Cash with Fiacal and Escrow Agents	7,810	11,526	7,810	11,526
Receivables:				
Property and Other Local Taxes	704	840	704	840
<i>Total Assets</i>	<u>\$1,407,718</u>	<u>\$16,221,323</u>	<u>\$16,740,732</u>	<u>\$888,309</u>
<u>Liabilities</u>				
Accounts Payable	\$704	\$17,450	\$17,314	\$840
Undistributed Monies	940,436	15,613,916	15,971,133	583,219
Intergovernmental Payable	337,656	365,524	549,941	153,239
Deposits Held And Due To Others	128,922	224,433	202,344	151,011
<i>Total Liabilities</i>	<u>\$1,407,718</u>	<u>\$16,221,323</u>	<u>\$16,740,732</u>	<u>\$888,309</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, 2003

	Budget		Actuals			Variance Positive (Negative)
	Original	Final	Cash Transactions	Encumbrances	Total	
Revenues:						
Property Taxes	\$2,626,393	\$2,712,582	\$2,712,582		\$2,712,582	\$0
Municipal Income Tax	13,753,250	14,261,407	14,468,739		14,468,739	207,332
Intergovernmental	4,743,226	5,065,799	5,120,227		5,120,227	54,428
Charges for Services	518,450	271,354	272,887		272,887	1,533
Fees, Licenses and Permits	566,350	659,295	664,787		664,787	5,492
Fines and Forfeitures	388,417	416,507	416,507		416,507	0
Interest	2,785,000	2,535,000	2,528,196		2,528,196	(6,804)
Miscellaneous	456,140	78,061	79,764		79,764	1,703
Total Revenues	25,837,226	26,000,005	26,263,689		26,263,689	263,684
Expenditures:						
Current Operations and Maintenance						
Security of Persons and Property						
Police Department						
Police Services						
Personal Services	7,426,004	7,426,004	6,884,204	0	6,884,204	541,800
Supplies and Materials	391,841	388,000	292,220	27,115	319,335	68,665
Other Services and Charges	468,567	461,593	315,188	22,059	337,247	124,346
Capital Outlay	256,130	350,576	265,797	12,187	277,984	72,592
Other Financing Uses	1,493	1,493	1,492	0	1,492	1
Total Police Department	8,544,035	8,627,666	7,758,901	61,361	7,820,262	807,404
Communications						
Personal Services	905,285	905,285	826,338	0	826,338	78,947
Supplies and Materials	23,171	23,053	21,853	723	22,576	477
Other Services and Charges	100,952	100,085	87,817	3,929	91,746	8,339
Capital Outlay	41,547	33,963	32,205	0	32,205	1,758
Total Communications	1,070,955	1,062,386	968,213	4,652	972,865	89,521
Fire Hydrant Maintenance						
Supplies and Materials	6,700	6,500	4,398	1,788	6,186	314
Capital Outlay	28,500	28,500	24,548	3,192	27,740	760
Total Fire Hydrant Maintenance	35,200	35,000	28,946	4,980	33,926	1,074
Total Security of Persons and Property	9,650,190	9,725,052	8,756,060	70,993	8,827,053	897,999
Public Health						
Cemetery Maintenance						
Supplies and Materials	2,175	2,175	897	0	897	1,278
Other Services and Charges	50,700	50,700	42,256	2,960	45,216	5,484
Capital Outlay	2,500	2,500	0	0	0	2,500
Total Public Health	55,375	55,375	43,153	2,960	46,113	9,262
Community Development						
Planning, Engineering, and Building Department						
Building, Planning and Zoning						
Personal Services	1,818,057	1,818,057	1,731,996	0	1,731,996	86,061
Supplies and Materials	58,540	56,424	37,449	1,119	38,568	17,856
Other Services and Charges	362,290	341,935	256,535	28,929	285,464	56,471
Capital Outlay	43,728	43,728	35,397	0	35,397	8,331
Other Financing Uses	1,000	1,000	20	0	20	980
Total Building, Planning and Zoning	2,283,615	2,261,144	2,061,397	30,048	2,091,445	169,699
Total Community Development	\$2,283,615	\$2,261,144	\$2,061,397	\$30,048	\$2,091,445	\$169,699

(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, 2003
(Continued)

	Budget		Actuals			Variance Positive (Negative)
	Original	Final	Cash Transactions	Encumbrances	Total	
Basic Utility Services						
General Public Services						
Storm Sewer Maintenance and Improvements						
Personal Services	\$246,599	\$246,599	\$204,105	\$0	\$204,105	\$42,494
Supplies and Materials	41,188	38,240	25,808	3,387	29,195	9,045
Other Services and Charges	59,682	59,376	22,253	3,105	25,358	34,018
Capital Outlay	15,000	15,000	12,328	0	12,328	2,672
Total Basic Utility Services	362,469	359,215	264,494	6,492	270,986	88,229
General Government						
City Manager						
Administration						
Personal Services	807,673	807,673	779,891	0	779,891	27,782
Supplies and Materials	12,370	11,866	9,984	58	10,042	1,824
Other Services and Charges	1,333,956	1,320,352	1,163,754	54,403	1,218,157	102,195
Capital Outlay	4,355	4,355	4,220	0	4,220	135
Total Administration	2,158,354	2,144,246	1,957,849	54,461	2,012,310	131,936
Economic Development						
Personal Services	90,136	90,136	88,328	0	88,328	1,808
Supplies and Materials	4,200	4,200	2,221	680	2,901	1,299
Other Services and Charges	109,100	109,100	87,265	11,722	98,987	10,113
Total Economic Development	203,436	203,436	177,814	12,402	190,216	13,220
Total City Manager	2,361,790	2,347,682	2,135,663	66,863	2,202,526	145,156
Legislative						
Personal Services	113,644	117,844	116,982	0	116,982	862
Supplies and Materials	11,665	11,405	5,493	457	5,950	5,455
Other Services and Charges	101,582	95,428	73,799	7,528	81,327	14,101
Capital Outlay	1,500	1,500	1,433	0	1,433	67
Total Legislative	228,391	226,177	197,707	7,985	205,692	20,485
Management Information Systems						
Personal Services	753,041	753,041	736,434	0	736,434	16,607
Supplies and Materials	23,246	22,755	14,974	3,692	18,666	4,089
Other Services and Charges	523,063	510,693	372,749	116,018	488,767	21,926
Capital Outlay	206,707	205,712	171,611	22,325	193,936	11,776
Total Management Information Systems	1,506,057	1,492,201	1,295,768	142,035	1,437,803	54,398
Finance Department						
Administration and Accounting						
Personal Services	620,360	620,360	571,359	0	571,359	49,001
Supplies and Materials	25,233	25,170	18,386	1,517	19,903	5,267
Other Services and Charges	326,107	348,025	287,489	33,510	320,999	27,026
Capital Outlay	19,200	19,200	10,288	8,108	18,396	804
Total Administration	990,900	1,012,755	887,522	43,135	930,657	82,098
Income Tax						
Personal Services	329,144	300,144	255,806	0	255,806	44,338
Supplies and Materials	55,622	54,865	30,569	20,533	51,102	3,763
Other Services and Charges	63,876	58,651	37,307	4,238	41,545	17,106
Capital Outlay	4,000	4,000	0	0	0	4,000
Other Financing Uses	575,000	800,000	733,006	0	733,006	66,994
Total Income Tax	\$1,027,642	\$1,217,660	\$1,056,688	\$24,771	\$1,081,459	\$136,201

(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, 2003
(Continued)

	Budget		Actuals			Variance Positive (Negative)
	Original	Final	Cash Transactions	Encumbrances	Total	
Utility Billing Services						
Personal Services	\$520,032	\$492,532	\$478,350	\$0	\$478,350	\$14,182
Supplies and Materials	23,094	23,008	14,362	52	14,414	8,594
Other Services and Charges	48,880	47,406	38,089	2,723	40,812	6,594
Capital Outlay	23,000	23,000	17,725	1,431	19,156	3,844
Total Utility Billing Services	615,006	585,946	548,526	4,206	552,732	33,214
Mayor's Court						
Personal Services	242,079	242,079	229,558	0	229,558	12,521
Supplies and Materials	12,225	12,225	7,519	37	7,556	4,669
Other Services and Charges	216,111	215,778	186,206	29,422	215,628	150
Total Mayor's Court	470,415	470,082	423,283	29,459	452,742	17,340
Law Administration						
Personal Services	83,732	83,732	83,442	0	83,442	290
Other Services and Charges	268,000	268,000	261,019	0	261,019	6,981
Total Law Administration	351,732	351,732	344,461	0	344,461	7,271
Buildings and Grounds						
Personal Services	317,941	317,941	304,085	0	304,085	13,856
Supplies and Materials	52,464	51,754	22,000	4,705	26,705	25,049
Other Services and Charges	237,930	223,405	167,603	18,104	185,707	37,698
Capital Outlay	30,796	30,000	2,132	22,105	24,237	5,763
Total Buildings and Grounds	639,131	623,100	495,820	44,914	540,734	82,366
Total Finance Department	4,094,826	4,261,275	3,756,300	146,485	3,902,785	358,490
Total General Government	8,191,064	8,327,335	7,385,438	363,368	7,748,806	578,529
Total Expenditures	20,542,713	20,728,121	18,510,542	473,861	18,984,403	1,743,718
Excess of Revenues Over Expenditures	5,294,513	5,271,884	7,753,147	(473,861)	7,279,286	2,007,402
<u>Other Financing Sources (Uses):</u>						
Advances - In	3,455,000	4,455,000	4,575,097		4,575,097	120,097
Advances - Out	(3,350,000)	(7,834,503)	(7,834,503)	0	(7,834,503)	0
Operating Transfers - In	0	1,587	1,588		1,588	1
Operating Transfers - Out	(6,054,076)	(7,751,076)	(7,601,076)	0	(7,601,076)	150,000
Total Other Financing Sources (Uses)	(5,949,076)	(11,128,992)	(10,858,894)	0	(10,858,894)	270,098
Net Change in Fund Balance	(654,563)	(5,857,108)	(3,105,747)	(473,861)	(3,579,608)	2,277,500
Fund Balance at Beginning of Year	17,002,919	17,108,240	17,479,213	(370,973)	17,108,240	0
Prior Year Encumbrances Carried Over	476,294	370,973	0	370,973	370,973	0
Fund Balance at End of Year	\$16,824,650	\$11,622,105	\$14,373,466	(\$473,861)	\$13,899,605	\$2,277,500

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, 2003

	<i>Budget</i>		<i>Actual</i>			<i>Variance Positive (Negative)</i>
	<i>Original</i>	<i>Final</i>	<i>Cash Transactions</i>	<i>Encumbrances</i>	<i>Total</i>	
<u>Revenues</u>						
Property Taxes	\$7,899,920	\$7,374,242	\$7,374,243		\$7,374,243	\$1
Intergovernmental	2,040,529	2,362,831	2,362,833		2,362,833	2
Charges for Services	1,500	1,674	1,719		1,719	45
Fees, Licenses and Permits	0	50	50		50	0
Interest	50,000	119,000	151,212		151,212	32,212
Miscellaneous	0	2,319	2,300		2,300	(19)
<i>Total Revenues</i>	<u>9,991,949</u>	<u>9,860,116</u>	<u>9,892,357</u>		<u>9,892,357</u>	<u>32,241</u>
<u>Expenditures</u>						
Current Operations and Maintenance						
Security of Persons and Property						
Fire Department						
Operations						
Personal Services	7,591,075	7,591,075	7,169,365	0	7,169,365	421,710
Supplies and Materials	343,717	377,421	241,211	86,721	327,932	49,489
Other Services and Charges	624,927	676,336	505,936	75,301	581,237	95,099
Capital Outlay	293,544	237,318	147,288	22,337	169,625	67,693
<i>Total Expenditures</i>	<u>8,853,263</u>	<u>8,882,150</u>	<u>8,063,800</u>	<u>184,359</u>	<u>8,248,159</u>	<u>633,991</u>
Net Change in Fund Balance	1,138,686	977,966	1,828,557	(184,359)	1,644,198	666,232
Fund Balance at Beginning of Year	2,253,161	2,299,274	2,415,741	(116,467)	2,299,274	0
Prior Year Encumbrances Carried Over	162,580	116,467	0	116,467	116,467	0
<i>Fund Balance at End of Year</i>	<u>\$3,554,427</u>	<u>\$3,393,707</u>	<u>\$4,244,298</u>	<u>(\$184,359)</u>	<u>\$4,059,939</u>	<u>\$666,232</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, 2003

	<i>Budget</i>		<i>Actual</i>			<i>Variance Positive (Negative)</i>
	<i>Original</i>	<i>Final</i>	<i>Cash Transactions</i>	<i>Encumbrances</i>	<i>Total</i>	
Revenues						
Intergovernmental	\$212,000	\$0	\$0		\$0	\$0
Charges for Services	2,330,600	2,451,700	2,467,609		2,467,609	15,909
Fees, Licenses and Permits	33,000	84,709	84,708		84,708	(1)
Miscellaneous	0	43,823	43,824		43,824	1
Total Revenues	2,575,600	2,580,232	2,596,141		2,596,141	15,909
Expenditures						
Current Operations and Maintenance						
Leisure Time Activities						
Parks and Recreation						
Administration						
Personal Services	487,093	487,093	433,384	0	433,384	53,709
Supplies and Materials	24,284	23,941	15,965	4,410	20,375	3,566
Other Services and Charges	88,172	87,616	64,795	13,713	78,508	9,108
Capital Outlay	1,170	1,170	498	215	713	457
Total Administration	600,719	599,820	514,642	18,338	532,980	66,840
Recreation Services						
Personal Services	1,991,012	1,991,012	1,726,084	1,349	1,727,433	263,579
Supplies and Materials	217,646	213,080	161,955	21,801	183,756	29,324
Other Services and Charges	848,355	919,573	760,534	64,617	825,151	94,422
Capital Outlay	25,995	25,995	14,105	6,308	20,413	5,582
Other Financing Uses	26,000	26,000	10,032	0	10,032	15,968
Total Recreation Services	3,109,008	3,175,660	2,672,710	94,075	2,766,785	408,875
Parks						
Personal Services	885,333	885,333	858,825	0	858,825	26,508
Supplies and Materials	246,778	241,150	202,568	31,463	234,031	7,119
Other Services and Charges	321,075	315,628	243,929	34,097	278,026	37,602
Capital Outlay	771,034	702,777	398,786	256,941	655,727	47,050
Total Parks	2,224,220	2,144,888	1,704,108	322,501	2,026,609	118,279
Senior Center						
Personal Services	397,279	397,279	371,853	0	371,853	25,426
Supplies and Materials	41,494	40,590	27,201	987	28,188	12,402
Other Services and Charges	87,309	84,905	64,423	2,789	67,212	17,693
Capital Outlay	81,374	186,073	98,624	67,584	166,208	19,865
Total Senior Center	607,456	708,847	562,101	71,360	633,461	75,386
Urban Forestry Services						
Personal Services	176,562	176,562	163,777	0	163,777	12,785
Supplies and Materials	42,006	41,949	32,870	6,105	38,975	2,974
Other Services and Charges	71,886	83,049	75,551	6,867	82,418	631
Capital Outlay	6,800	6,800	6,531	0	6,531	269
Total Urban Forestry Services	297,254	308,360	278,729	12,972	291,701	16,659
Total Expenditures	6,838,657	6,937,575	5,732,290	519,246	6,251,536	686,039
Excess of Revenues						
Under Expenditures	(4,263,057)	(4,357,343)	(3,136,149)	(519,246)	(3,655,395)	701,948
Other Financing Sources						
Operating Transfers - In	5,371,172	5,371,172	5,371,172		5,371,172	0
Net Change in Fund Balance	1,108,115	1,013,829	2,235,023	(519,246)	1,715,777	701,948
Fund Balance at Beginning of Year	2,426,846	2,522,282	2,901,171	(378,889)	2,522,282	0
Prior Year Encumbrances Carried Over	474,325	378,889	0	378,889	378,889	0
Fund Balance at End of Year	\$4,009,286	\$3,915,000	\$5,136,194	(\$519,246)	\$4,616,948	\$701,948

City of Westerville, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund
Balance - Budget (Non-GAAP Budgetary Basis) and Actual
County Line Road Improvement Capital Projects Fund
For the Year Ended December 31, 2003

	<i>Budget</i>		<i>Actuals</i>			<i>Variance Positive (Negative)</i>
	<i>Original</i>	<i>Final</i>	<i>Cash Transactions</i>	<i>Encumbrances</i>	<i>Total</i>	
Revenues						
Intergovernmental	\$0	\$620,097	\$620,097		\$620,097	\$0
Expenditures						
Capital Outlay	469,231	4,602,593	1,058,358	3,544,101	4,602,459	134
Debt Service:						
Debt Retirement	0	98,672	98,672	0	98,672	0
Total Expenditures	469,231	4,701,265	1,157,030	3,544,101	4,701,131	134
Excess of Revenues Over (Under) Expenditures	(469,231)	(4,081,168)	(536,933)	(3,544,101)	(4,081,034)	134
Other Financing Sources (Uses)						
Advances - In	0	3,367,843	3,367,843		3,367,843	0
Advances - Out	0	(620,099)	(620,097)	0	(620,097)	2
Operating Transfers - In	0	875,000	875,000		875,000	0
Total Other Financing Sources (Uses)	0	3,622,744	3,622,746	0	3,622,746	2
Net Change in Fund Balance	(469,231)	(458,424)	3,085,813	(3,544,101)	(458,288)	136
Fund Balance at Beginning of Year	456,029	466,838	469,260	(2,422)	466,838	0
Prior Year Encumbrances Carried Over	13,231	2,422	0	2,422	2,422	0
Fund Balance at End of Year	\$29	\$10,836	\$3,555,073	(\$3,544,101)	\$10,972	\$136

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, 2003

	<i>Budget</i>		<i>Actual</i>			<i>Variance Positive (Negative)</i>
	<i>Original</i>	<i>Final</i>	<i>Cash Transactions</i>	<i>Encumbrances</i>	<i>Total</i>	
Revenues						
Charges for Services	\$2,900,000	\$2,711,000	\$2,706,367		\$2,706,367	(\$4,633)
Capacity Charges	500,000	693,225	695,925		695,925	2,700
Assessments	0	0	683		683	683
Other Charges	12,000	7,889	8,273		8,273	384
Sale of Meters	37,500	34,580	34,690		34,690	110
Interest	0	1,450	1,712		1,712	262
Grants	50,446	844	844		844	0
Miscellaneous	0	34,685	36,326		36,326	1,641
Other Financing Sources	29,476	0	0		0	0
<i>Total Revenues</i>	<i>3,529,422</i>	<i>3,483,673</i>	<i>3,484,820</i>		<i>3,484,820</i>	<i>1,147</i>
Expenses						
Personal Services						
Water Treatment	805,210	796,010	690,227	0	690,227	105,783
System Improvements	524,223	524,223	451,179	758	451,937	72,286
Total Personal Services	1,329,433	1,320,233	1,141,406	758	1,142,164	178,069
Supplies and Materials						
Water Treatment	336,150	317,806	225,850	35,076	260,926	56,880
System Improvements	49,644	47,540	31,733	5,466	37,199	10,341
Total Supplies and Materials	385,794	365,346	257,583	40,542	298,125	67,221
Other Services and Charges						
Water Treatment	523,217	516,339	407,884	23,596	431,480	84,859
System Improvements	122,533	115,547	67,175	5,308	72,483	43,064
Total Other Services and Charges	645,750	631,886	475,059	28,904	503,963	127,923
Capital Outlay						
Water Treatment	519,138	510,194	266,023	129,569	395,592	114,602
System Improvements	60,065	54,534	33,872	0	33,872	20,662
Total Capital Outlay	579,203	564,728	299,895	129,569	429,464	135,264
Other						
Refunds	0	9,200	9,200	0	9,200	0
Debt Service:						
Debt Retirement	485,000	485,000	485,000	0	485,000	0
Interest and Other Charges	275,970	338,633	338,632	0	338,632	1
ODNR Debt	96,577	33,914	33,914	0	33,914	0
Total Debt Service	857,547	857,547	857,546	0	857,546	1
<i>Total Expenses</i>	<i>3,797,727</i>	<i>3,748,940</i>	<i>3,040,689</i>	<i>199,773</i>	<i>3,240,462</i>	<i>508,478</i>
<i>Excess of Revenues Over (Under) Expenses</i>	<i>(268,305)</i>	<i>(265,267)</i>	<i>444,131</i>	<i>(199,773)</i>	<i>244,358</i>	<i>509,625</i>
Operating Transfers - In	326,662	331,928	331,928		331,928	0
Net Change in Fund Equity	58,357	66,661	776,059	(199,773)	576,286	509,625
Fund Equity at Beginning of Year	6,153,248	6,202,035	6,384,375	(182,340)	6,202,035	0
Prior Year Encumbrances Carried Over	231,127	182,340	0	182,340	182,340	0
<i>Fund Equity at End of Year</i>	<i>\$6,442,732</i>	<i>\$6,451,036</i>	<i>\$7,160,434</i>	<i>(\$199,773)</i>	<i>\$6,960,661</i>	<i>\$509,625</i>

City of Westerville, Ohio
Schedule of Revenues, Expenses and Changes in Fund
Equity - Budget (Non-GAAP Budgetary Basis) and Actual
Water System Capital Improvement Enterprise Fund
For the Year Ended December 31, 2003

	<i>Budget</i>		<i>Actual</i>			<i>Variance Positive (Negative)</i>
	<i>Original</i>	<i>Final</i>	<i>Cash Transactions</i>	<i>Encumbrances</i>	<i>Total</i>	
<u>Revenues</u>						
Interest	\$0	\$91,000	\$111,451		\$111,451	\$20,451
<u>Expenses</u>	0	0	0	0	0	0
Excess of Revenues Over Expenses	0	91,000	111,451	0	111,451	20,451
Operating Transfers - Out	(326,662)	(326,662)	(326,662)	0	(326,662)	0
Net Change in Fund Equity	(326,662)	(235,662)	(215,211)	0	(215,211)	20,451
Fund Equity at Beginning of Year	3,044,627	3,044,627	3,044,627	0	3,044,627	0
Fund Equity at End of Year	\$2,717,965	\$2,808,965	\$2,829,416	\$0	\$2,829,416	\$20,451

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, 2003

	<i>Budget</i>		<i>Actual</i>			<i>Variance Positive (Negative)</i>
	<i>Original</i>	<i>Final</i>	<i>Cash Transactions</i>	<i>Encumbrances</i>	<i>Total</i>	
Revenues						
Charges for Services	\$4,303,509	\$3,842,000	\$3,855,295		\$3,855,295	\$13,295
Tap-In Fees	20,000	7,125	7,275		7,275	150
Capacity Charges	0	83,800	85,350		85,350	1,550
Assessments	0	0	537		537	537
Grants	0	230	230		230	0
<i>Total Revenues</i>	<u>4,323,509</u>	<u>3,933,155</u>	<u>3,948,687</u>		<u>3,948,687</u>	<u>15,532</u>
Expenses						
Personal Services						
System Improvements	533,342	533,342	495,926	0	495,926	37,416
Supplies and Materials						
System Improvements	23,015	22,640	12,912	2,024	14,936	7,704
Other Services and Charges						
Sewer Treatment	4,350,000	4,325,193	3,519,807	805,386	4,325,193	0
System Improvements	147,498	231,257	173,758	5,897	179,655	51,602
Total Other Services and Charges	<u>4,497,498</u>	<u>4,556,450</u>	<u>3,693,565</u>	<u>811,283</u>	<u>4,504,848</u>	<u>51,602</u>
Capital Outlay						
System Improvements	423,101	637,209	250,849	227,000	477,849	159,360
<i>Total Expenses</i>	<u>5,476,956</u>	<u>5,749,641</u>	<u>4,453,252</u>	<u>1,040,307</u>	<u>5,493,559</u>	<u>256,082</u>
Excess of Revenues Under Expenses	(1,153,447)	(1,816,486)	(504,565)	(1,040,307)	(1,544,872)	271,614
Operating Transfers - In	0	1,435	1,436		1,436	1
Net Change in Fund Equity	(1,153,447)	(1,815,051)	(503,129)	(1,040,307)	(1,543,436)	271,615
Fund Equity at Beginning of Year	2,464,154	2,655,939	3,683,623	(1,027,684)	2,655,939	0
Prior Year Encumbrances Carried Over	1,219,469	1,027,684	0	1,027,684	1,027,684	0
Fund Equity at End of Year	<u>\$2,530,176</u>	<u>\$1,868,572</u>	<u>\$3,180,494</u>	<u>(\$1,040,307)</u>	<u>\$2,140,187</u>	<u>\$271,615</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, 2003

	<i>Budget</i>		<i>Actual</i>			<i>Variance Positive (Negative)</i>
	<i>Original</i>	<i>Final</i>	<i>Cash Transactions</i>	<i>Encumbrances</i>	<i>Total</i>	
Revenues						
Charges for Services	\$22,440,000	\$21,504,054	\$21,264,830		\$21,264,830	(\$239,224)
Underground Line Charge	10,000	34,325	34,326		34,326	1
Other Charges	7,500	7,452	7,452		7,452	0
Proceeds of Bonds	2,954,000	0	0		0	0
Interest	0	840	992		992	152
Grants	80,000	17,000	17,000		17,000	0
Miscellaneous	20,000	47,328	47,797		47,797	469
<i>Total Revenues</i>	<i>25,511,500</i>	<i>21,610,999</i>	<i>21,372,397</i>		<i>21,372,397</i>	<i>(238,602)</i>
Expenses						
Personal Services						
Electric System Maintenance	3,302,620	3,301,603	3,100,199	0	3,100,199	201,404
Supplies and Materials						
Electric System Maintenance	546,311	519,764	434,392	63,772	498,164	21,600
Other Services and Charges						
Purchased Power	15,029,382	14,822,501	13,429,661	1,330,895	14,760,556	61,945
Electric System Maintenance	1,221,233	1,283,559	816,364	158,154	974,518	309,041
Total Other Services and Charges	16,250,615	16,106,060	14,246,025	1,489,049	15,735,074	370,986
Capital Outlay						
Electric System Maintenance	5,700,517	6,819,796	1,350,956	3,275,306	4,626,262	2,193,534
Debt Service:						
Debt Retirement	131,667	131,667	131,615	0	131,615	52
Interest and Other Charges	282,035	282,035	154,974	0	154,974	127,061
Total Debt Service	413,702	413,702	286,589	0	286,589	127,113
<i>Total Expenses</i>	<i>26,213,765</i>	<i>27,160,925</i>	<i>19,418,161</i>	<i>4,828,127</i>	<i>24,246,288</i>	<i>2,914,637</i>
Net Change in Fund Equity	(702,265)	(5,549,926)	1,954,236	(4,828,127)	(2,873,891)	2,676,035
Fund Equity at Beginning of Year	13,802,408	14,288,144	16,570,189	(2,282,045)	14,288,144	0
Prior Year Encumbrances Carried Over	2,767,781	2,282,045	0	2,282,045	2,282,045	0
Fund Equity at End of Year	\$15,867,924	\$11,020,263	\$18,524,425	(\$4,828,127)	\$13,696,298	\$2,676,035

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, 2003

	<i>Budget</i>		<i>Actual</i>			<i>Variance Positive (Negative)</i>
	<i>Original</i>	<i>Final</i>	<i>Cash Transactions</i>	<i>Encumbrances</i>	<i>Total</i>	
<u>Revenues</u>						
Intergovernmental	\$1,099,000	\$1,146,839	\$1,170,208		\$1,170,208	\$23,369
Interest	0	48	71		71	23
Miscellaneous	0	1,904	1,905		1,905	1
<i>Total Revenues</i>	<u>1,099,000</u>	<u>1,148,791</u>	<u>1,172,184</u>		<u>1,172,184</u>	<u>23,393</u>
<u>Expenditures</u>						
Current Operations and Maintenance						
Transportation						
Right of Way Maintenance						
Personal Services	878,228	877,889	807,446	0	807,446	70,443
Supplies and Materials	420,883	406,761	313,120	59,747	372,867	33,894
Other Services and Charges	410,842	403,121	297,839	28,793	326,632	76,489
Capital Outlay	67,985	67,985	32,730	20,730	53,460	14,525
<i>Total Expenditures</i>	<u>1,777,938</u>	<u>1,755,756</u>	<u>1,451,135</u>	<u>109,270</u>	<u>1,560,405</u>	<u>195,351</u>
Excess of Revenues						
Under Expenditures	(678,938)	(606,965)	(278,951)	(109,270)	(388,221)	218,744
<u>Other Financing Sources</u>						
Operating Transfers - In	550,000	561,476	561,476		561,476	0
Net Change in Fund Balance	(128,938)	(45,489)	282,525	(109,270)	173,255	218,744
Fund Balance at Beginning of Year	1,476,153	1,548,335	1,588,067	(39,732)	1,548,335	0
Prior Year Encumbrances Carried Over	111,914	39,732	0	39,732	39,732	0
<i>Fund Balance at End of Year</i>	<u>\$1,459,129</u>	<u>\$1,542,578</u>	<u>\$1,870,592</u>	<u>(\$109,270)</u>	<u>\$1,761,322</u>	<u>\$218,744</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, 2003

	<i>Budget</i>		<i>Actual</i>			<i>Variance Positive (Negative)</i>
	<i>Original</i>	<i>Final</i>	<i>Cash Transactions</i>	<i>Encumbrances</i>	<i>Total</i>	
<u>Revenues</u>						
Intergovernmental	\$89,108	\$92,108	\$94,733		\$94,733	\$2,625
Interest	0	355	466		466	111
<i>Total Revenues</i>	89,108	92,463	95,199		95,199	2,736
<u>Expenditures</u>						
Current Operations and Maintenance						
Transportation						
Right of Way Maintenance						
Capital Outlay	83,794	40,000	24,015	7,072	31,087	8,913
Net Change in Fund Balance	5,314	52,463	71,184	(7,072)	64,112	11,649
Fund Balance at Beginning of Year	228,916	272,710	272,710	0	272,710	0
Prior Year Encumbrances Carried Over	43,794	0	0	0	0	0
<i>Fund Balance at End of Year</i>	<u>\$278,024</u>	<u>\$325,173</u>	<u>\$343,894</u>	<u>(\$7,072)</u>	<u>\$336,822</u>	<u>\$11,649</u>

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, 2003

	<i>Budget</i>		<i>Actual</i>			<i>Variance Positive (Negative)</i>
	<i>Original</i>	<i>Final</i>	<i>Cash Transactions</i>	<i>Encumbrances</i>	<i>Total</i>	
<u>Revenues</u>						
Intergovernmental	\$0	\$9,479	\$9,538		\$9,538	\$59
Interest	0	375	553		553	178
Miscellaneous	0	2,074	2,186		2,186	112
<i>Total Revenues</i>	<u>0</u>	<u>11,928</u>	<u>12,277</u>		<u>12,277</u>	<u>349</u>
<u>Expenditures</u>						
Current Operations and Maintenance						
Security of Persons and Property						
Police Department						
Police Services						
Supplies and Materials	885	6,907	3,973	2,934	6,907	0
Other Services and Charges	0	10	9	0	9	1
<i>Total Expenditures</i>	<u>885</u>	<u>6,917</u>	<u>3,982</u>	<u>2,934</u>	<u>6,916</u>	<u>1</u>
Net Change in Fund Balance	(885)	5,011	8,295	(2,934)	5,361	350
Fund Balance at Beginning of Year	10,657	10,657	11,542	(885)	10,657	0
Prior Year Encumbrances Carried Over	885	885	0	885	885	0
<i>Fund Balance at End of Year</i>	<u>\$10,657</u>	<u>\$16,553</u>	<u>\$19,837</u>	<u>(\$2,934)</u>	<u>\$16,903</u>	<u>\$350</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, 2003

	<i>Budget</i>		<i>Actual</i>			<i>Variance Positive (Negative)</i>
	<i>Original</i>	<i>Final</i>	<i>Cash Transactions</i>	<i>Encumbrances</i>	<i>Total</i>	
<u>Revenues</u>						
Intergovernmental	\$322,500	\$312,547	\$312,547		\$312,547	\$0
Interest	0	454	711		711	257
<i>Total Revenues</i>	322,500	313,001	313,258		313,258	257
<u>Expenditures</u>						
Current Operations and Maintenance						
Transportation						
Right of Way Maintenance						
Capital Outlay	484,745	446,991	200,319	246,570	446,889	102
Net Change in Fund Balance	(162,245)	(133,990)	112,939	(246,570)	(133,631)	359
Fund Balance at Beginning of Year	720,869	758,623	761,642	(3,019)	758,623	0
Prior Year Encumbrances Carried Over	40,773	3,019	0	3,019	3,019	0
<i>Fund Balance at End of Year</i>	\$599,397	\$627,652	\$874,581	(\$246,570)	\$628,011	\$359

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, 2003

	<i>Budget</i>		<i>Actual</i>			<i>Variance Positive (Negative)</i>
	<i>Original</i>	<i>Final</i>	<i>Cash Transactions</i>	<i>Encumbrances</i>	<i>Total</i>	
<u>Revenues</u>						
Miscellaneous	\$0	\$625	\$675		\$675	\$50
<u>Expenditures</u>						
Current Operations and Maintenance						
General Government						
Other Government						
Supplies and Materials	0	547	547	0	547	0
Other Services and Charges	0	1,063	1,063	0	1,063	0
<i>Total Expenditures</i>	0	1,610	1,610	0	1,610	0
Net Change in Fund Balance	0	(985)	(935)	0	(935)	50
Fund Balance at Beginning of Year	1,184	1,184	1,184	0	1,184	0
<i>Fund Balance at End of Year</i>	\$1,184	\$199	\$249	\$0	\$249	\$50

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, 2003

	<i>Budget</i>		<i>Actual</i>			<i>Variance Positive (Negative)</i>
	<i>Original</i>	<i>Final</i>	<i>Cash Transactions</i>	<i>Encumbrances</i>	<i>Total</i>	
<u>Revenues</u>						
Other Local Taxes	\$54,000	\$54,000	\$50,732		\$50,732	(\$3,268)
<u>Expenditures</u>						
Current Operations and Maintenance						
General Government						
Other Government						
Other Services and Charges	54,000	54,000	50,732	0	50,732	3,268
Net Change in Fund Balance	0	0	0	0	0	0
Fund Balance at Beginning of Year	0	0	0	0	0	0
<i>Fund Balance at End of Year</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>

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, 2003

	<i>Budget</i>		<i>Actual</i>			<i>Variance Positive (Negative)</i>
	<i>Original</i>	<i>Final</i>	<i>Cash Transactions</i>	<i>Encumbrances</i>	<i>Total</i>	
<u>Revenues</u>						
Fees, Licenses and Permits	\$0	\$2,143	\$2,736		\$2,736	\$593
<u>Expenditures</u>						
Current Operations and Maintenance						
Security of Persons and Property						
Police Department						
Police Services						
Other Services and Charges	0	259	258	0	258	1
Net Change in Fund Balance	0	1,884	2,478	0	2,478	594
Fund Balance at Beginning of Year	8,084	8,084	8,084	0	8,084	0
<i>Fund Balance at End of Year</i>	<u>\$8,084</u>	<u>\$9,968</u>	<u>\$10,562</u>	<u>\$0</u>	<u>\$10,562</u>	<u>\$594</u>

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, 2003

	<i>Budget</i>		<i>Actual</i>			<i>Variance Positive (Negative)</i>
	<i>Original</i>	<i>Final</i>	<i>Cash Transactions</i>	<i>Encumbrances</i>	<i>Total</i>	
<u>Revenues</u>						
Property Taxes	\$0	\$219,691	\$219,691		\$219,691	\$0
<u>Expenditures</u>						
Current Operations and Maintenance						
General Government						
Other Government						
Other Services and Charges	0	320,795	320,795	0	320,795	0
Excess of Revenues						
Under Expenditures	0	(101,104)	(101,104)	0	(101,104)	0
<u>Other Financing Sources</u>						
Operating Transfers - In	152,503	152,503	152,503		152,503	0
Net Change in Fund Balance	152,503	51,399	51,399	0	51,399	0
Fund Balance at Beginning of Year	72,775	72,775	72,775	0	72,775	0
<i>Fund Balance at End of Year</i>	<u>\$225,278</u>	<u>\$124,174</u>	<u>\$124,174</u>	<u>\$0</u>	<u>\$124,174</u>	<u>\$0</u>

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, 2003

	<i>Budget</i>		<i>Actual</i>			<i>Variance Positive (Negative)</i>
	<i>Original</i>	<i>Final</i>	<i>Cash Transactions</i>	<i>Encumbrances</i>	<i>Total</i>	
<u>Revenues</u>						
Fines and Forfeitures	\$0	\$33,500	\$35,438		\$35,438	\$1,938
Miscellaneous	0	60	60		60	0
<i>Total Revenues</i>	0	33,560	35,498		35,498	1,938
<u>Expenditures</u>						
Current Operations and Maintenance						
General Government						
Other Government						
Personal Services	0	14,547	14,546	0	14,546	1
Supplies and Materials	0	1,339	1,139	200	1,339	0
Other Services and Charges	0	4,800	4,800	0	4,800	0
Capital Outlay	0	75,706	67,506	8,200	75,706	0
<i>Total Expenditures</i>	0	96,392	87,991	8,400	96,391	1
Net Change in Fund Balance	0	(62,832)	(52,493)	(8,400)	(60,893)	1,939
Fund Balance at Beginning of Year	104,193	104,193	104,193	0	104,193	0
<i>Fund Balance at End of Year</i>	\$104,193	\$41,361	\$51,700	(\$8,400)	\$43,300	\$1,939

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, 2003

	<i>Budget</i>		<i>Actual</i>			<i>Variance Positive (Negative)</i>
	<i>Original</i>	<i>Final</i>	<i>Cash Transactions</i>	<i>Encumbrances</i>	<i>Total</i>	
Revenues						
Other Local Taxes	\$0	\$315,423	\$315,424		\$315,424	\$1
Expenditures						
Current Operations and Maintenance						
General Government						
Other Government						
Supplies and Materials	9,400	9,338	4,571	3,260	7,831	1,507
Other Services and Charges	184,668	183,462	147,249	20,539	167,788	15,674
Capital Outlay	70,000	70,000	69,995	0	69,995	5
Total General Government	264,068	262,800	221,815	23,799	245,614	17,186
Net Change in Fund Balance	(264,068)	52,623	93,609	(23,799)	69,810	17,187
Fund Balance at Beginning of Year	491,131	492,399	498,564	(6,165)	492,399	0
Prior Year Encumbrances Carried Over	7,433	6,165	0	6,165	6,165	0
<i>Fund Balance at End of Year</i>	<i>\$234,496</i>	<i>\$551,187</i>	<i>\$592,173</i>	<i>(\$23,799)</i>	<i>\$568,374</i>	<i>\$17,187</i>

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, 2003

	<i>Budget</i>		<i>Actual</i>			<i>Variance Positive (Negative)</i>
	<i>Original</i>	<i>Final</i>	<i>Cash Transactions</i>	<i>Encumbrances</i>	<i>Total</i>	
<u>Revenues</u>						
Income Taxes	\$3,232,000	\$3,322,590	\$3,382,285		\$3,382,285	\$59,695
<u>Expenditures</u>	0	0	0	0	0	0
Excess of Revenues Over Expenditures	3,232,000	3,322,590	3,382,285	0	3,382,285	59,695
<u>Other Financing Sources</u>						
Operating Transfers - Out	(5,032,000)	(5,032,000)	(5,031,188)	0	(5,031,188)	812
Net Change in Fund Balance	(1,800,000)	(1,709,410)	(1,648,903)	0	(1,648,903)	60,507
Fund Balance at Beginning of Year	1,914,280	1,914,280	1,914,280	0	1,914,280	0
<i>Fund Balance at End of Year</i>	<u>\$114,280</u>	<u>\$204,870</u>	<u>\$265,377</u>	<u>\$0</u>	<u>\$265,377</u>	<u>\$60,507</u>

City of Westerville, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund
Balance - Budget (Non-GAAP Budgetary Basis) and Actual
Community Transportation Special Revenue Fund
For the Year Ended December 31, 2003

	<i>Budget</i>		<i>Actual</i>			<i>Variance Positive (Negative)</i>
	<i>Original</i>	<i>Final</i>	<i>Cash Transactions</i>	<i>Encumbrances</i>	<i>Total</i>	
<u>Revenues</u>	\$0	\$0	\$0		\$0	\$0
<u>Expenditures</u>	0	0	0	0	0	0
Excess of Revenues Over Expenditures	0	0	0	0	0	0
<u>Other Financing Sources</u>						
Operating Transfers - Out	0	(13,903)	(13,903)	0	(13,903)	0
Net Change in Fund Balance	0	(13,903)	(13,903)	0	(13,903)	0
Fund Balance at Beginning of Year	13,903	13,903	13,903	0	13,903	0
<i>Fund Balance at End of Year</i>	<u>\$13,903</u>	<u>\$0</u>	<u>\$0</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
FEMA Grant Special Revenue Fund
For the Year Ended December 31, 2003

	<i>Budget</i>		<i>Actual</i>			<i>Variance Positive (Negative)</i>
	<i>Original</i>	<i>Final</i>	<i>Cash Transactions</i>	<i>Encumbrances</i>	<i>Total</i>	
<u>Revenues</u>						
Intergovernmental	\$19,766	\$19,766	\$19,766		\$19,766	\$0
<u>Expenditures</u>	0	0	0	0	0	0
Excess of Revenues Over Expenditures	19,766	19,766	19,766	0	19,766	0
<u>Other Financing Sources</u>						
Operating Transfers - Out	(19,766)	(19,766)	(19,766)	0	(19,766)	0
Net Change in Fund Balance	0	0	0	0	0	0
Fund Balance at Beginning of Year	0	0	0	0	0	0
<i>Fund Balance at End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$0</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
Drug Enforcement Special Revenue Fund
For the Year Ended December 31, 2003

	<i>Budget</i>		<i>Actual</i>			<i>Variance Positive (Negative)</i>
	<i>Original</i>	<i>Final</i>	<i>Cash Transactions</i>	<i>Encumbrances</i>	<i>Total</i>	
Revenues						
Fees, Licenses and Permits	\$0	\$1,720	\$2,066		\$2,066	\$346
Interest	0	175	225		225	50
<i>Total Revenues</i>	0	1,895	2,291		2,291	396
Expenditures						
Current Operations and Maintenance						
Security of Persons and Property						
Police Department						
Police Services						
Other Services and Charges	0	50	50	0	50	0
Net Change in Fund Balance	0	1,845	2,241	0	2,241	396
Fund Balance at Beginning of Year	5,013	5,013	5,013	0	5,013	0
<i>Fund Balance at End of Year</i>	<u>\$5,013</u>	<u>\$6,858</u>	<u>\$7,254</u>	<u>\$0</u>	<u>\$7,254</u>	<u>\$396</u>

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, 2003

	<i>Budget</i>		<i>Actual</i>			<i>Variance Positive (Negative)</i>
	<i>Original</i>	<i>Final</i>	<i>Cash Transactions</i>	<i>Encumbrances</i>	<i>Total</i>	
<u>Revenues</u>						
Fines and Forfeitures	\$0	\$80,742	\$81,260		\$81,260	\$518
Interest	0	2,823	3,749		3,749	926
<i>Total Revenues</i>	<u>0</u>	<u>83,565</u>	<u>85,009</u>		<u>85,009</u>	<u>1,444</u>
<u>Expenditures</u>						
Current Operations and Maintenance						
Security of Persons and Property						
Police Department						
Police Services						
Supplies and Materials	7,200	22,724	21,250	1,473	22,723	1
Other Services and Charges	52	12,057	12,055	0	12,055	2
Capital Outlay	5,790	47,883	42,608	5,275	47,883	0
<i>Total Expenditures</i>	<u>13,042</u>	<u>82,664</u>	<u>75,913</u>	<u>6,748</u>	<u>82,661</u>	<u>3</u>
Net Change in Fund Balance	(13,042)	901	9,096	(6,748)	2,348	1,447
Fund Balance at Beginning of Year	92,360	92,689	105,402	(12,713)	92,689	0
Prior Year Encumbrances Carried Over	13,042	12,713	0	12,713	12,713	0
<i>Fund Balance at End of Year</i>	<u>\$92,360</u>	<u>\$106,303</u>	<u>\$114,498</u>	<u>(\$6,748)</u>	<u>\$107,750</u>	<u>\$1,447</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, 2003

	<i>Budget</i>		<i>Actual</i>			<i>Variance Positive (Negative)</i>
	<i>Original</i>	<i>Final</i>	<i>Cash Transactions</i>	<i>Encumbrances</i>	<i>Total</i>	
<u>Revenues</u>						
Miscellaneous	\$897	\$897	\$900		\$900	\$3
<u>Expenditures</u>	0	0	0	0	0	0
Net Change in Fund Balance	897	897	900	0	900	3
Fund Balance at Beginning of Year	0	0	0	0	0	0
<i>Fund Balance at End of Year</i>	<u>\$897</u>	<u>\$897</u>	<u>\$900</u>	<u>\$0</u>	<u>\$900</u>	<u>\$3</u>

City of Westerville, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund
Balance - Budget (Non-GAAP Budgetary Basis) and Actual
General Bond Retirement Debt Service Fund
For the Year Ended December 31, 2003

	<i>Budget</i>		<i>Actuals</i>			<i>Variance Positive (Negative)</i>
	<i>Original</i>	<i>Final</i>	<i>Cash</i>		<i>Total</i>	
			<i>Transactions</i>	<i>Encumbrances</i>		
<u>Revenues</u>						
Property Taxes	\$376,029	\$343,466	\$343,467		\$343,467	\$1
Intergovernmental	33,420	44,169	44,643		44,643	474
Miscellaneous	0	2,238	2,239		2,239	1
<i>Total Revenues</i>	<u>409,449</u>	<u>389,873</u>	<u>390,349</u>		<u>390,349</u>	<u>476</u>
<u>Expenditures</u>						
Debt Service						
Principal Retirement	1,448,385	1,448,385	1,448,385	0	1,448,385	0
Interest and Fiscal Charges	1,256,329	1,338,979	1,338,938	0	1,338,938	41
<i>Total Expenditures</i>	<u>2,704,714</u>	<u>2,787,364</u>	<u>2,787,323</u>	<u>0</u>	<u>2,787,323</u>	<u>41</u>
Excess of Revenues Under Expenditures	<u>(2,295,265)</u>	<u>(2,397,491)</u>	<u>(2,396,974)</u>	<u>0</u>	<u>(2,396,974)</u>	<u>517</u>
<u>Other Financing Sources</u>						
Other Financing Sources	0	18,586	18,587		18,587	1
Operating Transfers - In	2,476,401	2,370,866	2,370,866		2,370,866	0
<i>Total Other Financing Sources</i>	<u>2,476,401</u>	<u>2,389,452</u>	<u>2,389,453</u>	<u>0</u>	<u>2,389,453</u>	<u>1</u>
Net Change in Fund Balance	181,136	(8,039)	(7,521)	0	(7,521)	518
Fund Balance at Beginning of Year	41,159	41,159	41,159	0	41,159	0
<i>Fund Balance at End of Year</i>	<u>\$222,295</u>	<u>\$33,120</u>	<u>\$33,638</u>	<u>\$0</u>	<u>\$33,638</u>	<u>\$518</u>

City of Westerville, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund
Balance - Budget (Non-GAAP Budgetary Basis) and Actual
Special Assessment Debt Service Fund
For the Year Ended December 31, 2003

	<i>Budget</i>		<i>Actuals</i>			<i>Variance Positive (Negative)</i>
	<i>Original</i>	<i>Final</i>	<i>Cash Transactions</i>	<i>Encumbrances</i>	<i>Total</i>	
Revenues						
Revenues:	\$0	\$0	\$0		\$0	\$0
Expenditures	0	0	0	0	0	0
Excess of Revenues Over Expenditures	0	0	0	0	0	0
Other Financing Sources						
Operating Transfers - Out	0	(45,277)	(45,277)	0	(45,277)	0
Net Change in Fund Balance	0	(45,277)	(45,277)	0	(45,277)	0
Fund Balance at Beginning of Year	45,277	45,277	45,277	0	45,277	0
<i>Fund Balance at End of Year</i>	<u>\$45,277</u>	<u>\$0</u>	<u>\$0</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
General Capital Improvement Capital Projects Fund
For the Year Ended December 31, 2003

	<i>Budget</i>		<i>Actuals</i>			<i>Variance Positive (Negative)</i>
	<i>Original</i>	<i>Final</i>	<i>Cash Transactions</i>	<i>Encumbrances</i>	<i>Total</i>	
Revenues	\$0	\$0	\$0		\$0	\$0
Expenditures						
Capital Outlay	4,216,260	5,072,931	3,103,987	843,321	3,947,308	1,125,623
Excess of Revenues						
Under Expenditures	(4,216,260)	(5,072,931)	(3,103,987)	(843,321)	(3,947,308)	1,125,623
Other Financing Sources (Uses)						
Operating Transfers - In	2,186,000	3,436,484	3,436,484		3,436,484	0
Operating Transfers - Out	(180,000)	(280,000)	(280,000)	0	(280,000)	0
<i>Total Other Financing Sources (Uses)</i>	2,006,000	3,156,484	3,156,484	0	3,156,484	0
Net Change in Fund Balance	(2,210,260)	(1,916,447)	52,497	(843,321)	(790,824)	1,125,623
Fund Balance at Beginning of Year	2,990,025	3,120,354	3,616,285	(495,931)	3,120,354	0
Prior Year Encumbrances Carried Over	626,260	495,931	0	495,931	495,931	0
<i>Fund Balance at End of Year</i>	<u>\$1,406,025</u>	<u>\$1,699,838</u>	<u>\$3,668,782</u>	<u>(\$843,321)</u>	<u>\$2,825,461</u>	<u>\$1,125,623</u>

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, 2003

	<i>Budget</i>		<i>Actuals</i>			<i>Variance Positive (Negative)</i>
	<i>Original</i>	<i>Final</i>	<i>Cash Transactions</i>	<i>Encumbrances</i>	<i>Total</i>	
<u>Revenues</u>	\$0	\$0	\$0		\$0	\$0
<u>Expenditures</u>	0	0	0	0	0	0
Excess of Revenues Over Expenditures	0	0	0	0	0	0
<u>Other Financing Sources (Uses)</u>						
Operating Transfers - Out	0	(48,946)	(48,946)	0	(48,946)	0
Net Change in Fund Balance	0	(48,946)	(48,946)	0	(48,946)	0
Fund Balance at Beginning of Year	48,946	48,946	48,946	0	48,946	0
<i>Fund Balance at End of Year</i>	\$48,946	\$0	\$0	\$0	\$0	\$0

City of Westerville, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund
Balance - Budget (Non-GAAP Budgetary Basis) and Actual
Recreation Improvement Capital Projects Fund
For the Year Ended December 31, 2003

	<i>Budget</i>		<i>Actuals</i>			<i>Variance Positive (Negative)</i>
	<i>Original</i>	<i>Final</i>	<i>Cash Transactions</i>	<i>Encumbrances</i>	<i>Total</i>	
Revenues						
Miscellaneous	\$0	\$6,556	\$6,556		\$6,556	\$0
Expenditures	0	0	0	0	0	0
Net Change in Fund Balance	0	6,556	6,556	0	6,556	0
Fund Balance at Beginning of Year	20,876	20,876	20,876	0	20,876	0
<i>Fund Balance at End of Year</i>	<u>\$20,876</u>	<u>\$27,432</u>	<u>\$27,432</u>	<u>\$0</u>	<u>\$27,432</u>	<u>\$0</u>

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, 2003

	<i>Budget</i>		<i>Actuals</i>			<i>Variance Positive (Negative)</i>
	<i>Original</i>	<i>Final</i>	<i>Cash Transactions</i>	<i>Encumbrances</i>	<i>Total</i>	
<u>Revenues</u>	\$0	\$0	\$0		\$0	\$0
<u>Expenditures</u>						
Capital Outlay	76,080	59,931	59,931	0	59,931	0
Excess of Revenues						
Under Expenditures	(76,080)	(59,931)	(59,931)	0	(59,931)	0
<u>Other Financing Sources (Uses)</u>						
Operating Transfers - Out	0	(383,714)	(383,714)	0	(383,714)	0
Net Change in Fund Balance	(76,080)	(443,645)	(443,645)	0	(443,645)	0
Fund Balance at Beginning of Year	367,565	402,644	443,645	(41,001)	402,644	0
Prior Year Encumbrances Carried Over	76,080	41,001	0	41,001	41,001	0
<i>Fund Balance at End of Year</i>	<u>\$367,565</u>	<u>\$0</u>	<u>\$0</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
Hiawatha Avenue Improvement Capital Projects Fund
For the Year Ended December 31, 2003

	<i>Budget</i>		<i>Actuals</i>			<i>Variance Positive (Negative)</i>
	<i>Original</i>	<i>Final</i>	<i>Cash</i>		<i>Total</i>	
			<i>Transactions</i>	<i>Encumbrances</i>		
<u>Revenues</u>	\$0	\$0	\$0		\$0	\$0
<u>Expenditures</u>	0	0	0	0	0	0
Excess of Revenues Over Expenditures	0	0	0	0	0	0
<u>Other Financing Sources (Uses)</u>						
Operating Transfers - Out	0	(798)	(798)	0	(798)	0
Net Change in Fund Balance	0	(798)	(798)	0	(798)	0
Fund Balance at Beginning of Year	798	798	798	0	798	0
<i>Fund Balance at End of Year</i>	<u>\$798</u>	<u>\$0</u>	<u>\$0</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
Dempsey Road Improvement Capital Projects Fund
For the Year Ended December 31, 2003

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

City of Westerville, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund
Balance - Budget (Non-GAAP Budgetary Basis) and Actual
McCorkle Boulevard Improvement Capital Projects Fund
For the Year Ended December 31, 2003

	<i>Budget</i>		<i>Actuals</i>			<i>Variance Positive (Negative)</i>
	<i>Original</i>	<i>Final</i>	<i>Cash Transactions</i>	<i>Encumbrances</i>	<i>Total</i>	
<u>Revenues</u>	\$0	\$0	\$0		\$0	\$0
<u>Expenditures</u>	0	0	0	0	0	0
Excess of Revenues Over Expenditures	0	0	0	0	0	0
<u>Other Financing Sources (Uses)</u>						
Operating Transfers - Out	0	(4,591)	(4,591)	0	(4,591)	0
Net Change in Fund Balance	0	(4,591)	(4,591)	0	(4,591)	0
Fund Balance at Beginning of Year	4,591	4,591	4,591	0	4,591	0
<i>Fund Balance at End of Year</i>	<u>\$4,591</u>	<u>\$0</u>	<u>\$0</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, 2003

	<i>Budget</i>		<i>Actuals</i>			<i>Variance Positive (Negative)</i>
	<i>Original</i>	<i>Final</i>	<i>Cash</i>		<i>Total</i>	
			<i>Transactions</i>	<i>Encumbrances</i>		
<u>Revenues</u>	\$0	\$0	\$0		\$0	\$0
<u>Expenditures</u>	0	0	0	0	0	0
Net Change in Fund Balance	0	0	0	0	0	0
Fund Balance at Beginning of Year	233,659	233,659	233,659	0	233,659	0
<i>Fund Balance at End of Year</i>	<u>\$233,659</u>	<u>\$233,659</u>	<u>\$233,659</u>	<u>\$0</u>	<u>\$233,659</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, 2003

	<i>Budget</i>		<i>Actuals</i>			<i>Variance Positive (Negative)</i>
	<i>Original</i>	<i>Final</i>	<i>Cash Transactions</i>	<i>Encumbrances</i>	<i>Total</i>	
<u>Revenues</u>	\$0	\$0	\$0		\$0	\$0
<u>Expenditures</u>						
Capital Outlay	382,713	873,827	276,057	593,940	869,997	3,830
Excess of Revenues						
Under Expenditures	(382,713)	(873,827)	(276,057)	(593,940)	(869,997)	3,830
<u>Other Financing Sources (Uses)</u>						
Operating Transfers - In	180,000	260,635	260,635		260,635	0
Net Change in Fund Balance	(202,713)	(613,192)	(15,422)	(593,940)	(609,362)	3,830
Fund Balance at Beginning of Year	530,480	535,847	613,193	(77,346)	535,847	0
Prior Year Encumbrances Carried Over	82,713	77,346	0	77,346	77,346	0
<i>Fund Balance at End of Year</i>	<u>\$410,480</u>	<u>\$1</u>	<u>\$597,771</u>	<u>(\$593,940)</u>	<u>\$3,831</u>	<u>\$3,830</u>

City of Westerville, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund
Balance - Budget (Non-GAAP Budgetary Basis) and Actual
Sunbury Road Improvement Capital Projects Fund
For the Year Ended December 31, 2003

	<i>Budget</i>		<i>Actuals</i>			<i>Variance Positive (Negative)</i>
	<i>Original</i>	<i>Final</i>	<i>Cash Transactions</i>	<i>Encumbrances</i>	<i>Total</i>	
<u>Revenues</u>	\$0	\$0	\$0		\$0	\$0
<u>Expenditures</u>	0	0	0	0	0	0
Excess of Revenues Over Under Expenditures	0	0	0	0	0	0
<u>Other Financing Sources (Uses)</u>						
Operating Transfers - Out	0	(6,113)	(6,113)	0	(6,113)	0
Net Change in Fund Balance	0	(6,113)	(6,113)	0	(6,113)	0
Fund Balance at Beginning of Year	6,113	6,113	6,113	0	6,113	0
<i>Fund Balance at End of Year</i>	<u>\$6,113</u>	<u>\$0</u>	<u>\$0</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
Parks and Recreation Capital Improvement Capital Projects Fund
For the Year Ended December 31, 2003

	<i>Budget</i>		<i>Actuals</i>			<i>Variance Positive (Negative)</i>
	<i>Original</i>	<i>Final</i>	<i>Cash</i>		<i>Total</i>	
			<i>Transactions</i>	<i>Encumbrances</i>		
Revenues						
Interest	\$0	\$21,572	\$25,050		\$25,050	\$3,478
Miscellaneous	0	15,000	15,000		15,000	0
<i>Total Revenues</i>	0	36,572	40,050		40,050	3,478
Expenditures						
Capital Outlay	1,066,046	1,651,880	831,914	703,700	1,535,614	116,266
Net Change in Fund Balance	(1,066,046)	(1,615,308)	(791,864)	(703,700)	(1,495,564)	119,744
Fund Balance at Beginning of Year	3,120,993	3,127,879	4,187,039	(1,059,160)	3,127,879	0
Prior Year Encumbrances Carried Over	1,066,046	1,059,160	0	1,059,160	1,059,160	0
<i>Fund Balance at End of Year</i>	<u>\$3,120,993</u>	<u>\$2,571,731</u>	<u>\$3,395,175</u>	<u>(\$703,700)</u>	<u>\$2,691,475</u>	<u>\$119,744</u>

City of Westerville, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund
Balance - Budget (Non-GAAP Budgetary Basis) and Actual
North State Street Improvement Capital Projects Fund
For the Year Ended December 31, 2003

	<i>Budget</i>		<i>Actuals</i>			<i>Variance Positive (Negative)</i>
	<i>Original</i>	<i>Final</i>	<i>Cash</i>		<i>Total</i>	
			<i>Transactions</i>	<i>Encumbrances</i>		
Revenues						
Intergovernmental	\$0	\$281,546	\$281,546		\$281,546	\$0
Expenditures						
Capital Outlay	800,000	800,000	76,776	128,891	205,667	594,333
Net Change in Fund Balance	(800,000)	(518,454)	204,770	(128,891)	75,879	594,333
Fund Balance at Beginning of Year	835,725	835,725	835,725	0	835,725	0
<i>Fund Balance at End of Year</i>	<i>\$35,725</i>	<i>\$317,271</i>	<i>\$1,040,495</i>	<i>(\$128,891)</i>	<i>\$911,604</i>	<i>\$594,333</i>

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, 2003

	<i>Budget</i>		<i>Actuals</i>			<i>Variance Positive (Negative)</i>
	<i>Original</i>	<i>Final</i>	<i>Cash</i>		<i>Total</i>	
			<i>Transactions</i>	<i>Encumbrances</i>		
Revenues	\$0	\$0	\$0		\$0	\$0
Expenditures						
Capital Outlay	140,770	139,969	139,886	0	139,886	83
Net Change in Fund Balance	(140,770)	(139,969)	(139,886)	0	(139,886)	83
Fund Balance at Beginning of Year	141,299	185,100	282,069	(96,969)	185,100	0
Prior Year Encumbrances Carried Over	140,770	96,969	0	96,969	96,969	0
<i>Fund Balance at End of Year</i>	<u>\$141,299</u>	<u>\$142,100</u>	<u>\$142,183</u>	<u>\$0</u>	<u>\$142,183</u>	<u>\$83</u>

City of Westerville, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund
Balance - Budget (Non-GAAP Budgetary Basis) and Actual
Parks and Recreation Replacement and Reserve Capital Projects Fund
For the Year Ended December 31, 2003

	<i>Budget</i>		<i>Actuals</i>			<i>Variance Positive (Negative)</i>
	<i>Original</i>	<i>Final</i>	<i>Cash</i>		<i>Total</i>	
			<i>Transactions</i>	<i>Encumbrances</i>		
Revenues	\$0	\$0	\$0		\$0	\$0
Expenditures	0	0	0	0	0	0
Excess of Revenues Over Expenditures	0	0	0	0	0	0
Other Financing Sources (Uses)						
Operating Transfers - In	150,000	150,000	150,000		150,000	0
Net Change in Fund Balance	150,000	150,000	150,000	0	150,000	0
Fund Balance at Beginning of Year	300,000	300,000	300,000	0	300,000	0
<i>Fund Balance at End of Year</i>	<u>\$450,000</u>	<u>\$450,000</u>	<u>\$450,000</u>	<u>\$0</u>	<u>\$450,000</u>	<u>\$0</u>

City of Westerville, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund
Balance - Budget (Non-GAAP Budgetary Basis) and Actual
Street Replacement and Reserve Capital Projects Fund
For the Year Ended December 31, 2003

	<i>Budget</i>		<i>Actuals</i>			<i>Variance Positive (Negative)</i>
	<i>Original</i>	<i>Final</i>	<i>Cash Transactions</i>	<i>Encumbrances</i>	<i>Total</i>	
<u>Revenues</u>	\$0	\$0	\$0		\$0	\$0
<u>Expenditures</u>	0	0	0	0	0	0
Excess of Revenues Over Expenditures	0	0	0	0	0	0
<u>Other Financing Sources (Uses)</u>						
Operating Transfers - In	200,000	200,000	200,000		200,000	0
Net Change in Fund Balance	200,000	200,000	200,000	0	200,000	0
Fund Balance at Beginning of Year	200,000	200,000	200,000	0	200,000	0
<i>Fund Balance at End of Year</i>	<u>\$400,000</u>	<u>\$400,000</u>	<u>\$400,000</u>	<u>\$0</u>	<u>\$400,000</u>	<u>\$0</u>

City of Westerville, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund
Balance - Budget (Non-GAAP Budgetary Basis) and Actual
Tree Replacement Capital Projects Fund
For the Year Ended December 31, 2003

	<i>Budget</i>		<i>Actuals</i>			<i>Variance Positive (Negative)</i>
	<i>Original</i>	<i>Final</i>	<i>Cash Transactions</i>	<i>Encumbrances</i>	<i>Total</i>	
<u>Revenues</u>						
Intergovernmental	\$0	\$15,000	\$15,000		\$15,000	\$0
Fees, Licenses and Permits	0	69,300	69,300		69,300	0
<i>Total Revenues</i>	0	84,300	84,300		84,300	0
<u>Expenditures</u>						
Capital Outlay	0	31,400	29,954	434	30,388	1,012
Net Change in Fund Balance	0	52,900	54,346	(434)	53,912	1,012
Fund Balance at Beginning of Year	4,321	4,321	4,321	0	4,321	0
<i>Fund Balance at End of Year</i>	<u>\$4,321</u>	<u>\$57,221</u>	<u>\$58,667</u>	<u>(\$434)</u>	<u>\$58,233</u>	<u>\$1,012</u>

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, 2003

	<i>Budget</i>		<i>Actuals</i>			<i>Variance Positive (Negative)</i>
	<i>Original</i>	<i>Final</i>	<i>Cash Transactions</i>	<i>Encumbrances</i>	<i>Total</i>	
Revenues						
Interest	\$0	\$5,250	\$9,423		\$9,423	\$4,173
Miscellaneous	0	0	4,777		4,777	4,777
<i>Total Revenues</i>	0	5,250	14,200		14,200	8,950
Expenditures						
Capital Outlay	3,100,000	3,100,000	1,260,770	634,670	1,895,440	1,204,560
Debt Service:						
Interest and Fiscal Charges	0	312	312	0	312	0
Bond Issuance Costs	0	59,732	59,732	0	59,732	0
Total Debt Service	0	60,044	60,044	0	60,044	0
<i>Total Expenditures</i>	3,100,000	3,160,044	1,320,814	634,670	1,955,484	1,204,560
Excess of Revenues						
Under Expenditures	(3,100,000)	(3,154,794)	(1,306,614)	(634,670)	(1,941,284)	1,213,510
Other Financing Sources (Uses)						
General Obligation Bonds Issued	0	3,250,000	3,250,000		3,250,000	0
Discount on Debt Issued	0	(19,520)	(19,520)	0	(19,520)	0
Advances - In	3,100,000	3,100,000	3,100,000		3,100,000	0
Advances - Out	0	(3,100,000)	(3,100,000)	0	(3,100,000)	0
<i>Total Other Financing Sources (Uses)</i>	3,100,000	3,230,480	3,230,480	0	3,230,480	0
Net Change in Fund Balance	0	75,686	1,923,866	(634,670)	1,289,196	1,213,510
Fund Balance at Beginning of Year	0	0	0	0	0	0
<i>Fund Balance at End of Year</i>	\$0	\$75,686	\$1,923,866	(\$634,670)	\$1,289,196	\$1,213,510

City of Westerville, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund
Balance - Budget (Non-GAAP Budgetary Basis) and Actual
Safety Building Capital Improvement Capital Projects Fund
For the Year Ended December 31, 2003

	<i>Budget</i>		<i>Actuals</i>			<i>Variance Positive (Negative)</i>
	<i>Original</i>	<i>Final</i>	<i>Cash Transactions</i>	<i>Encumbrances</i>	<i>Total</i>	
Revenues						
Interest	\$0	\$5,500	\$10,553		\$10,553	\$5,053
Miscellaneous	0	0	4,777		4,777	4,777
<i>Total Revenues</i>	0	5,500	15,330		15,330	9,830
Expenditures						
Capital Outlay	250,000	2,887,948	657,407	2,227,214	2,884,621	3,327
Debt Service:						
Bond Issuance Costs	0	61,147	61,144	0	61,144	3
<i>Total Expenditures</i>	250,000	2,949,095	718,551	2,227,214	2,945,765	3,330
Excess of Revenues						
Under Expenditures	(250,000)	(2,943,595)	(703,221)	(2,227,214)	(2,930,435)	13,160
Other Financing Sources (Uses)						
General Obligation Bonds Issued	0	3,250,000	3,250,000		3,250,000	0
Discount on Debt Issued	0	(20,464)	(20,464)	0	(20,464)	0
Advances - In	250,000	1,083,000	1,083,000		1,083,000	0
Advances - Out	0	(750,000)	(750,000)	0	(750,000)	0
Operating Transfers - In	0	48,947	48,946		48,946	(1)
<i>Total Other Financing Sources (Uses)</i>	250,000	3,611,483	3,611,482	0	3,611,482	(1)
Net Change in Fund Balance	0	667,888	2,908,261	(2,227,214)	681,047	13,159
Fund Balance at Beginning of Year	0	0	0	0	0	0
<i>Fund Balance at End of Year</i>	\$0	\$667,888	\$2,908,261	(\$2,227,214)	\$681,047	\$13,159

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, 2003

	<i>Budget</i>		<i>Actuals</i>			<i>Variance Positive (Negative)</i>
	<i>Original</i>	<i>Final</i>	<i>Cash</i>		<i>Total</i>	
			<i>Transactions</i>	<i>Encumbrances</i>		
Revenues						
Fees, Licenses and Permits	\$0	\$26,940	\$27,840		\$27,840	\$900
Expenditures	0	0	0	0	0	0
Net Change in Fund Balance	0	26,940	27,840	0	27,840	900
Fund Balance at Beginning of Year	260,632	260,632	260,632	0	260,632	0
<i>Fund Balance at End of Year</i>	<u>\$260,632</u>	<u>\$287,572</u>	<u>\$288,472</u>	<u>\$0</u>	<u>\$288,472</u>	<u>\$900</u>

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, 2003

	<i>Budget</i>		<i>Actuals</i>			<i>Variance Positive (Negative)</i>
	<i>Original</i>	<i>Final</i>	<i>Cash Transactions</i>	<i>Encumbrances</i>	<i>Total</i>	
Revenues						
Interest	\$0	\$14,446	\$18,469		\$18,469	\$4,023
Expenditures						
Capital Outlay	350,258	659,291	245,063	397,073	642,136	17,155
Excess of Revenues Under Expenditures	(350,258)	(644,845)	(226,594)	(397,073)	(623,667)	21,178
Other Financing Sources (Uses)						
Advances - In	0	283,660	283,660		283,660	0
Net Change in Fund Balance	(350,258)	(361,185)	57,066	(397,073)	(340,007)	21,178
Fund Balance at Beginning of Year	58,354	103,897	408,612	(304,715)	103,897	0
Prior Year Encumbrances Carried Over	350,258	304,715	0	304,715	304,715	0
<i>Fund Balance at End of Year</i>	<i>\$58,354</i>	<i>\$47,427</i>	<i>\$465,678</i>	<i>(\$397,073)</i>	<i>\$68,605</i>	<i>\$21,178</i>

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, 2003

	<i>Budget</i>		<i>Actual</i>			<i>Variance Positive (Negative)</i>
	<i>Original</i>	<i>Final</i>	<i>Cash Transactions</i>	<i>Encumbrances</i>	<i>Total</i>	
Revenues						
Charges for Services	\$1,642,800	\$1,642,800	\$1,662,403		\$1,662,403	\$19,603
Miscellaneous	100	68	68		68	0
<i>Total Revenues</i>	<u>1,642,900</u>	<u>1,642,868</u>	<u>1,662,471</u>		<u>1,662,471</u>	<u>19,603</u>
Expenses						
Personal Services						
Refuse Operations	85,850	91,850	89,428	0	89,428	2,422
Supplies and Materials						
Refuse Operations	3,925	3,925	3,059	40	3,099	826
Other Services and Charges						
Refuse Disposal	1,533,476	1,533,285	1,419,832	118,694	1,538,526	(5,241)
Refuse Operations	39,252	33,187	16,442	150	16,592	16,595
<i>Total Other Services and Charges</i>	<u>1,572,728</u>	<u>1,566,472</u>	<u>1,436,274</u>	<u>118,844</u>	<u>1,555,118</u>	<u>11,354</u>
Capital Outlay						
Refuse Operations	7,615	7,615	1,527	2,726	4,253	3,362
<i>Total Expenses</i>	<u>1,670,118</u>	<u>1,669,862</u>	<u>1,530,288</u>	<u>121,610</u>	<u>1,651,898</u>	<u>17,964</u>
Excess of Revenues Over (Under) Expenses	(27,218)	(26,994)	132,183	(121,610)	10,573	37,567
Advances - Out	(105,000)	(105,000)	(105,000)	0	(105,000)	0
Net Change in Fund Equity	(132,218)	(131,994)	27,183	(121,610)	(94,427)	37,567
Fund Equity at Beginning of Year	448,443	448,699	570,066	(121,367)	448,699	0
<i>Prior Year Encumbrances Carried Over</i>	<u>121,623</u>	<u>121,367</u>	<u>0</u>	<u>121,367</u>	<u>121,367</u>	<u>0</u>
Fund Equity at End of Year	<u>\$437,848</u>	<u>\$438,072</u>	<u>\$597,249</u>	<u>(\$121,610)</u>	<u>\$475,639</u>	<u>\$37,567</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, 2003

	<i>Budget</i>		<i>Actual</i>			<i>Variance Positive (Negative)</i>
	<i>Original</i>	<i>Final</i>	<i>Cash</i>		<i>Total</i>	
			<i>Transactions</i>	<i>Encumbrances</i>		
Revenues						
Charges for Services	\$448,100	\$379,980	\$379,955		\$379,955	(\$25)
Miscellaneous	500	730	741		741	11
<i>Total Revenues</i>	<u>448,600</u>	<u>380,710</u>	<u>380,696</u>		<u>380,696</u>	<u>(14)</u>
Expenses						
Personal Services						
Swimming Pool	334,348	334,348	277,926	0	277,926	56,422
Supplies and Materials						
Swimming Pool	68,740	67,614	48,145	6,431	54,576	13,038
Other Services and Charges						
Swimming Pool	91,837	88,401	62,236	14,957	77,193	11,208
Capital Outlay						
Swimming Pool	144,841	144,013	21,512	5,891	27,403	116,610
<i>Total Expenses</i>	<u>639,766</u>	<u>634,376</u>	<u>409,819</u>	<u>27,279</u>	<u>437,098</u>	<u>197,278</u>
Net Change in Fund Equity	(191,166)	(253,666)	(29,123)	(27,279)	(56,402)	197,264
Fund Equity at Beginning of Year	327,499	332,889	361,917	(29,028)	332,889	0
<i>Prior Year Encumbrances Carried Over</i>	34,418	29,028	0	29,028	29,028	0
Fund Equity at End of Year	<u>\$170,751</u>	<u>\$108,251</u>	<u>\$332,794</u>	<u>(\$27,279)</u>	<u>\$305,515</u>	<u>\$197,264</u>

City of Westerville, Ohio
Schedule of Revenues, Expenses and Changes in Fund
Balance - Budget (Non-GAAP Budgetary Basis) and Actual
Garage Internal Service Fund
For the Year Ended December 31, 2003

	<i>Budget</i>		<i>Actual</i>			<i>Variance Positive (Negative)</i>
	<i>Original</i>	<i>Final</i>	<i>Cash Transactions</i>	<i>Encumbrances</i>	<i>Total</i>	
Revenues						
Charges for Services	\$601,000	\$601,000	\$588,399		\$588,399	(\$12,601)
Miscellaneous	0	17	17		17	0
<i>Total Revenues</i>	<u>601,000</u>	<u>601,017</u>	<u>588,416</u>		<u>588,416</u>	<u>(12,601)</u>
Expenses						
Personal Services						
Garage Operations	290,013	290,013	263,213	0	263,213	26,800
Supplies and Materials						
Garage Operations	280,829	317,480	266,289	23,173	289,462	28,018
Other Services and Charges						
Garage Operations	56,206	50,043	39,144	6,307	45,451	4,592
Capital Outlay						
Garage Operations	1,600	1,600	1,527	0	1,527	73
<i>Total Expenses</i>	<u>628,648</u>	<u>659,136</u>	<u>570,173</u>	<u>29,480</u>	<u>599,653</u>	<u>59,483</u>
Net Change in Fund Balance	(27,648)	(58,119)	18,243	(29,480)	(11,237)	46,882
Fund Balance at Beginning of Year	63,956	81,468	93,116	(11,648)	81,468	0
Prior Year Encumbrances Carried Over	29,160	11,648	0	11,648	11,648	0
<i>Fund Balance at End of Year</i>	<u>\$65,468</u>	<u>\$34,997</u>	<u>\$111,359</u>	<u>(\$29,480)</u>	<u>\$81,879</u>	<u>\$46,882</u>

City of Westerville, Ohio
Schedule of Revenues, Expenses and Changes in Fund
Balance - Budget (Non-GAAP Budgetary Basis) and Actual
Self-Insurance Internal Service Fund
For the Year Ended December 31, 2003

	<i>Budget</i>		<i>Actual</i>			<i>Variance Positive (Negative)</i>
	<i>Original</i>	<i>Final</i>	<i>Cash Transactions</i>	<i>Encumbrances</i>	<i>Total</i>	
Revenues						
Charges for Services	\$250,000	\$250,000	\$250,000		\$250,000	\$0
Other Charges	0	956	957		957	1
Interest	0	12,500	13,657		13,657	1,157
<i>Total Revenues</i>	<u>250,000</u>	<u>263,456</u>	<u>264,614</u>		<u>264,614</u>	<u>1,158</u>
Expenses						
Other Services and Charges						
Self Insurance	130,528	257,567	210,339	47,227	257,566	1
Capital Outlay						
Self Insurance	10,000	15,271	5,385	9,885	15,270	1
Other						
Self Insurance	0	6,500	6,500	0	6,500	0
<i>Total Expenses</i>	<u>140,528</u>	<u>279,338</u>	<u>222,224</u>	<u>57,112</u>	<u>279,336</u>	<u>2</u>
Net Change in Fund Balance	109,472	(15,882)	42,390	(57,112)	(14,722)	1,160
Fund Balance at Beginning of Year	353,176	371,635	493,704	(122,069)	371,635	0
Prior Year Encumbrances Carried Over	140,528	122,069	0	122,069	122,069	0
<i>Fund Balance at End of Year</i>	<u>\$603,176</u>	<u>\$477,822</u>	<u>\$536,094</u>	<u>(\$57,112)</u>	<u>\$478,982</u>	<u>\$1,160</u>

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Statistical Section

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

CITY OF WESTERVILLE, OHIO

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

<i>Year</i>	<i>Security Of Persons And Property</i>	<i>Public Health</i>	<i>Leisure Time Activities</i>	<i>Community Development</i>	<i>Basic Utility Services</i>
1994	\$8,846,867	\$114,046	\$1,773,516	\$1,030,825	\$188,065
1995	9,246,468	23,730	2,070,908	959,645	742,695
1996	10,374,814	18,301	1,901,526	1,059,743	266,707
1997	10,534,866	25,371	3,673,790	1,380,460	491,403
1998	12,167,701	28,278	2,538,639	1,459,063	268,518
1999	11,992,399	66,685	2,626,899	1,945,609	175,710
2000	13,274,945	41,875	3,042,156	1,820,948	172,554
2001	14,576,189	64,476	3,935,183	1,873,543	189,730
2002	16,240,667	43,072	5,225,703	2,037,680	308,077
2003	17,042,390	46,113	5,765,100	2,054,743	257,312

Source: City Financial Records - GAAP basis financial data

(1) Includes all governmental funds.

Statistical information for governmental activities will be presented when sufficient data is available for comparison.

<u>Transportation</u>	<u>General Government</u>	<u>Capital Outlay</u>	<u>Debt Service</u>	<u>Total</u>
\$1,155,411	\$3,483,896	\$8,891,146	\$649,898	\$26,133,670
1,281,770	3,884,800	7,458,263	619,158	26,287,437
1,437,409	4,256,735	7,660,831	594,030	27,570,096
1,227,234	6,971,469	5,630,529	568,900	30,504,022
1,603,619	5,435,131	13,821,921	827,342	38,150,212
1,784,131	5,506,546	22,382,376	2,662,194	49,142,549
1,878,920	5,940,576	15,675,951	2,823,577	44,671,502
2,051,760	6,992,962	17,331,013	2,785,520	49,800,376
1,645,043	7,267,158	6,723,329	2,858,833	42,349,562
1,674,169	8,189,150	8,171,645	2,990,087	46,190,709

CITY OF WESTERVILLE, OHIO

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

<i>Year</i>	<i>Property Taxes (2)</i>	<i>Municipal Income Tax</i>	<i>Other Local Taxes</i>	<i>Inter-Governmental</i>	<i>Charges For Services</i>	<i>Fees, Licenses and Permits</i>
1994	\$5,100,141	\$8,483,784	\$83,044	\$3,786,092	\$1,863,252	\$562,645
1995	5,252,242	9,253,013	94,386	4,266,432	1,967,631	598,287
1996	6,393,849	10,336,759	97,591	3,883,376	2,016,145	604,572
1997	7,188,967	10,842,532	99,625	4,361,583	2,310,482	498,223
1998	7,014,107	11,768,223	92,278	6,166,534	2,452,965	486,490
1999	7,117,419	15,054,734	89,536	6,368,610	1,901,639	644,933
2000	7,573,929	16,293,144	84,260	6,740,701	1,570,159	944,522
2001	7,933,107	17,010,117	73,650	8,251,942	1,873,729	1,004,198
2002	8,006,605	17,044,400	58,460	8,549,939	2,750,166	1,169,884
2003	10,649,983	17,779,422	363,723	10,068,502	2,714,383	852,988

Source: City Financial Records - GAAP basis financial data

- (1) Includes all governmental funds.
- (2) Includes real estate, personal property taxes and payments in lieu of taxes.
- (3) Net change in fair value of investments was not reported before the implementation of GASB 31 in 1998.

<i>Fines And Forfeitures</i>	<i>Special Assessments</i>	<i>Interest</i>	<i>Net Increase/ Decrease in Fair Value of Investments</i>	<i>Miscellaneous</i>	<i>Total</i>
\$332,944	\$96,861	\$2,904,481	\$0	\$168,472	\$23,381,716
340,004	76,813	3,809,763	0	88,185	25,746,756
360,010	76,744	4,530,745	0	87,365	28,387,156
439,227	77,348	4,253,994	0	170,086	30,242,067
331,127	77,597	4,992,406	0	480,157	33,861,884
475,577	76,395	5,265,192	(1,589,939)	125,322	35,529,418
362,585	76,935	5,060,136	298,703	641,796	39,646,870
402,814	67,942	4,216,092	2,141,613	202,033	43,177,237
503,779	67,805	3,171,205	(323,124)	264,280	41,263,399
569,604	0	2,545,711	(997,606)	167,963	44,714,673

CITY OF WESTERVILLE, OHIO

**Real Property Tax Levies And Collections
Last Ten Years
Table 3**

<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>
1994	\$5,030,922	\$4,918,212	97.76%	\$122,328	\$638,090
1995	5,348,691	5,252,242	98.20%	118,089	730,965
1996	6,277,593	6,120,217	97.49%	200,837	1,037,980
1997	6,650,380	6,520,066	98.04%	203,705	1,232,121
1998	6,421,364	6,295,786	98.04%	119,029	1,385,451
1999	6,502,629	6,299,611	96.88%	139,307	1,448,097
2000	6,449,184	6,306,357	97.79%	139,304	1,556,103
2001	6,846,544	6,575,146	96.04%	167,683	1,677,472
2002	6,750,991	6,408,731	94.93%	141,351	1,726,314
2003	8,846,108	8,404,735	95.01%	210,460	2,289,736

(1) Source: Franklin County Auditor's Office

Total Current Tax Levy includes rollback and homestead exemptions.

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

(3) Comparison of Franklin County only.

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

<i>Total Tax Collections</i>	<i>Percentage of Total Tax Collections To Total Tax Levy (3)</i>	<i>Outstanding Delinquent Taxes (4)</i>	<i>Percentage Of Outstanding Delinquent Taxes To Total Tax Levy (3)</i>
\$5,678,630	100.19%	\$157,750	3.14%
6,101,296	100.40%	156,312	2.92%
7,359,034	100.69%	305,025	4.86%
7,955,892	101.10%	257,347	3.87%
7,800,266	99.90%	259,456	4.04%
7,887,015	99.02%	285,849	4.40%
8,001,764	99.95%	293,721	4.55%
8,420,301	98.49%	271,398	3.96%
8,276,396	97.02%	342,260	5.07%
10,904,931	97.39%	441,373	4.99%

CITY OF WESTERVILLE, OHIO
Property Tax Rates - Direct And Overlapping Governments
Per \$1,000 Of Assessed Valuation
Last Ten Years
TABLE 4

<i>Collection Year</i>	<i>City</i>		<i>Outside Ten Mill Limitation</i>		
	<i>Inside Ten Mill Limitation</i>				
	<i>General Fund</i>	<i>Debt Retirement</i>	<i>General Charter</i>	<i>Debt Retirement</i>	<i>Fire Operating</i>
1994	\$2.50	\$0.15	\$0.60	\$0.80	\$8.40
1995	2.50	0.15	0.60	0.73	8.40
1996	2.50	0.15	0.60	0.69	10.50
1997	2.50	0.15	0.60	0.62	10.85
1998	2.50	0.15	0.60	0.59	10.85
1999	2.55	0.10	0.60	0.55	10.85
2000	2.55	0.10	0.60	0.47	10.85
2001	2.57	0.08	0.60	0.44	10.85
2002	2.57	0.08	0.60	0.40	10.85
2003	2.58	0.07	0.60	0.35	14.25

Source: Franklin County Auditor

<i>Total City</i>	<i>Franklin County</i>	<i>City Schools</i>	<i>Total</i>
\$12.45	\$14.57	\$61.15	\$88.17
12.38	14.57	60.82	87.77
14.44	14.82	61.03	90.29
14.72	15.12	61.31	91.15
14.69	15.22	61.32	91.23
14.65	17.54	61.15	93.34
14.57	17.64	63.50	95.71
14.54	17.64	63.50	95.68
14.50	17.64	63.40	95.54
17.85	17.64	64.20	99.69

CITY OF WESTERVILLE, OHIO
Assessed And Estimated Actual Value Of Taxable Property
Last Ten Years
TABLE 5

<i>Collection Year</i>	<i>Real Property</i>	<i>Public Utility Real and Personal</i>	<i>Tangible Personal Property</i>	<i>Total</i>	<i>Estimated True Values (1)</i>
1994	\$467,749,300	\$18,411,050	\$50,137,178	\$536,297,528	\$1,557,896,931
1995	543,767,890	20,634,990	69,172,503	633,575,383	1,853,761,407
1996	566,273,200	25,826,110	68,273,643	660,372,953	1,920,365,853
1997	613,734,270	25,250,700	69,974,828	708,959,798	2,062,119,775
1998	630,808,440	25,924,830	62,219,839	718,953,109	2,080,649,219
1999	645,665,490	22,504,370	66,114,875	734,284,735	2,134,791,191
2000	730,938,230	23,198,260	77,437,297	831,573,787	2,424,505,790
2001	759,777,270	25,005,670	78,058,573	862,841,513	2,511,442,026
2002	782,946,190	21,627,750	74,734,200	879,308,140	2,560,502,903
2003	883,041,660	20,857,380	46,595,889	950,494,929	2,749,268,561

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

- (1) Real property assessments are 35% of true value,
public utility personal property is 88% of true value and general personal
property is 25% of true value for capital assets and 25% of true value for inventory for 2001.
In 2002, the percentage of true value for inventory drops 1% each year: 24% for 2002,
23% for 2003, etc.

**City of Westerville, Ohio
Special Assessment Billings
And Collections
Last Ten Years
TABLE 6**

<i>Collection Year</i>	<i>Special Assessment Billings (1)</i>	<i>Total Assessments Collected (2)</i>	<i>Percentage Collected</i>	<i>Total Outstanding Delinquent</i>
1994	\$80,798	\$96,861	119.88%	\$910
1995	76,744	76,813	100.09%	841
1996	76,744	76,744	100.00%	841
1997	76,744	77,348	100.79%	237
1998	76,961	77,597	100.83%	207
1999	77,368	76,395	98.74%	973
2000	76,935	76,935	100.00%	0
2001	67,942	67,942	100.00%	0
2002	69,000	69,000	100.00%	0
2003(3)	0	0	0.00%	0

Source: Franklin County Auditor

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

(2) Prepayments of future assessments are not included.

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

CITY OF WESTERVILLE, OHIO
Ratio Of Net General Bonded Debt
To Assessed Value And
Net Bonded Debt Per Capita
Last Ten Years

TABLE 7

<i>Year</i>	<i>Population</i>	<i>Assessed Value</i>	<i>Gross Bonded Debt (1)</i>	<i>Debt Service Monies Available</i>
1994	33,823	\$536,297,528	\$3,485,000	\$158,110
1995	34,074	633,575,383	3,190,000	181,331
1996	34,412	659,797,543	2,895,000	107,521
1997	34,883	708,959,798	2,600,000	54,563
1998	34,948	718,953,109	32,190,000	173,256
1999	35,926	734,284,735	26,784,529	959
2000	35,318	831,573,787	29,635,100	17,229
2001	35,908	862,841,513	28,270,750	34,272
2002	36,435	879,308,140	26,870,005	86,435
2003	36,850	950,494,929	31,921,620	33,638

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

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

<i>Net Bonded Debt</i>	<i>Ratio of Net Bonded Debt to Assessed Valuation</i>	<i>Net Bonded Debt Per Capita</i>
\$3,326,890	0.62%	\$98.36
3,008,669	0.47%	88.30
2,787,479	0.42%	81.00
2,545,437	0.36%	72.97
32,016,744	4.45%	916.13
26,783,570	3.65%	745.52
29,617,871	3.56%	838.61
28,237,448	3.27%	786.38
26,783,570	3.05%	735.11
31,887,982	3.35%	865.35

CITY OF WESTERVILLE, OHIO
Legal Debt Margin
December 31, 2003
TABLE 8

<hr/>		
Total assessed valuation		\$950,494,929
Overall debt limitation - 10.5% of assessed valuation		99,801,968
Gross indebtedness authorized by council	\$42,005,487	
Less debt outside limitation:	<u>(10,083,867)</u>	
Debt within 10.5% limitation	31,921,620	
Less amount available in debt service fund	<u>(33,638)</u>	
Net debt within 10.5% limitation		<u>31,887,982</u>
Legal debt margin within 10.5% limitation		<u><u>\$67,913,986</u></u>
<hr/>		
Unvoted debt limitation - 5.5% of assessed valuation		\$52,277,221
Gross indebtedness authorized by council	\$42,005,487	
Less debt outside limitation:	<u>(10,083,867)</u>	
Debt within 5.5% limitation	31,921,620	
Less: amount available in debt service fund	<u>(33,638)</u>	
Net debt within 5.5% limitation		<u>31,887,982</u>
Legal debt margin within 5.5% limitation		<u><u>\$20,389,239</u></u>

CITY OF WESTERVILLE, OHIO
Computation Of Direct And Overlapping Debt
December 31, 2003
TABLE 9

<u>Jurisdiction</u>	<u>Net Debt Outstanding (1)</u>	<u>Percentage Applicable To City Of Westerville</u>	<u>Amount Applicable To City Of Westerville</u>
<u>Direct</u>			
City of Westerville	\$31,887,982	100.00%	<u>\$31,887,982</u>
<u>Overlapping</u>			
Westerville City Schools	127,962,476	45.94%	58,785,961
Franklin County	<u>146,590,000</u>	3.96%	<u>5,804,964</u>
<i>Total Overlapping</i>	<u>274,552,476</u>		<u>64,590,925</u>
<i>Total Direct And Overlapping Debt</i>	<u>\$306,440,458</u>		<u>\$96,478,907</u>

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

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

CITY OF WESTERVILLE, OHIO
Ratio Of Annual Debt Service Expenditures For
General Bonded Debt To Total General Government Expenditures
Last Ten Years
TABLE 10

<i>Year</i>	<i>Principal (1)</i>	<i>Interest And Fiscal Charges</i>	<i>Debt Service On General Obligation Bonded Debt</i>	<i>General Government Expenditures</i>	<i>Ratio</i>
1994	\$295,000	\$267,775	\$562,775	\$26,133,670	2.15%
1995	295,000	247,019	542,019	26,287,437	2.06%
1996	295,000	226,263	521,263	27,570,096	1.89%
1997	295,000	205,506	500,506	30,504,022	1.64%
1998	300,000	184,750	484,750	38,150,212	1.27%
1999	1,222,500	1,375,657	2,598,157	49,142,549	5.29%
2000	1,332,400	1,432,125	2,764,525	44,671,502	6.19%
2001	1,363,380	1,377,073	2,740,453	49,800,376	5.50%
2002	1,401,715	1,317,666	2,719,381	42,349,562	6.42%
2003	1,448,385	1,320,351	2,768,736	46,190,709	5.99%

Source: City of Westerville, Department of Finance

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

CITY OF WESTERVILLE, OHIO
Demographic Statistics
Last Ten Years
TABLE 11

<i>Year</i>	<i>Population (1)</i>	<i>Unemployment Rates (2)</i>		
		<i>Franklin County</i>	<i>Ohio</i>	<i>United States</i>
1994	33,823	3.9%	5.5%	6.1%
1995	37,074	3.3%	4.8%	5.6%
1996	34,412	3.1%	4.9%	5.4%
1997	34,883	2.7%	4.6%	4.9%
1998	34,948	2.5%	4.3%	4.5%
1999	35,926	2.2%	4.2%	4.1%
2000	35,318	2.1%	4.0%	4.0%
2001	35,908	3.2%	4.8%	5.8%
2002	36,435	4.4%	5.7%	5.8%
2003	36,850	4.9%	6.1%	6.0%

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

(2) Ohio Bureau of Employment Services, Division of Labor Force Research and Statistics.

CITY OF WESTERVILLE, OHIO
Construction Data and
Financial Institution Deposits
Last Ten Years
TABLE 12

<i>Year</i>	<i>Total Permits Issued</i>	<i>Single Family Homes</i>	<i>Total Valuation Single Family Homes (1), (2)</i>	<i>2, 3 and Multi-Family Permits</i>
1994	255	216	\$32,287,115	39
1995	179	179	23,027,392	0
1996	178	162	21,220,059	16
1997	114	111	15,649,154	3
1998	97	86	12,583,134	11
1999	178	140	20,039,804	38
2000	162	156	20,719,272	6
2001	159	142	15,626,259	17
2002	108	80	10,818,294	28
2003	42	35	4,836,500	7

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

- (1) Constitutes the construction cost only (no lot price or profit included).
(2) Does not include alterations or additions.

<i>Total Valuation 2, 3 and Multi- Family Units (1)</i>	<i>Total Valuation Industrial and Commercial Including Additions and Alterations</i>	<i>Total Valuation All Types (1)</i>	<i>Bank Deposits (in thousands)</i>
\$6,319,116	\$6,831,506	\$45,537,737	\$19,048,525
0	31,194,982	54,222,374	20,232,242
1,000,000	22,814,814	45,034,873	20,786,114
750,000	14,353,179	30,752,333	40,835,093
1,928,000	47,754,907	62,266,041	39,976,199
13,430,000	44,791,935	78,261,739	40,785,421
1,220,000	92,045,986	113,985,258	36,305,554
5,996,000	56,983,986	78,606,245	38,669,548
8,856,000	78,184,686	97,858,980	35,950,798
2,221,712	56,647,424	63,705,636	37,969,996

CITY OF WESTERVILLE, OHIO
Principal Property Taxpayers
December 31, 2003
TABLE 13

<i>Taxpayer</i>	<i>2003 Assessed Valuation</i>	<i>Percentage of Total Assessed Valuation</i>
<u>Public Utilities:</u>		
1. Nextel West Corporation	\$8,666,380	0.91%
2. Ohio Bell Telephone Co.	6,106,490	0.64%
<u>Real Estate:</u>		
1. Banc One Management Corp.	20,316,570	2.14%
2. Partners at Brooksedge	11,882,880	1.25%
3. St. Anns Hospital	7,701,820	0.81%
4. Spectrum Equities LLC	3,657,540	0.38%
5. Brooksedge LLC	3,062,510	0.32%
6. Westerville Plaza	2,971,880	0.31%
7. Westerville Square, Inc.	2,884,770	0.30%
8. Columbus Colony Housing	2,664,040	0.28%
9. John W. Messmore TR	2,502,510	0.26%
10. Health Care & Retirement Corp. of America	2,478,330	0.26%
<u>Tangible Personal Property:</u>		
1. Bank One Corporation	18,380,430	1.93%
2. Comdisco, Inc.	4,080,730	0.43%
3. AT&T Corporation	3,596,080	0.38%
4. Mettler Toledo, Inc.	1,983,460	0.21%
5. Exel Logistics, Inc.	1,974,000	0.21%
6. Time Warner Entertainment Company LP	1,783,290	0.19%
7. Roush Equipment Company	1,627,940	0.17%
8. IBM Credit Company	1,574,530	0.17%
9. West-Camp Press, Inc.	1,537,030	0.16%
10. Robin Enterprises Company	970,550	0.10%
All Others	838,091,169	88.17%
<i>Total Assessed Valuation</i>	<u>\$950,494,929</u>	<u>100.00%</u>

Source: Franklin County Auditor

CITY OF WESTERVILLE, OHIO

Miscellaneous Statistics

December 31, 2003

TABLE 14

Date of Incorporation:	1858
Form of Government:	Council - City Manager
Date of Charter Adoption:	5-May-64
Area:	12.572 Square Miles
Miles of Streets:	176
<u>Fire Protection:</u>	
Number of Stations	3
Number of Firefighters and Officers (exclusive of part-time firefighters)	77
<u>Police Protection:</u>	
Number of Stations	1
Number of Uniformed Police and Officers	72
<u>Municipal Water Department:</u>	
Number of Accounts	12,430
Average Daily Billing Collection	3,178,488 gallons
Miles of Water Lines	171 miles
<u>Municipal Electric Department:</u>	
Number of Accounts	15,027
Average Daily Billing Collection	1,198,642 KWHRS
<u>Sewers:</u>	
Sanitary Sewers	143 miles
Storm Sewers	135 miles
<u>Recreation and Culture:</u>	
Number of Parks	39 with approximately 500 acres
Swimming Pools	1 complex with 7 pools, and 1 complex with 2 pools
Full-time Employees	395

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800-282-0370

Facsimile 614-466-4490

CITY OF WESTERVILLE

FRANKLIN COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
OCTOBER 14, 2004**