



Dave Yost • Auditor of State

CITY OF WESTERVILLE
FRANKLIN COUNTY

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Dave Yost • Auditor of State

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

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

To the City Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, 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, 2012, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 19, 2013.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State
Columbus, Ohio

June 19, 2013

City of Westerville, Ohio

Comprehensive Annual Financial Report

For the Year Ended December 31, 2012

Issued by the Department of Finance

Lee Ann Shortland, CPA
Director of Finance

Gina Love
Assistant Finance Director

City of Westerville, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2012

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City of Westerville
Finance Department

June 19, 2013

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, 2012 is hereby submitted.

The report is prepared in accordance with generally accepted accounting principles 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).

Ohio law requires that every city file its unaudited financial statements with the Auditor of State and publish their availability within 150 days of the close of each year. The general purpose external financial statements from this report were filed to fulfill that requirement for the year ended December 31, 2012.

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

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

The Auditor of the State of Ohio (independent auditor) has audited the financial statements of the City. The objective of the independent audit was to provide reasonable assurance that the financial statements of the City for the year ended December 31, 2012, 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 unmodified opinion that the City's financial statements for the year ended December 31, 2012, are fairly presented in conformity with GAAP. The Independent Auditor's 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 Auditor's Report.

PROFILE OF THE CITY

The City operates under and is governed by its Charter, adopted by the voters in 1964, which has been and may be amended by the voters from time to time. The Charter provides for a Council-City Manager form of government. The City is also subject to some general laws applicable to all cities. Under the Ohio Constitution, the City may exercise all powers of local self-government.

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

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

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

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

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

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

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

LOCAL ECONOMY

The City of Westerville continues to attract new employers and quality jobs to the community. These employers have been attracted to the Westar Center of Business as well as our more mature developments which include; Eastwind, Brooksedge, and the Westerville Commerce Center with its easy access to Interstate Highways 71 and 270. These new developments, in combination with the expansion of several of our existing companies, have had a significantly positive impact on the City. Westerville continues to strive toward maintaining a delicate balance by attracting businesses across the entire Westerville landscape.

The Cleveland Ave corridor north of the I-270 interchange is undergoing an extensive transition that is expected to attract people and businesses from all over the region, particularly to access healthcare facilities. Known as the "Medical Mile," this corridor is anchored by the three major health systems in the state (Mount Carmel St. Ann's Hospital, Nationwide Children's medical facilities, and the OhioHealth Westerville Medical Campus). All three have recently completed or are in the process of constructing significant expansions to their operations.

As part of the next phase of their Master Campus Planning & Expansion, Mount Carmel St. Ann's is constructing a regional cardiac care center, which includes 60 additional inpatient beds, a new catheterization laboratory and an emergency-room chest pain unit. Additionally, the plan is to reconfigure the building orientation to establish a new main entrance facing Copeland Mill Road to the south and construct a three level parking deck along Copeland Mill Road.

Since 2009, OhioHealth continues to expand its presence in the community along Polaris Parkway. Since opening its 180,000 square-foot medical office building in 2009, the center has created 275 new jobs. In the summer of 2012, OhioHealth opened a two-story, 48,000 square-foot addition located next to their existing building, providing a stand-alone emergency department on the first floor and medical office space for specialized care on the second floor.

In April of 2012, Nationwide Children's Hospital dedicated a new two-story, 46,000 square foot ambulatory surgical center as part of the Nationwide Children's Hospital Medical Campus, which includes a "Close to Home" urgent care facility and a Sports Medicine and Orthopaedics Center. The ambulatory surgical center is the first suburban medical facility to offer this service in Central Ohio. Nationwide Children's Hospital expansion is a \$20 million investment and anticipates the creation of approximately 80 new job opportunities with a payroll of \$6 million. Within the next five years, there are plans for the development of a facility, which could create another 60 new jobs with a payroll of \$8 million.

In the fall of 2012, JPMorgan Chase & Co., the City's largest employer, expanded its operation in Westerville and invested more than \$10 million to lease 90,000 square feet of office space at 460 Polaris Parkway. This expansion has resulted in Chase adding 465 jobs, which brings the total number of Chase employees to over 5,400 throughout the community.

The City 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 the City. These new businesses will supplement City services and provide good employment opportunities for City residents.

In June of 2011, the City partnered with TechColumbus, Central Ohio's regional entrepreneurial program, in order to spark ideas and create momentum for local entrepreneurs. At its core, the program helps advance technology-oriented ideas generated by entrepreneurs and small business owners in the Westerville community. TechColumbus provides direct business assistance through one-on-one coaching, marketing assistance, business plan development, and guidance through the appropriate capital investment and financing opportunities. Local entrepreneurs who engage are then integrated into the larger entrepreneurial ecosystem in Central Ohio. Access to the program requires no cost to the entrepreneur. The partnership has yielded technical assistance for 46 local technology-based start-up companies, of which 17 have generated opportunities for expanded support. The sectors of these companies include applied materials, information technology, health care/bioscience, and clean energy/clean technology. The City is working with three privately funded small incubators in the community that could offer a location to these local start-ups and leverage the resources from TechColumbus available through the City's partnership

In March of 2012, the City officially cut the ribbon, opening a 16,000 square foot Community Data Center, which is linked to the City's fiber-optic infrastructure called WeConnect®. The nation's first municipal data center, WeConnect®, is a multi-million dollar community asset providing scalable capacity for future growth and existing needs of businesses. The center serves as a connectivity hub – or data hotel of sorts - for local and regional businesses, offering world-class support for cloud computing, co-location, broadband services and server rack space and security. WeConnect® provides businesses of all sizes access to the most advanced technologies so that they can thrive locally but compete globally.

LONG-TERM FINANCIAL PLANNING

Fiscal policies have been established for the General Fund, Water Fund, Sewer Fund, Refuse Fund and Electric Fund. These are utilized each month to review the sufficiency of fund balance in the Monthly Interim Financial Reports that are reviewed with the Audit/Finance Review Committee and provided to Council members. The fiscal policies are also integral to the five year financial plan presented each year to Council while presenting the annual budget request for the following year. Council is enabled to make informed decisions regarding the use of resources and the sufficiency of the funds to handle expected operating expenditures and projected capital projects.

RELEVANT FINANCIAL POLICIES

Currently, there is an additional 0.25 percent income tax approved by the voters to fund Parks and Recreation. This revenue source is segregated and distributed to provide for debt service on the bonds issued to finance major facilities, for capital reserves for future replacement and repairs of those facilities, and to supplement existing funds for the operations of the Parks and Recreation Department. This is in keeping with the proposals presented to the voters.

MAJOR INITIATIVES

FOR THE YEAR

The Westerville Parks and Recreation Department is a nationally accredited three-time winner of the prestigious National Gold Medal Award for excellence in parks and recreation administration and is one of four finalists nation-wide for this award again. In addition, the department was re-accredited by CAPRA meeting all accreditation standards. In 2012, this department received the Healthy Ohioans Healthy Community Platinum Award. The department provides 617 park acres, 27.15 miles of greenways and over 2,200 recreation programs serving over 850,000 user visits annually.

Safety will always be an important component of a community's quality of life and Westerville's staff includes more than 190 full-time Police, Fire, Emergency Medical Service, and Communications Dispatcher personnel dedicated to being there when needed.

Major Transportation improvements in 2012 included the City's improvements to the South State Street (State Route 3) corridor. This project provided capacity improvements at the South State Street and Huber Village Boulevard intersection and streetscape improvements creating a new gateway into the City. The City continued its commitment to the voters in rebuilding aging pavement and utility infrastructure in its older neighborhoods with work on West Park Street, Pointview Drive, Corbin Court, and County Line Run.

FOR THE FUTURE

As part of the next phase of their Master Campus Planning & Expansion, Mount Carmel St. Ann's is constructing a regional cardiac care center, which includes 60 additional inpatient beds, a new catheterization laboratory and an emergency-room chest pain unit. Additionally, the plan is to reconfigure the building orientation to establish a new main entrance facing Copeland Mill Road to the south and construct a three level parking deck along Copeland Mill Road. The parking deck preserves prime developable ground for future medical buildings. St Ann's expansion is a \$110 million investment and projected to create 193 jobs and generate approximately \$13.8 million dollars in additional payroll by 2016.

The next phase of safety improvements to State Route 3 North of the I-270 interchange will extend the same improvements along South State to the north side of the commercial area near the Schrock and State intersection. This work will complement over \$4 million in interior road repair and maintenance planned for various City streets.

The extension of Worthington Road, South of Polaris Parkway to County Line Road West, is in a final design phase and is expected to be under construction in late 2013. This extension will provide infrastructure to allow for mixed-use development.

AWARDS AND ACKNOWLEDGEMENTS

CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Westerville, Ohio, for its comprehensive annual financial report for the year ended December 31, 2011. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. The report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

ACKNOWLEDGMENTS

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

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

Respectfully submitted,



Lee Ann Shortland, CPA
Director of Finance



Gina Love
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, 2011

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.



Christopher P. Morrell
President

Jeffrey R. Emer
Executive Director

City of Westerville, Ohio

Elected and Appointed Officials
As of December 31, 2012

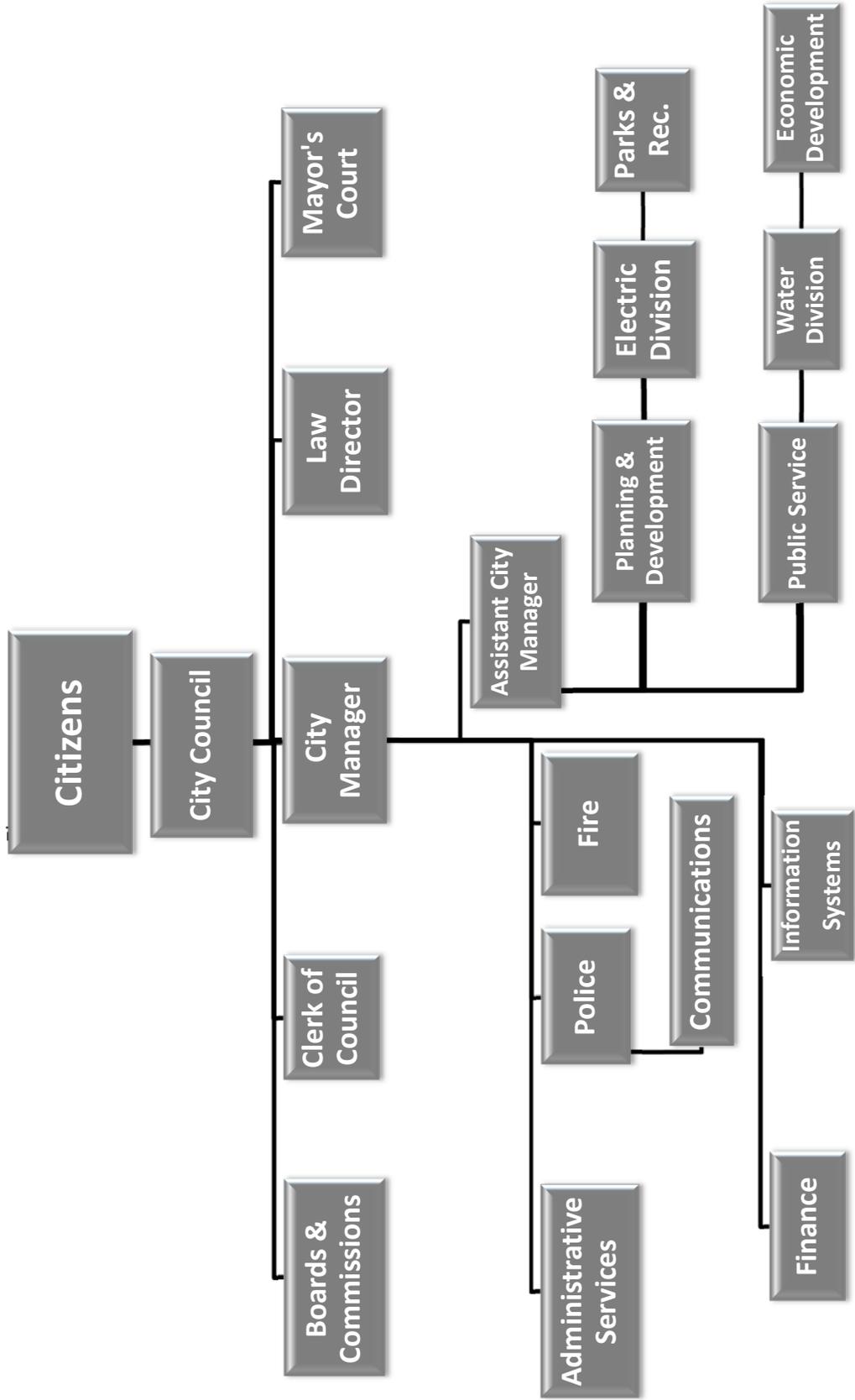
Elected Officials

Michael Heyeck	Council Member, Chair of Council
Larry Jenkins	Council Member, Vice Chair
Kathleen Cocuzzi	Council Member, Mayor
Diane C. Fosselman	Council Member, Vice Mayor
Craig P. Treneff	Council Member
Jenifer French	Council Member
Leon W. Otteson	Council Member

Appointed Officials

David A. Collinworth	City Manager
Julie A. Colley	Assistant City Manager
Bruce E. Bailey	Director of Law
Lee Ann Shortland	Director of Finance
Randall A. Auler	Director of Parks and Recreation
Andrew M. Boatright	Electric Utility Manager
Karl P. Craven	Planning and Development Director
Bernard E. Ingles	Fire Chief
Todd D. Jackson	Information Systems Director
Mary J. Johnston	Clerk of Council
Richard C. Lorenz	Water Utility Manager
Adam F. Maxwell	Administrative Services Director
Joseph A. Morbitzer	Chief of Police
Frank A. Wiseman	Director of Public Service

City of Westerville Organizational Chart





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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

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

To the City Council:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Westerville, Franklin County, Ohio (the City), as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Westerville, Franklin County, Ohio, as of December 31, 2012, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparisons for the General, Fire Operating, and Parks and Recreation Operating funds thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *Management's Discussion and Analysis, and Condition Assessment of the City's Infrastructure Report Using the Modified Approach as Outlined in GASB Statement No. 34*, listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Supplementary and Other Information

Our audit was conducted to opine on the City's basic financial statements taken as a whole. The introductory section, the financial section's combining statements, individual fund statements and schedules, and the statistical section information present additional analysis and are not a required part of the basic financial statements.

The financial section's combining statements, individual fund statements and schedules are management's responsibility, and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected these statements and schedules to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. 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 section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 19, 2013, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State

Columbus, Ohio

June 19, 2013

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City of Westerville, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2012
(Unaudited)

MANAGEMENT'S DISCUSSION AND ANALYSIS

The City of Westerville's (the City) discussion and analysis of the annual financial report provides a review of the financial performance for the year ended December 31, 2012.

FINANCIAL HIGHLIGHTS

- The City's total net position increased \$11,287,793 during 2012. Revenues of governmental activities exceeded expenses by \$7,418,544. The City's unrestricted net position of \$47,689,348 may be used to meet the City's ongoing governmental activities' obligations based on the current levels of services provided. Net position of business-type activities increased \$3,869,249. The City's business-type activities had unrestricted net position of \$38,887,573, which may be used to meet the business-type activities' obligations to citizens and creditors based on the current levels of services provided.
- General revenues of governmental activities accounted for \$59,199,788. Program specific revenues in the form of charges for services and sales, grants, contributions and interest accounted for \$12,875,448. Total revenues equaled \$72,075,236.
- Enterprise funds reflected a total operating income of \$5,069,776. The Community Data Center and Refuse Funds reflected operating losses of (\$267,671) and (\$170,708), respectively. The Water, Sewer and Electric Funds reflected operating income of \$159,201, \$55,809 and \$5,293,145, respectively. The Refuse Fund did not experience a significant change in operating revenues or expenses compared to the previous year, and the operating loss is consistent with the previous year. The operating loss for the Community Data Center Fund is less than the loss in 2011 (\$813,005) due to an increase in revenues of \$199,818 and a decrease in expenses of \$345,516. The operating income increases in the Water, Sewer and Electric Funds over the previous year are due to revenues increasing modestly in excess of the changes in expenses.
- The City had \$64,656,692 in expenses related to governmental activities; \$12,875,448 of these expenses were offset by program specific charges for services and sales, grants, contributions and interest. General revenues (primarily income and property taxes) of \$59,199,788 were more than adequate to provide for the current year programs, and the City relied on the program specific charges of \$12,875,448 to meet expenses. The City had \$58,348,502 in expenses related to business-type activities. These expenses were offset by program specific charges for services and sales, contributions and interest of \$61,996,727.

USING THIS ANNUAL FINANCIAL REPORT

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

The Statement of Net Position and the 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 Position and the Statement of Activities

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

These two statements report the City's net position and changes to its net position. 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 Position and the Statement of Activities, the City is divided into two kinds of activities.

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

Business-Type Activities – These services include water, sewer, electric, a community data center, and refuse. Service fees for these operations are charged based upon the amount of usage, or, for the community data center, subscriptions and leases. 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 11. Fund financial statements provide detailed information about the City's major funds – not the City as a whole. Some funds are required by State law and bond covenants. Other funds may be established by the Director of Finance, with the approval of Council, to help control, manage and report money received for a particular purpose or to show that the City is meeting legal responsibilities for the use of grants. The City's major funds are the General, Fire Operating, Parks and Recreation Operating, General Capital Improvement, South State Street TIF, Water, Sewer, Electric and Community Data Center 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 Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

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

THE CITY AS A WHOLE

As stated previously, the Statement of Net Position looks at the City as a whole. Table 1 provides a summary of the City's net position for 2012 compared to 2011.

Table 1
Net Position

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Totals</i>	
	<i>2011</i>	<i>2012</i>	<i>2011</i>	<i>2012</i>	<i>2011</i>	<i>2012</i>
<u>Assets:</u>						
Current and Other						
Assets	\$79,853,581	\$84,282,279	\$48,118,976	\$48,479,584	\$127,972,557	\$132,761,863
Water Rights, Net	0	0	1,135,886	1,088,557	1,135,886	1,088,557
Nondepreciable Capital						
Assets	145,938,187	151,703,763	11,174,184	9,028,523	157,112,371	160,732,286
Depreciable Capital						
Assets, Net	76,098,300	74,212,474	97,312,696	102,645,805	173,410,996	176,858,279
Total Assets	301,890,068	310,198,516	157,741,742	161,242,469	459,631,810	471,440,985
Deferred outflows of resources	0	241,706	50,486	102,301	50,486	344,007
<u>Liabilities:</u>						
Current and Other						
Liabilities	4,480,785	3,776,695	7,619,064	5,930,792	12,099,849	9,707,487
Long-Term Liabilities:						
Due Within One Year	5,004,473	5,292,470	2,058,317	2,203,532	7,062,790	7,496,002
Due in More Than						
One Year	30,022,233	30,495,405	43,622,549	44,848,899	73,644,782	75,344,304
Total Liabilities	39,507,491	39,564,570	53,299,930	52,983,223	92,807,421	92,547,793
Deferred inflows of resources	13,484,679	14,559,210	0	0	13,484,679	14,559,210
<u>Net Position:</u>						
Net Investment in Capital Assets	189,865,503	193,493,934	69,813,339	69,473,974	259,678,842	262,967,908
Restricted for:						
Debt Service	0	0	0	0	0	0
Capital Outlay	5,431,308	3,860,708	0	0	5,431,308	3,860,708
Unclaimed Monies	140,895	122,984	0	0	140,895	122,984
Fire Protection	4,122,599	4,847,078	0	0	4,122,599	4,847,078
Streets and Transportation	2,939,053	3,055,788	0	0	2,939,053	3,055,788
Parks and Recreation	1,246,614	1,728,694	0	0	1,246,614	1,728,694
Other Purposes	537,235	1,517,908	0	0	537,235	1,517,908
Unrestricted	44,614,691	47,689,348	34,678,959	38,887,573	79,293,650	86,576,921
Total Net Position	\$248,897,898	\$256,316,442	\$104,492,298	\$108,361,547	\$353,390,196	\$364,677,989

Total net position increased \$11,287,793. Net position of the City's governmental activities increased \$7,418,544 and unrestricted net position increased \$3,074,657. There were increases and decreases in several areas, none were significant. There was an overall increase in assets of \$8,308,444, due to an increase in the cash and cash equivalents of \$4,743,341, and an increase in capital assets of \$3,879,750. The increase in cash and cash equivalents occurred as a result of expenditures under budget in the General Fund in excess of \$3 million. The increase in capital assets was primarily due to an increase in construction in progress for projects not yet completed such as the South State Street and Worthington Road improvements.

The net position of the City's business-type activities increased \$3,869,249. The City strives to control operating expenses for business-type activities in order to maintain stability in charges for services and closely monitors the trends of our growing community in order to adjust for budgetary issues.

Table 2 shows the changes in net position for the years ended December 31, 2011 and 2012.

Table 2
Changes In Net Position

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Totals</i>	
	<i>2011</i>	<i>2012</i>	<i>2011</i>	<i>2012</i>	<i>2011</i>	<i>2012</i>
<i>Revenues</i>						
<i>Program Revenues:</i>						
Charges for Services and Sales	\$6,660,694	\$6,930,994	\$58,045,329	\$61,337,399	\$64,706,023	\$68,268,393
Operating Grants, Contributions and Interest	5,607,392	5,717,723	0	0	5,607,392	5,717,723
Capital Grants, Contributions and Interest	1,380,241	226,731	76,310	659,328	1,456,551	886,059
<i>Total Program Revenues</i>	<u>13,648,327</u>	<u>12,875,448</u>	<u>58,121,639</u>	<u>61,996,727</u>	<u>71,769,966</u>	<u>74,872,175</u>
<i>General Revenues:</i>						
Property Taxes	12,652,050	12,040,266	0	0	12,652,050	12,040,266
Municipal Income Taxes	38,016,829	38,457,166	0	0	38,016,829	38,457,166
Other Local Taxes	584,447	599,571	0	0	584,447	599,571
Grants and Entitlements	5,811,570	4,526,451	0	0	5,811,570	4,526,451
Unrestricted Investment Earnings	1,914,882	897,767	633	42,030	1,915,515	939,797
Payments in Lieu of Taxes	3,859,808	2,245,321	0	0	3,859,808	2,245,321
Other	160,995	433,246	269,744	178,994	430,739	612,240
<i>Total General Revenues</i>	<u>63,000,581</u>	<u>59,199,788</u>	<u>270,377</u>	<u>221,024</u>	<u>63,270,958</u>	<u>59,420,812</u>
<i>Total Revenues</i>	<u>76,648,908</u>	<u>72,075,236</u>	<u>58,392,016</u>	<u>62,217,751</u>	<u>135,040,924</u>	<u>134,292,987</u>
<i>Program Expenses:</i>						
Security of Persons and Property	27,331,663	27,180,283	0	0	27,331,663	27,180,283
Public Health	117,232	75,580	0	0	117,232	75,580
Leisure Time Activities	7,471,158	9,969,402	0	0	7,471,158	9,969,402
Community Development	2,672,231	2,838,362	0	0	2,672,231	2,838,362
Basic Utility Services	1,292,044	1,283,310	0	0	1,292,044	1,283,310
Transportation	9,475,825	9,382,151	0	0	9,475,825	9,382,151
General Government	14,459,348	12,072,576	0	0	14,459,348	12,072,576
Interest and Fiscal Charges	1,073,030	1,855,028	0	0	1,073,030	1,855,028
Water	0	0	3,626,720	3,614,335	3,626,720	3,614,335
Sewer	0	0	7,584,989	8,089,647	7,584,989	8,089,647
Electric	0	0	41,870,782	43,033,753	41,870,782	43,033,753
Community Data Center	0	0	1,106,301	1,043,292	1,106,301	1,043,292
Refuse	0	0	2,504,275	2,567,475	2,504,275	2,567,475
<i>Total Expenses</i>	<u>63,892,531</u>	<u>64,656,692</u>	<u>56,693,067</u>	<u>58,348,502</u>	<u>120,585,598</u>	<u>123,005,194</u>
Increase (Decrease) in Net Position before Transfers	12,756,377	7,418,544	1,698,949	3,869,249	14,455,326	11,287,793
Transfers	(589,772)	0	589,772	0	0	0
Change in Net Position	<u>12,166,605</u>	<u>7,418,544</u>	<u>2,288,721</u>	<u>3,869,249</u>	<u>14,455,326</u>	<u>11,287,793</u>
Net Position at Beginning of Year	236,731,293	248,897,898	102,203,577	104,492,298	338,934,870	353,390,196
<i>Net Position at End of Year</i>	<u>\$248,897,898</u>	<u>\$256,316,442</u>	<u>\$104,492,298</u>	<u>\$108,361,547</u>	<u>\$353,390,196</u>	<u>\$364,677,989</u>

Governmental Activities

The most significant variances noted between 2011 and 2012 were the changes in revenues related to general revenues which decreased \$3,800,793, which was primarily due to decreases in property tax receipts, grants and entitlements (due to reductions in local government funds) and investment earnings (due to decreases in federal interest rates).

Overall expenses increased slightly, only about 1 percent. The most significant fluctuations existed in Leisure Time Activities primarily due to depreciation and maintenance of parks facilities.

The 2.0 percent income tax is the largest source of revenue for the City. Employee withholding contributed 79.5 percent of the income tax revenue received in 2012, with business earnings contributing 12.2 percent and individuals contributing 8.3 percent. Residents are permitted to take full credit against their City income tax liability, up to 2.0 percent, against the amount paid as municipal income tax on the same income to another municipal corporation.

Governmental program expenses for 2012 were as follows:

Security of Persons and Property	42.04%
Public Health	0.12%
Leisure Time Activities	15.42%
Community Development	4.39%
Basic Utility Services	1.98%
Transportation	14.51%
General Government	18.67%
Interest and Fiscal Charges	2.87%
	<u>100.00%</u>

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

Business-Type Activities

The City's business-type activities include Water, Sewer, Electric, Community Data Center and Refuse. The most significant variances noted between 2011 and 2012 were in Program Revenues - Charges for Services and Sales and Capital Grants, Contributions and Interest; and in Program Expenses - Electric and Sewer Fund expenses. Charges for services and sales increased approximately \$3.2 million due to an increase in capacity fees in the Water Fund for new developments at St. Ann's Hospital and Westerville Square and an increase in Electric utility receipts due to an increase in electric rates of 2.5%. Capital Grants, Contributions and Interest increased by \$583,018 due to contributed capital for waterlines constructed by developers. Electric expenses increased approximately \$1.2 million due to an increase in purchase power costs and Sewer expenses increased as a result of the increase to sewer service costs provided by the City of Columbus.

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

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

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

service on the electric distribution system improvements and to fund system improvements and depreciation. The City owns and maintains the infrastructure necessary to furnish services to their citizens and is responsible for major reconstruction and the 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's Community Data Center is in the first year of operations. The revenues of the data center include subscriptions, leases, and managed services. Customers include institutions, hospitals, local governments, businesses, internet providers and others and the center is managed by a third party that has experience in data center management.

THE CITY'S FUNDS

Information about the City's major governmental funds begins on page 18. These funds are reported using the modified accrual basis of accounting. The governmental funds total revenues were \$73,562,415 and expenditures were \$70,508,011. In addition, there were transfers-in and transfers-out of \$13,896,402. The General Fund balance increased \$686,327, which was significantly less than the change in fund balance in the prior year of \$5,760,248, which was primarily due to an increase in transfers-out of the General Fund in 2012 for projects.

The Fire Operating Fund balance increased \$643,940, which is consistent with the previous year. There was a decrease in revenues due to property tax delinquencies.

The Parks and Recreation Operating Fund balance decreased \$222,772, which is consistent with the previous year. There were slight increases in revenues and expenses.

The General Capital Improvement Fund balance increased \$2,559,677, due to bond proceeds received in 2012 which were not fully expended in the current year.

The South State Street TIF Incentive Fund balance decreased \$95,063, due to continued work on the South State Street Project.

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 2012, there were six revisions to the General Fund budget. The net effect of the revisions was an increase in appropriations of \$3.1 million. Actual expenditures were \$3,889,158 less than the final budgeted amounts and the most significant categories where this occurred were security of persons and property and general government. In both instances actual expenditures were less than the final budget due to authorized staffing positions that were vacant throughout the course of the year, in addition to various implemented efficiencies. The goal of

the City was to maximize the amount of year-end unencumbered balance thereby increasing the General Fund balance reserves for the purposes of addressing any unforeseen contingencies and to meet the needs of the current uncertain economic times which was consistent with previous years.

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

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

Table 3
Capital Assets
(Net Of Amortization/Depreciation)

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Totals</i>	
	2011	2012	2011	2012	2011	2012
Water Rights	\$0	\$0	\$1,135,886	\$1,088,557	\$1,135,886	\$1,088,557
Land	18,156,650	18,750,218	1,187,080	1,187,080	19,343,730	19,937,298
Construction in Progress	10,962,446	15,348,211	9,987,104	7,841,443	20,949,550	23,189,654
Non-depreciable						
Infrastructure	116,819,091	117,605,334	0	0	116,819,091	117,605,334
Land Improvements	13,525,490	12,744,675	510,959	329,907	14,036,449	13,074,582
Buildings	27,935,493	27,849,441	7,808,312	7,529,399	35,743,805	35,378,840
Furniture and Equipment	7,346,870	6,683,063	12,447,840	12,617,008	19,794,710	19,300,071
Vehicles	1,965,564	1,569,169	728,139	864,802	2,693,703	2,433,971
Depreciable Infrastructure	25,324,883	25,366,126	0	0	25,324,883	25,366,126
Water Lines	0	0	23,657,270	24,286,354	23,657,270	24,286,354
Sewer Lines	0	0	13,364,433	13,165,224	13,364,433	13,165,224
Community Data Center	0	0	0	3,740,029	0	3,740,029
Electric System	0	0	38,795,743	40,113,082	38,795,743	40,113,082
<i>Totals</i>	<u>\$222,036,487</u>	<u>\$225,916,237</u>	<u>\$109,622,766</u>	<u>\$112,762,885</u>	<u>\$331,659,253</u>	<u>\$338,679,122</u>

The most significant increase in governmental activities was Construction in Progress due to two large road projects (Worthington Road and South State Street) that were not completed during the year. The business-type activities had an increase in Community Data Center Infrastructure due to the completion of conduit and fiber installation around the City. See Note 10 of the notes to the basic financial statements for more detailed information.

Included in the infrastructure class of capital assets in the governmental activities are the City's roads and bridges, which are accounted for using the "modified approach" instead of using the historical cost-based depreciation, as applied to the other capital assets. The City assesses the condition of the roads and bridges based on criteria outlined in the Required Supplementary Information located on pages 93 - 96 of this report. The City's policy states that at least 85 percent of the major arterial roadways will have a rating of "good" or better and the remaining roads will be maintained so that at least 60 percent will have a rating of "good" or better. Roads are assessed on a biennial basis. The City budgeted \$8,583,761 and spent \$7,026,055 on the preservation of roadways during 2012, and assessed 85 percent of the major arterials and 61 percent of the roads at "good" or better. The City's policy is to maintain the bridge system where 80 percent of the structures have a general appraisal summary of "good" or better and will also be assessed on an annual basis. The City budgeted \$509,580 and spent \$417,389 to preserve bridges during 2012, and all five bridges in the City were assessed at "good" or better condition.

Debt

At December 31, 2012, the City of Westerville had \$78,629,290 in debt outstanding.

Table 4
Outstanding Debt at Year-end

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Totals</i>	
	2011	2012	2011	2012	2011	2012
General Obligation Bonds	\$30,140,774	\$30,115,222	\$34,428,855	\$35,858,143	\$64,569,629	\$65,973,365
ODNR Debt	0	0	1,597,139	1,552,023	1,597,139	1,552,023
Revenue Bonds	0	0	8,922,263	8,898,986	8,922,263	8,898,986
OPWC Loans Payable	1,417,199	2,186,646	0	0	1,417,199	2,186,646
Right-of-Way Note	0		0	0	0	0
Police Pension Liability	18,964	18,271	0	0	18,964	18,271
<i>Totals</i>	<u>\$31,576,937</u>	<u>\$32,320,139</u>	<u>\$44,948,257</u>	<u>\$46,309,152</u>	<u>\$76,525,194</u>	<u>\$78,629,291</u>

All general obligation and general obligation refunding bond issues will be paid through the Debt Service Fund with property and income tax revenues, or paid by operating revenues of the Water, Sewer, and Electric Enterprise Funds. The revenue bonds will be paid by the Community Data Center Enterprise Fund. The ODNR debt will be paid from Water Enterprise Fund revenues. The police pension liability will be paid from the General Fund. The City's overall 10.5 percent legal debt margin was \$78,718,813 as of December 31, 2012. The more restrictive unvoted legal debt margin within 5.5 percent was \$27,687,157 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 Lee Ann Shortland, Director of Finance, City of Westerville, 21 South State Street, Westerville, Ohio 43081-2119.

Basic Financial Statements

City of Westerville, Ohio
Statement of Net Position
December 31, 2012

	<i>Governmental Activities</i>	<i>Business-Type Activities</i>	<i>Totals</i>
<u>Assets:</u>			
Equity in Pooled Cash and Cash Equivalents	\$56,476,963	\$40,382,958	\$96,859,921
Cash and Cash Equivalents with Fiscal Agents	295,543	641	296,184
Materials and Supplies Inventory	773,253	1,023,504	1,796,757
Accrued Interest Receivable	91,328	3,775	95,103
Accounts Receivable, Net	532,075	9,356,005	9,888,080
Intergovernmental Receivable	2,549,543	0	2,549,543
Prepaid Items	429,199	16,185	445,384
Municipal Income Taxes Receivable	5,000,045	0	5,000,045
Other Local Taxes Receivable	147,918	0	147,918
Property Taxes Receivable	13,763,101	0	13,763,101
Payments in Lieu of Taxes Receivable	1,434,462	0	1,434,462
Notes Receivable	158,465	0	158,465
Loans Receivable	326,900	0	326,900
Internal Balances	2,303,484	(2,303,484)	0
Water Rights, Net	0	1,088,557	1,088,557
Nondepreciable Capital Assets	151,703,763	9,028,523	160,732,286
Depreciable Capital Assets, Net	74,212,474	102,645,805	176,858,279
<i>Total Assets</i>	310,198,516	161,242,469	471,440,985
<u>Deferred Outflows of Resources</u>			
Deferred Charge on Refunding	241,706	102,301	344,007
<u>Liabilities:</u>			
Accounts Payable	889,248	3,206,489	4,095,737
Contracts Payable	521,492	196,085	717,577
Accrued Wages Payable	761,637	125,503	887,140
Retainage Payable	297,128	296,973	594,101
Intergovernmental Payable	161,628	1,472,792	1,634,420
Accrued Interest Payable	89,423	191,953	281,376
Matured Interest Payable	3,067	641	3,708
Matured Compensated Absences Payable	220,439	0	220,439
Claims Payable	832,633	0	832,633
Unearned Revenue	0	184,499	184,499
Deposits Held and Due to Others	0	255,857	255,857
Long-Term Liabilities:			
Due Within One Year	5,292,470	2,203,532	7,496,002
Due in More Than One Year	30,495,405	44,848,899	75,344,304
<i>Total Liabilities</i>	39,564,570	52,983,223	92,547,793
<u>Deferred Inflows of Resources</u>			
Property Taxes	13,159,870	0	13,159,870
Payment in Lieu of Taxes	1,399,340	0	1,399,340
<i>Total Deferred Inflows of Resources</i>	14,559,210	0	14,559,210
<u>Net Position:</u>			
Net Investment in Capital Assets	193,493,934	69,473,974	262,967,908
Restricted for:			
Capital Outlay	3,860,708	0	3,860,708
Unclaimed Monies	122,984	0	122,984
Fire Protection	4,847,078	0	4,847,078
Streets and Transportation	3,055,788	0	3,055,788
Parks and Recreation	1,728,694	0	1,728,694
Other Purposes	1,517,908	0	1,517,908
Unrestricted	47,689,348	38,887,573	86,576,921
<i>Total Net Position</i>	\$256,316,442	\$108,361,547	\$364,677,989

See accompanying notes to the basic financial statements

City of Westerville, Ohio
Statement of Activities
For the Year Ended December 31, 2012

	<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>
<i>Governmental Activities:</i>				
Security of Persons and Property	\$27,180,283	\$1,586,087	\$3,655,028	\$0
Public Health	75,580	0	0	0
Leisure Time Activities	9,969,402	3,918,106	16,684	0
Community Development	2,838,362	807,976	0	0
Basic Utility Services	1,283,310	0	0	0
Transportation	9,382,151	42,628	1,958,347	226,731
General Government	12,072,576	576,197	87,664	0
Interest and Fiscal Charges	1,855,028	0	0	0
<i>Total Governmental Activities</i>	<u>64,656,692</u>	<u>6,930,994</u>	<u>5,717,723</u>	<u>226,731</u>
<i>Business-Type Activities:</i>				
Water	3,614,335	4,109,971	0	578,600
Sewer	8,089,647	8,286,339	0	79,750
Electric	43,033,753	46,352,812	0	0
Community Data Center	1,043,292	191,793	0	978
Refuse	2,567,475	2,396,484	0	0
<i>Total Business-Type Activities</i>	<u>58,348,502</u>	<u>61,337,399</u>	<u>0</u>	<u>659,328</u>
<i>Total Activities</i>	<u>\$123,005,194</u>	<u>\$68,268,393</u>	<u>\$5,717,723</u>	<u>\$886,059</u>

General Revenues and Transfers:

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

Total General Revenues

Change in Net Position

Net Position at Beginning of Year

Net Position at End of Year

See accompanying notes to the basic financial statements

Net (Expense) Revenue and Changes in Net Position

<i>Governmental Activities</i>	<i>Business-Type Activities</i>	<i>Totals</i>
(\$21,939,168)	\$0	(\$21,939,168)
(75,580)	0	(75,580)
(6,034,612)	0	(6,034,612)
(2,030,386)	0	(2,030,386)
(1,283,310)	0	(1,283,310)
(7,154,445)	0	(7,154,445)
(11,408,715)	0	(11,408,715)
(1,855,028)	0	(1,855,028)
<u>(51,781,244)</u>	<u>0</u>	<u>(51,781,244)</u>
0	1,074,236	1,074,236
0	276,442	276,442
0	3,319,059	3,319,059
0	(850,521)	(850,521)
0	(170,991)	(170,991)
<u>0</u>	<u>3,648,225</u>	<u>3,648,225</u>
<u>(51,781,244)</u>	<u>3,648,225</u>	<u>(48,133,019)</u>
2,811,689	0	2,811,689
9,055,017	0	9,055,017
173,560	0	173,560
26,650,131	0	26,650,131
4,647,980	0	4,647,980
7,159,055	0	7,159,055
599,571	0	599,571
4,526,451	0	4,526,451
897,767	42,030	939,797
2,245,321	0	2,245,321
433,246	178,994	612,240
<u>59,199,788</u>	<u>221,024</u>	<u>59,420,812</u>
7,418,544	3,869,249	11,287,793
<u>248,897,898</u>	<u>104,492,298</u>	<u>353,390,196</u>
<u>\$256,316,442</u>	<u>\$108,361,547</u>	<u>\$364,677,989</u>

City of Westerville, Ohio
Balance Sheet
Governmental Funds
December 31, 2012

	<u>General</u>	<u>Fire Operating</u>	<u>Parks and Recreation Operating</u>
<u>Assets:</u>			
Equity in Pooled Cash and Cash Equivalents	\$26,392,077	\$4,863,842	\$5,034,803
Cash and Cash Equivalents with Fiscal Agents	0	0	0
Receivables:			
Property Taxes	3,219,640	10,346,122	0
Municipal Income Taxes	3,500,031	0	0
Other Local Taxes	144,206	0	0
Accounts	45,493	381,778	104,489
Payments in Lieu of Taxes	0	0	0
Accrued Interest	86,318	4,686	0
Intergovernmental Receivable	1,057,829	606,336	6,250
Prepaid Items	419,078	3,352	1,442
Materials and Supplies Inventory	245,203	0	154,375
Notes Receivable	0	0	0
Loans Receivable	0	0	0
Interfund Receivable	11,100,949	0	0
Total Assets	\$46,210,824	\$16,206,116	\$5,301,359
<u>Liabilities:</u>			
Accounts Payable	\$400,536	\$56,952	\$138,511
Contracts Payable	0	0	0
Retainage Payable	0	1,909	0
Accrued Wages Payable	415,574	191,696	122,169
Intergovernmental Payable	87,142	51,074	18,500
Matured Interest Payable	0	0	0
Due To Other Funds	11,094	3,263	32,224
Matured Compensated Absences Payable	157,184	27,631	35,624
Interfund Payable	237,976	128,294	75,344
Total Liabilities	1,309,506	460,819	422,372
<u>Deferred Inflows of Resources:</u>			
Property Taxes	3,078,524	9,892,656	0
Payment in Lieu of Taxes	0	0	0
Unavailable Revenue	2,699,011	1,373,150	8,012
Total Deferred Inflows of Resources	5,777,535	11,265,806	8,012
<u>Fund Balances:</u>			
Nonspendable	10,713,187	3,352	155,817
Restricted	0	4,476,139	0
Committed	0	0	4,715,158
Assigned	984,689	0	0
Unassigned (<i>Deficit</i>)	27,425,907	0	0
Total Fund Balances (<i>Deficit</i>)	39,123,783	4,479,491	4,870,975
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$46,210,824	\$16,206,116	\$5,301,359

See accompanying notes to the basic financial statements

<i>General Capital Improvement</i>	<i>South State Street TIF Incentive</i>	<i>Nonmajor Governmental Funds</i>	<i>Total Governmental Funds</i>
\$6,929,358	\$1,290,877	\$10,330,640	\$54,841,597
0	0	295,543	295,543
0	0	197,339	13,763,101
875,008	0	625,006	5,000,045
0	0	3,712	147,918
0	0	315	532,075
0	523,134	911,328	1,434,462
0	0	324	91,328
0	0	879,128	2,549,543
0	0	5,260	429,132
0	0	284,393	683,971
0	0	158,465	158,465
0	0	326,900	326,900
0	0	0	11,100,949
\$7,804,366	\$1,814,011	\$14,018,353	\$91,355,029
\$158,598	\$43,528	\$58,901	\$857,026
514,049	0	7,443	521,492
81,140	188,756	25,323	297,128
0	0	24,621	754,060
0	0	3,773	160,489
0	0	3,067	3,067
0	0	539	47,120
0	0	0	220,439
0	3,146,000	5,599,896	9,187,510
753,787	3,378,284	5,723,563	12,048,331
0	0	188,690	13,159,870
0	523,134	876,206	1,399,340
378,390	0	1,346,620	5,805,183
378,390	523,134	2,411,516	20,364,393
0	0	289,653	11,162,009
0	0	8,171,188	12,647,327
703,324	0	1,434,108	6,852,590
5,968,865	0	122,840	7,076,394
0	(2,087,407)	(4,134,515)	21,203,985
6,672,189	(2,087,407)	5,883,274	58,942,305
\$7,804,366	\$1,814,011	\$14,018,353	\$91,355,029



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City of Westerville, Ohio
Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
December 31, 2012

Total Governmental Fund Balances	\$58,942,305
Amounts reported for governmental activities in the Statement of Net Position 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	18,750,218
Construction In Progress	15,348,211
Infrastructure	117,605,334
Other Capital Assets	126,020,179
Accumulated Depreciation	<u>(51,807,705)</u>
	225,916,237
Internal service funds are used by management to charge the costs of insurance, workers' compensation and automotive maintenance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.	
Net Position	1,506,699
Capital Assets	(156,344)
Compensated Absences	<u>32,395</u>
Total	1,382,750
An internal balance is recorded in governmental activities to reflect underpayments to the internal service fund by the business-type activities.	
	(94,441)
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds:	
Municipal Income Taxes	2,162,229
Delinquent Property Taxes	603,231
Other Local Taxes	108,786
Payments in Lieu of Taxes	9,517
Intergovernmental	2,517,942
Accrued Interest Receivable	80,872
Accounts	<u>322,606</u>
	5,805,183
Deferred outflows of resources include deferred charges on refundings which do not provide current financial resources and, therefore, are not reported in the funds.	
	241,706
In the Statement of Activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	
	(89,423)
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:	
General Obligation Bonds	(28,570,505)
Premium on Bonds	(1,545,810)
Discount on Bonds	1,093
OPWC Loans	(2,186,646)
Police Pension	(18,271)
Compensated Absences	<u>(3,467,736)</u>
	<u>(35,787,875)</u>
Net Position of Governmental Activities	<u><u>\$256,316,442</u></u>

See accompanying notes to the basic financial statements

City of Westerville, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2012

	<i>General</i>	<i>Fire Operating</i>	<i>Parks and Recreation Operating</i>
<u>Revenues:</u>			
Property Taxes	\$2,873,581	\$9,255,493	\$0
Municipal Income Taxes	26,953,741	0	0
Other Local Taxes	505,166	0	0
Payments in Lieu of Taxes	0	0	0
Intergovernmental	4,886,259	3,054,758	10,434
Charges for Services	79,769	1,113,327	3,901,779
Fees, Licenses and Permits	810,450	50	11,666
Fines and Forfeitures	548,257	0	0
Investment Earnings	883,237	48,639	0
Other	48,324	5,233	3,824
<i>Total Revenues</i>	<u>37,588,784</u>	<u>13,477,500</u>	<u>3,927,703</u>
<u>Expenditures:</u>			
Current:			
Security of Persons and Property	13,717,635	12,831,651	0
Public Health	71,500	0	0
Leisure Time Activities	0	0	8,698,270
Community Development	2,853,154	0	0
Basic Utility Services	665,789	0	0
Transportation	0	0	0
General Government	10,858,658	0	0
Capital Outlay	0	1,909	0
Debt Service:			
Principal Retirement	693	0	0
Interest and Fiscal Charges	799	0	0
<i>Total Expenditures</i>	<u>28,168,228</u>	<u>12,833,560</u>	<u>8,698,270</u>
Excess of Revenues Over (Under) Expenditures	<u>9,420,556</u>	<u>643,940</u>	<u>(4,770,567)</u>
<u>Other Financing Sources (Uses):</u>			
General Obligation Bonds Issued	0	0	0
OPWC Loans Issued	0	0	0
Premium on Debt Issued	0	0	0
Proceeds from Sale of Capital Assets	2,599	0	0
Payment to Refunded Bond Escrow Agent	0	0	0
Transfers - In	2,667	0	4,547,795
Transfers - Out	(8,739,495)	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>(8,734,229)</u>	<u>0</u>	<u>4,547,795</u>
Net Change in Fund Balances	686,327	643,940	(222,772)
<i>Fund Balances (Deficit) at Beginning of Year</i>	<u>38,437,456</u>	<u>3,835,551</u>	<u>5,093,747</u>
<i>Fund Balances (Deficit) at End of Year</i>	<u>\$39,123,783</u>	<u>\$4,479,491</u>	<u>\$4,870,975</u>

See accompanying notes to the basic financial statements

<i>General Capital Improvement</i>	<i>South State Street TIF Incentive</i>	<i>Nonmajor Governmental Funds</i>	<i>Total Governmental Funds</i>
\$0	\$0	\$177,331	\$12,306,405
7,234,957	0	4,702,196	38,890,894
0	0	38,925	544,091
0	547,421	3,078,039	3,625,460
0	1,617	2,183,546	10,136,614
50,608	0	0	5,145,483
0	0	32,760	854,926
0	0	151,463	699,720
0	0	3,756	935,632
37,327	233,000	95,482	423,190
<u>7,322,892</u>	<u>782,038</u>	<u>10,463,498</u>	<u>73,562,415</u>
0	0	43,898	26,593,184
0	0	0	71,500
0	0	0	8,698,270
0	0	0	2,853,154
0	0	0	665,789
0	0	2,148,313	2,148,313
0	0	3,337,499	14,196,157
7,310,609	1,451,606	2,510,236	11,274,360
0	0	2,779,088	2,779,781
39,852	0	1,186,852	1,227,503
<u>7,350,461</u>	<u>1,451,606</u>	<u>12,005,886</u>	<u>70,508,011</u>
<u>(27,569)</u>	<u>(669,568)</u>	<u>(1,542,388)</u>	<u>3,054,404</u>
2,400,000	0	3,825,000	6,225,000
0	574,505	208,955	783,460
39,852	0	465,623	505,475
0	0	21,568	24,167
0	0	(4,083,163)	(4,083,163)
1,128,100	0	8,217,840	13,896,402
(980,706)	0	(4,176,201)	(13,896,402)
<u>2,587,246</u>	<u>574,505</u>	<u>4,479,622</u>	<u>3,454,939</u>
2,559,677	(95,063)	2,937,234	6,509,343
4,112,512	(1,992,344)	2,946,040	52,432,962
<u>\$6,672,189</u>	<u>(\$2,087,407)</u>	<u>\$5,883,274</u>	<u>\$58,942,305</u>

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, 2012

Net Change in Fund Balances - Total Governmental Funds	\$6,509,343
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	8,241,838
Depreciation	<u>(4,419,149)</u>
Excess of Capital Outlay Over Depreciation	3,822,689
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.	
	81,228
Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the Statement of Activities, a gain or loss is reported for each sale.	
Proceeds from Sale of Capital Assets	(24,167)
The internal service funds used by management to charge the costs of workers' compensation and 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 revenues (expenses) of the internal service funds are allocated among the governmental activities, net of the change in the internal balance resulting from activity with the enterprise funds.	
Change in Net Position	(106,569)
Capital Assets	3,712
Compensated Absences	<u>(2,801)</u>
	(105,658)
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 Position. In the current year, these amounts consist of:	
General Obligation Bond Principal Payments	2,765,075
Ohio Public Works Commission Loan Principal Payments	14,013
Police Pension Principal Payments	693
Payment to Refunded Bond Escrow Agent	<u>4,083,163</u>
	6,862,944
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.	
Interest	(37,865)
Municipal Income Taxes	(433,728)
Property Taxes	(266,139)
Other Local Taxes	55,480
Payments in Lieu of Taxes	(1,380,139)
Intergovernmental	216,283
Charges for Services	270,119
Fees, Licenses and Permits	(2,474)
Miscellaneous	<u>10,056</u>
	(1,568,407)
In the Statement of Activities, interest on outstanding bonds, and bond premiums and discounts are amortized over the term of the bonds, whereas in governmental funds, an expenditure is reported when bonds are issued:	
Accrued Interest	(777,021)
Amortization of Deferred Charge on Refunding	(1,456)
Amortization of Bond Discounts	(22,061)
Amortization of Bond Premiums	<u>173,013</u>
	(627,525)
The issuance of long-term debt provides current financial resources to governmental funds, but in the Statement of Net Position, the debt is reported as a liability.	
Proceeds of OPWC Loans	(783,460)
Premium on Debt Issued	(505,475)
Proceeds of Bonds	<u>(6,225,000)</u>
	(7,513,935)
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:	
Compensated Absences	<u>(17,968)</u>
Change in Net Position of Governmental Activities	<u>\$7,418,544</u>

See accompanying notes to the basic financial statements

City of Westerville, Ohio
Statement of Revenues, Expenditures and Changes in Fund
Balance - Budget (Non-GAAP Budgetary Basis) and Actual
General Fund
For the Year Ended December 31, 2012

	<u>Budget</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Property Taxes	\$3,159,820	\$2,873,581	\$2,873,581	\$0
Municipal Income Taxes	26,717,385	26,731,622	26,938,525	206,903
Intergovernmental	4,365,306	5,018,697	5,014,037	(4,660)
Charges for Services	247,468	237,894	238,940	1,046
Fees, Licenses and Permits	582,100	806,630	810,309	3,679
Fines and Forfeitures	598,835	550,651	550,651	0
Investment Earnings	1,000,000	1,128,215	1,181,983	53,768
Other	30,100	52,057	34,260	(17,797)
<i>Total Revenues</i>	<u>36,701,014</u>	<u>37,399,347</u>	<u>37,642,286</u>	<u>242,939</u>
<u>Expenditures:</u>				
Current:				
Security of Persons and Property	15,880,482	15,324,025	13,836,564	1,487,461
Public Health	241,856	96,291	78,235	18,056
Community Development	3,367,728	3,335,277	2,894,469	440,808
Basic Utility Services	787,221	809,581	685,765	123,816
General Government	12,703,038	12,880,754	11,221,738	1,659,016
Debt Service:				
Principal Retirement	665	694	693	1
Interest and Fiscal Charges	828	799	799	0
<i>Total Expenditures</i>	<u>32,981,818</u>	<u>32,447,421</u>	<u>28,718,263</u>	<u>3,729,158</u>
Excess of Revenues Over Expenditures	<u>3,719,196</u>	<u>4,951,926</u>	<u>8,924,023</u>	<u>3,972,097</u>
<u>Other Financing Sources (Uses):</u>				
Proceeds from Sale of Capital Assets	0	3,084	3,085	1
Advances - In	2,962,068	3,130,716	3,130,715	(1)
Advances - Out	0	(1,625,000)	(1,625,000)	0
Transfers - In	177,913	2,668	2,667	(1)
Transfers - Out	(6,009,304)	(7,137,404)	(6,977,404)	160,000
<i>Total Other Financing Sources (Uses)</i>	<u>(2,869,323)</u>	<u>(5,625,936)</u>	<u>(5,465,937)</u>	<u>159,999</u>
Net Change in Fund Balance	849,873	(674,010)	3,458,086	4,132,096
Fund Balance at Beginning of Year	20,042,020	20,776,577	20,776,577	0
Prior Year Encumbrances Carried Over	1,494,150	606,572	606,572	0
<i>Fund Balance at End of Year</i>	<u>\$22,386,043</u>	<u>\$20,709,139</u>	<u>\$24,841,235</u>	<u>\$4,132,096</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, 2012

	<i>Budget</i>		<i>Actual</i>	<i>Variance Positive (Negative)</i>
	<i>Original</i>	<i>Final</i>		
<u>Revenues:</u>				
Property Taxes	\$9,720,756	\$9,255,493	\$9,255,493	\$0
Intergovernmental	2,902,937	3,105,215	3,105,218	3
Charges for Services	1,158,827	1,089,684	1,096,070	6,386
Fees, Licenses and Permits	0	50	50	0
Investment Earnings	50,000	59,352	61,951	2,599
Other	1,500	5,232	5,233	1
<i>Total Revenues</i>	<u>13,834,020</u>	<u>13,515,026</u>	<u>13,524,015</u>	<u>8,989</u>
<u>Expenditures:</u>				
Current:				
Security of Persons and Property	14,636,378	14,401,471	13,172,941	1,228,530
Excess of Revenues Over (Under) Expenditures	(802,358)	(886,445)	351,074	1,237,519
<u>Other Financing Uses:</u>				
Transfers - Out	(177,913)	0	0	0
Net Change in Fund Balance	(980,271)	(886,445)	351,074	1,237,519
Fund Balance at Beginning of Year	3,807,961	3,963,008	3,963,008	0
Prior Year Encumbrances Carried Over	359,687	204,645	204,645	0
<i>Fund Balance at End of Year</i>	<u>\$3,187,377</u>	<u>\$3,281,208</u>	<u>\$4,518,727</u>	<u>\$1,237,519</u>

See accompanying notes to the basic financial statements

City of Westerville, Ohio
Statement of Revenues, Expenditures and Changes in Fund
Balance - Budget (Non-GAAP Budgetary Basis) and Actual
Parks and Recreation Operating Special Revenue Fund
For the Year Ended December 31, 2012

	<i>Budget</i>		<i>Actual</i>	<i>Variance Positive (Negative)</i>
	<i>Original</i>	<i>Final</i>		
<u>Revenues:</u>				
Intergovernmental	\$0	\$10,434	\$10,434	\$0
Charges for Services	3,747,202	3,833,636	3,900,109	66,473
Fees, Licenses and Permits	36,000	11,665	11,666	1
Other	32,000	5,001	5,032	31
<i>Total Revenues</i>	<u>3,815,202</u>	<u>3,860,736</u>	<u>3,927,241</u>	<u>66,505</u>
<u>Expenditures:</u>				
Current:				
Leisure Time Activities	9,792,105	9,910,779	9,321,494	589,285
Excess of Revenues Under Expenditures	(5,976,903)	(6,050,043)	(5,394,253)	655,790
<u>Other Financing Sources:</u>				
Transfers - In	4,547,795	4,547,795	4,547,795	0
<i>Total Other Financing Sources</i>	<u>4,547,795</u>	<u>4,547,795</u>	<u>4,547,795</u>	<u>0</u>
Net Change in Fund Balance	(1,429,108)	(1,502,248)	(846,458)	655,790
Fund Balance at Beginning of Year	5,014,516	4,914,164	4,914,164	0
Prior Year Encumbrances Carried Over	240,751	341,105	341,105	0
<i>Fund Balance at End of Year</i>	<u>\$3,826,159</u>	<u>\$3,753,021</u>	<u>\$4,408,811</u>	<u>\$655,790</u>

See accompanying notes to the basic financial statements

City of Westerville, Ohio
Statement of Fund Net Position
Proprietary Funds
December 31, 2012

	<i>Business-Type Activities -- Enterprise Funds</i>			
	<i>Water</i>	<i>Sewer</i>	<i>Electric</i>	<i>Community Data Center</i>
<u>Assets:</u>				
<u>Current Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$7,631,444	\$6,156,909	\$23,543,270	\$2,444,232
Cash and Cash Equivalents with Fiscal Agents	641	0	0	0
Receivables:				
Accounts, Net	469,868	1,205,425	7,302,118	7,248
Accrued Interest	0	0	0	3,775
Due From Other Funds	0	0	69,925	0
Interfund Receivable	0	0	810,000	0
Prepaid Items	1,382	1,053	4,109	8,647
Materials and Supplies Inventory	115,274	8,394	899,836	0
Total Current Assets	8,218,609	7,371,781	32,629,258	2,463,902
<u>Non-current Assets:</u>				
Capital Assets:				
Water Rights, Net	1,088,557	0	0	0
Nondepreciable Capital Assets	3,333,518	530,415	3,965,091	1,186,260
Depreciable Capital Assets, Net	25,947,934	13,637,458	54,492,683	8,552,765
Total Non-current Assets	30,370,009	14,167,873	58,457,774	9,739,025
Total Assets	38,588,618	21,539,654	91,087,032	12,202,927
<u>Deferred Outflows of Resources:</u>				
Deferred Charge on Refunding	0	0	102,301	0
<u>Liabilities:</u>				
<u>Current Liabilities:</u>				
Accounts Payable	147,160	16,737	2,841,508	13,852
Contracts Payable	32,598	0	163,487	0
Accrued Wages Payable	36,846	10,084	76,765	0
Retainage Payable	38,187	0	147,455	111,331
Matured Interest Payable	641	0	0	0
Accrued Interest Payable	42,024	21,774	96,130	32,025
Intergovernmental Payable	5,538	1,453,636	13,340	0
Due To Other Funds	15,711	444	0	6,347
Unearned Revenue	0	0	40,072	144,427
Deposits Held and Due to Others	0	0	255,857	0
Claims Payable	0	0	0	0
Interfund Payable	18,282	5,331	51,746	0
Compensated Absences Payable	120,316	29,407	276,354	0
ODNR Loans Payable	46,570	0	0	0
General Obligation Bonds Payable	239,780	80,220	1,406,590	0
Total Current Liabilities	743,653	1,617,633	5,369,304	307,982
<u>Long-Term Liabilities:</u>				
Interfund Payable	0	0	0	2,974,740
Compensated Absences Payable, Net	88,774	13,196	210,937	0
ODNR Loans Payable, Net	1,505,453	0	0	0
Revenue Bonds Payable, Net	0	0	0	8,898,986
General Obligation Bonds Payable, Net	5,339,111	1,812,545	26,979,897	0
Total Long-Term Liabilities	6,933,338	1,825,741	27,190,834	11,873,726
Total Liabilities	7,676,991	3,443,374	32,560,138	12,181,708
<u>Net Position:</u>				
Net Investment in Capital Assets	23,655,209	12,847,258	30,450,716	2,492,587
Unrestricted	7,256,418	5,249,022	28,178,479	(2,471,368)
Total Net Position	\$30,911,627	\$18,096,280	\$58,629,195	\$21,219

Adjustment to reflect the consolidation of the Internal Service Fund's activities related to Enterprise Funds
Net Position of Business-Type Activities

See accompanying notes to the basic financial statements

<i>Nonmajor Enterprise Fund</i>	<i>Totals</i>	<i>Governmental Activities</i>
		<i>Internal Service Funds</i>
\$607,103	\$40,382,958	\$1,635,366
0	641	0
371,346	9,356,005	0
0	3,775	0
0	69,925	0
0	810,000	536,045
994	16,185	67
0	1,023,504	89,282
<u>979,443</u>	<u>51,662,993</u>	<u>2,260,760</u>
0	1,088,557	0
13,239	9,028,523	0
14,965	102,645,805	156,344
<u>28,204</u>	<u>112,762,885</u>	<u>156,344</u>
1,007,647	164,425,878	2,417,104
<u>0</u>	<u>102,301</u>	<u>0</u>
187,232	3,206,489	32,222
0	196,085	0
1,808	125,503	7,577
0	296,973	0
0	641	0
0	191,953	0
278	1,472,792	1,139
54	22,556	249
0	184,499	0
0	255,857	0
0	0	832,633
0	75,359	4,190
4,295	430,372	23,460
0	46,570	0
0	1,726,590	0
<u>193,667</u>	<u>8,232,239</u>	<u>901,470</u>
205,195	3,179,935	0
0	312,907	8,935
0	1,505,453	0
0	8,898,986	0
0	34,131,553	0
<u>205,195</u>	<u>48,028,834</u>	<u>8,935</u>
<u>398,862</u>	<u>56,261,073</u>	<u>910,405</u>
28,204	69,473,974	156,344
580,581	38,793,132	1,350,355
<u>\$608,785</u>	<u>108,267,106</u>	<u>\$1,506,699</u>
	94,441	
	<u>\$108,361,547</u>	

City of Westerville, Ohio
Statement of Revenues,
Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2012

	<i>Business-Type Activities -</i>		
	<i>Water</i>	<i>Sewer</i>	<i>Electric</i>
<u>Operating Revenues:</u>			
Charges for Services	\$3,294,988	\$8,054,989	\$46,349,812
Tap-In Fees	0	4,800	0
Other Operating Revenues	91,471	108	79,130
<i>Total Operating Revenues</i>	<u>3,386,459</u>	<u>8,059,897</u>	<u>46,428,942</u>
<u>Operating Expenses:</u>			
Personal Services	1,589,925	462,131	3,536,318
Contractual Services	733,214	7,099,687	34,303,245
Materials and Supplies	6,688	21,066	921,888
Claims	0	0	0
Other	1,098	78	78,290
Depreciation/Amortization	896,333	421,126	2,296,056
<i>Total Operating Expenses</i>	<u>3,227,258</u>	<u>8,004,088</u>	<u>41,135,797</u>
<i>Operating Income (Loss)</i>	<u>159,201</u>	<u>55,809</u>	<u>5,293,145</u>
<u>Non-Operating Revenues (Expenses):</u>			
Investment Earnings	0	0	859
Interest and Fiscal Charges	(380,555)	(82,900)	(1,601,769)
Loss on Disposal of Capital Assets	0	0	(284,735)
<i>Total Non-Operating Revenues (Expenses)</i>	<u>(380,555)</u>	<u>(82,900)</u>	<u>(1,885,645)</u>
Income (Loss) Before Underground Line and Capacity Charges and Contributed Capital	(221,354)	(27,091)	3,407,500
Underground Line and Capacity Charges	814,983	226,550	3,000
Contributed Capital	<u>578,600</u>	<u>79,750</u>	<u>0</u>
Change in Net Position	1,172,229	279,209	3,410,500
<i>Net Position at Beginning of Year</i>	<u>29,739,398</u>	<u>17,817,071</u>	<u>55,218,695</u>
<i>Net Position at End of Year</i>	<u>\$30,911,627</u>	<u>\$18,096,280</u>	<u>\$58,629,195</u>

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

Change in Net Position of Business-Type Activities

See accompanying notes to the basic financial statements

<i>Enterprise Funds</i>			<i>Governmental Activities</i>
<i>Community Data Center</i>	<i>Nonmajor Enterprise Fund</i>	<i>Totals</i>	<i>Internal Service Funds</i>
\$191,793	\$2,396,484	\$60,288,066	\$1,552,930
0	0	4,800	0
8,285	0	178,994	54,802
200,078	2,396,484	60,471,860	1,607,732
0	104,206	5,692,580	376,140
282,955	2,291,524	44,710,625	279,193
0	2,770	952,412	613,139
0	0	0	444,450
0	4,852	84,318	0
184,794	163,840	3,962,149	22,439
467,749	2,567,192	55,402,084	1,735,361
(267,671)	(170,708)	5,069,776	(127,629)
41,171	0	42,030	0
(575,399)	0	(2,640,623)	0
0	0	(284,735)	0
(534,228)	0	(2,883,328)	0
(801,899)	(170,708)	2,186,448	(127,629)
978	0	1,045,511	0
0	0	658,350	0
(800,921)	(170,708)	3,890,309	(127,629)
822,140	779,493		1,634,328
\$21,219	\$608,785		\$1,506,699
		(21,060)	
		\$3,869,249	

City of Westerville, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2012

	<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	\$3,253,818	\$8,054,754	\$45,843,330
Cash Received from Internal Services Provided	0	0	0
Cash Payments for Personal Services	(1,579,430)	(469,250)	(3,504,952)
Cash Payments for Materials and Supplies	(487,499)	(19,476)	(499,838)
Cash Payments for Other Services and Charges	(183,433)	(7,192,914)	(35,605,516)
Cash Payments for Claims	0	0	0
Cash Received From Operating Portion of Tap-in Fees	0	4,800	0
Other Operating Revenues	97,448	108	122,510
Deposits Received	0	0	1,546,915
Deposits Refunded/Applied	0	0	(1,522,545)
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>1,100,904</u>	<u>378,022</u>	<u>6,379,904</u>
<u>Cash Flows from Non-Capital Financing Activities:</u>			
Advances from Other Funds	0	0	0
Transfers from Other Funds	0	0	0
Transfers to Other Funds	0	0	0
<i>Net Cash Provided by Non-Capital Financing Activities</i>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Acquisition and Construction of Capital Assets	(1,994,481)	(377,449)	(3,371,230)
Proceeds from the Sale of Capital Assets	0	0	16,024
Underground Lines and Capacity Charges	814,983	226,550	3,000
Proceeds from the Sale of Bonds	630,000	715,000	2,350,000
Principal Paid on General Obligation Bonds	(207,685)	(52,315)	(1,299,925)
Interest Paid on General Obligation Bonds	(210,779)	(63,172)	(1,223,043)
Principal Paid on ODNR Debt	(45,116)	0	0
Interest Paid on ODNR Debt	(51,460)	0	0
Interest Paid on Revenue Bonds	0	0	0
Premium on Debt Issued	10,461	11,873	110,724
Payment to Bond Escrow Agent	0	0	(855,852)
<i>Net Cash Provided by (Used for) Capital and Related Financing Activities</i>	<u>(1,054,077)</u>	<u>460,487</u>	<u>(4,270,302)</u>
<u>Cash Flows From Investing Activities:</u>			
Interest	0	0	859
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	46,827	838,509	2,110,461
<i>Cash and Cash Equivalents at Beginning of Year</i>	<u>7,585,258</u>	<u>5,318,400</u>	<u>21,432,809</u>
<i>Cash and Cash Equivalents at End of Year</i>	<u><u>\$7,632,085</u></u>	<u><u>\$6,156,909</u></u>	<u><u>\$23,543,270</u></u>

<i>Enterprise Funds</i>			<i>Governmental Activities</i>
<i>Community Data Center</i>	<i>Nonmajor Enterprise Fund</i>	<i>Totals</i>	<i>Internal Service Funds</i>
\$329,232	\$2,385,641	\$59,866,775	\$0
0	0	0	1,518,857
0	(101,952)	(5,655,584)	(375,498)
(5,331)	(2,770)	(1,014,914)	(624,277)
(1,155,418)	(2,288,405)	(46,425,686)	(283,013)
0	0	0	(233,479)
0	0	4,800	0
8,285	0	228,351	54,802
0	0	1,546,915	0
0	0	(1,522,545)	0
<u>(823,232)</u>	<u>(7,486)</u>	<u>7,028,112</u>	<u>57,392</u>
935,000	0	935,000	0
384,294	0	384,294	0
<u>(384,294)</u>	<u>0</u>	<u>(384,294)</u>	<u>0</u>
<u>935,000</u>	<u>0</u>	<u>935,000</u>	<u>0</u>
(1,047,129)	(739)	(6,791,028)	(18,727)
0	0	16,024	0
0	0	1,044,533	0
0	0	3,695,000	0
0	0	(1,559,925)	0
0	0	(1,496,994)	0
0	0	(45,116)	0
0	0	(51,460)	0
(384,294)	0	(384,294)	0
0	0	133,058	0
<u>0</u>	<u>0</u>	<u>(855,852)</u>	<u>0</u>
<u>(1,431,423)</u>	<u>(739)</u>	<u>(6,296,054)</u>	<u>(18,727)</u>
<u>37,396</u>	<u>0</u>	<u>38,255</u>	<u>0</u>
(1,282,259)	(8,225)	1,705,313	38,665
<u>3,726,491</u>	<u>615,328</u>	<u>38,678,286</u>	<u>1,596,701</u>
<u>\$2,444,232</u>	<u>\$607,103</u>	<u>\$40,383,599</u>	<u>\$1,635,366</u>

(continued)

City of Westerville, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2012
(Continued)

	<i>Business-Type Activities --</i>		
	<i>Water</i>	<i>Sewer</i>	<i>Electric</i>
<i>Reconciliation of Operating Income (Loss) to</i>			
<i>Net Cash Provided by (Used for) Operating Activities:</i>			
Operating Income (Loss)	\$159,201	\$55,809	\$5,293,145
<i>Adjustments to Reconcile Operating Income (Loss) to</i>			
<i>Net Cash Provided by (Used for) Operating Activities:</i>			
Depreciation/Amortization	896,333	421,126	2,296,056
Change in Provision for Uncollectable Accounts Receivable	1,064	4	9,032
<i>Changes in Assets and Liabilities:</i>			
Increase in Accounts Receivable	(35,159)	(161)	(438,968)
Increase in Prepaid Items	(379)	(50)	210
Increase in Due from Other Funds	0	0	45,124
(Increase) Decrease in Material and Supplies Inventory	12,371	(5)	117,461
Increase (Decrease) in Accounts Payable	78,236	13,418	(249,311)
Increase in Contracts Payable	(18,562)	0	(557,215)
Increase in Claims Payable	0	0	0
Increase in Accrued Wages Payable	4,563	3,375	9,303
Increase (Decrease) in Compensated Absences Payable	3,361	(10,099)	15,951
Decrease in Retainage Payable	7,900	0	(191,606)
Increase (Decrease) in Due to Other Funds	(8,781)	(1,212)	4,631
Increase in Intergovernmental Payable	756	(104,183)	1,721
Increase in Unearned Revenue	0	0	15,319
Increase in Deposits Held and Due to Others	0	0	9,051
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>\$1,100,904</u>	<u>\$378,022</u>	<u>\$6,379,904</u>
<i>Noncash Capital and Related Financing Activities:</i>			
Asset Additions Donated by Developers and Other Governmental Funds and Capitalized at Fair Market Value	<u>\$578,600</u>	<u>\$79,750</u>	<u>\$0</u>

See accompanying notes to the basic financial statements

<i>Enterprise Funds</i>			<i>Governmental Activities</i>
<i>Community Data Center</i>	<i>Nonmajor Enterprise Fund</i>	<i>Totals</i>	<i>Internal Service Funds</i>
(\$267,671)	(\$170,708)	\$5,069,776	(\$127,629)
184,794	163,840	3,962,149	22,439
0	154	10,254	0
(6,988)	(6,145)	(487,421)	0
(8,647)	9	(8,857)	(67)
0	0	45,124	(34,073)
0	0	129,827	(14,285)
(119,057)	3,144	(273,570)	(446)
(397,407)	0	(973,184)	0
0	0	0	210,971
0	579	17,820	2,722
0	1,457	10,670	(2,801)
(344,728)	0	(528,434)	0
(7,955)	95	(13,222)	149
0	89	(101,617)	412
144,427	0	159,746	0
0	0	9,051	0
(\$823,232)	(\$7,486)	\$7,028,112	\$57,392
\$978	\$0	\$659,328	\$0

City of Westerville, Ohio
Statement of Fiduciary
Assets and Liabilities
Agency Funds
December 31, 2012

<u>Assets:</u>	
Equity in Pooled Cash and Cash Equivalents	\$1,304,537
Cash and Cash Equivalents with Fiscal Agents	8,225
Receivables:	
Other Local Taxes	<u>1,238</u>
<i>Total Assets</i>	<u><u>\$1,314,000</u></u>
<u>Liabilities:</u>	
Accounts Payable	\$1,238
Undistributed Monies	993,137
Intergovernmental Payable	91,865
Deposits Held and Due to Others	<u>227,760</u>
<i>Total Liabilities</i>	<u><u>\$1,314,000</u></u>

See accompanying notes to the basic financial statements

City of Westerville, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2012

NOTE 1 – DESCRIPTION OF THE CITY AND REPORTING ENTITY

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

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

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

THE REPORTING ENTITY

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

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

The Westerville Mayor's Court, who 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, and the Central Ohio Risk Management Association Self-Insurance Pool, Inc. These organizations are presented in Notes 20, 21 and 22 to the basic financial statements.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

BASIS OF PRESENTATION

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

The Statement of Net Position 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 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.

City of Westerville, Ohio

Notes to the Basic Financial Statements (Continued)

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

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 deferred outflows of resources, and liabilities and deferred inflows of resources is reported as fund balance. The following are the City's major governmental funds:

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

General Capital Improvement Fund – This fund accounts for and reports general capital improvements financed by transfers from the General Fund.

City of Westerville, Ohio

Notes to the Basic Financial Statements (Continued)

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

South State Street TIF Incentive Fund – This fund accounts for and reports restricted service payments in lieu of taxes made by developers and/or owners to fund public infrastructure improvements and acquisition of interests in real estate relating to the TIF area. This fund will also account for the portion of the project that is financed by restricted OPWC grants and/or loans.

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

PROPRIETARY FUNDS

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

Enterprise Funds – Enterprise funds may be used to account for and reports 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 and report the revenues and expenses of the City-owned water filtration and distribution system.

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

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

Community Data Center Fund – This fund is used to account for and report the revenues and expenses of the City-wide broadband network and data storage for public and commercial use.

The other enterprise fund of the City accounts for solid waste collection and disposal.

Internal Service Funds – The internal service funds are used to account for and report 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.

City of Westerville, Ohio

Notes to the Basic Financial Statements (Continued)

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

FIDUCIARY FUNDS

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds. The three types of trust funds should be used to report resources held and administered by the City when it is acting in a fiduciary capacity for individuals, private organizations, or other governments. These funds are distinguished by the existence of a trust agreement that affects the degree of management involvement and the length of time that the resources are held. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

The City's only fiduciary funds consist of eight agency funds which are used to account for money held for individuals and organizations. These funds account for money belonging to the convention and visitors' bureau, for payroll withholding liabilities, for sewer capacity fees collected and remitted to the City of Columbus, for building and related permit fees collected and remitted to the State of Ohio, for deposits by contractors, developers or individuals held to ensure compliance with City building codes, for distributing court fines and forfeitures, for recreation fees used by other subdivisions in maintaining their park systems and for sales tax collected at the Community Data Center and remitted to the State of Ohio.

MEASUREMENT FOCUS

Government-Wide Financial Statements

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

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.

City of Westerville, Ohio

Notes to the Basic Financial Statements (Continued)

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

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 Position. The Statement of Revenues, Expenses and Changes in Fund Net Position presents increases (e.g., revenues) and decreases (e.g., expenses) in total net position.

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, in the recording of deferred outflows/inflows of resources, and in the presentation of expenses versus expenditures.

Revenues – Exchange and Non-Exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available. “Measurable” means the amount of the transaction can be determined and “available” means the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the City, available means expected to be received within 31 days of year-end.

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

City of Westerville, Ohio

Notes to the Basic Financial Statements (Continued)

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

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

Unearned revenue represents amounts under the accrual and modified accrual basis of accounting for which asset recognition criteria have been met, but for which revenue recognition criteria have not yet been met because such amounts have not yet been earned.

Deferred Outflows/Inflows of Resources

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, deferred outflows of resources include a deferred charge on refunding. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes, payment in lieu of taxes and unavailable revenue. Property taxes and payments in lieu of taxes represent amounts for which there is an enforceable legal claim as of December 31, 2012, but which were levied to finance 2013 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the City, unavailable revenue includes municipal income taxes, delinquent property taxes, other local taxes, payments in lieu of taxes, intergovernmental, grants, interest, and accounts. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

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

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

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

On the Statements and Schedules of Revenues, Expenditures/Expenses and Changes in Fund Balance/Equity, variances between the original amounts and the final/actual amounts of Fund Balance/Equity and Prior Year Encumbrances Carried Over are the result of the liquidation of encumbrances carried over from the prior year that were unused, resulting in the Fund Balance/Equity increasing by the amount that was liquidated.

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.

City of Westerville, Ohio

Notes to the Basic Financial Statements (Continued)

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

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

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

The City has invested funds in the State Treasury Asset Reserve of Ohio (STAROhio) during 2012. 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 net asset value per share which is the price the investment could be sold for on December 31, 2012.

Interest allocation is determined by the Ohio Constitution, State statutes, and local ordinances adopted under City Charter. Under these provisions, the City's funds required to receive interest allocations are: 1) those which receive proceeds from the sale of notes and/or bonds; 2) special tax levy funds; 3) the Self-Insurance Internal Service Fund; 4) the Parks and Recreation Capital Improvement Capital Projects Fund; 5) the Recreation Capital Improvement Capital Projects Fund; 6) the DARE Special Revenue Fund; 7) the Criminal Activity Forfeiture Special Revenue Fund; and 8) the Drug Enforcement Special Revenue Fund. All remaining interest is credited to the General Fund. Interest revenue credited to the General Fund during 2012 amounted to \$883,237, which includes \$674,113 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.

City of Westerville, Ohio

Notes to the Basic Financial Statements (Continued)

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

PREPAID ITEMS

Payments made to vendors for services that will benefit periods beyond December 31, 2012, 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 ASSETS – WATER RIGHTS

In 1974, the City entered into a 60 year agreement with the State of Ohio, Department of Natural Resources (ODNR), whereby the City acquired the right to seven and one-half percent of the storage capacity of the Alum Creek Reservoir. The cost of these rights is amortized, on a straight line basis, over the term of the agreement, starting in the tenth year, for the remaining 50 years of the agreement.

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 Position 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 Position and in the respective funds.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and reductions during the year. For certain assets, estimates were calculated by indexing estimated current costs back to the year of acquisition. Donated capital assets are recorded at their fair market values on the date donated. The City maintains a capitalization threshold of \$5,000. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed.

All capital assets except land, construction in progress, and road and bridge infrastructure are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the City's historical records of necessary improvements and replacements.

City of Westerville, Ohio

Notes to the Basic Financial Statements (Continued)

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

	<u>YEARS</u>
Land Improvements	10-30
Buildings	5-50
Furniture and Equipment	5-20
Vehicles	3-10
Infrastructure	10-50
Water, Sewer and Electric Lines	20-50

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

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

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

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

COMPENSATED ABSENCES

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

City of Westerville, Ohio

Notes to the Basic Financial Statements (Continued)

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

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

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

INTERFUND RECEIVABLES AND PAYABLES

On fund financial statements, receivables and payables arising between funds for goods provided or services rendered are classified as "Due from Other Funds" and "Due to Other Funds". Long-term interfund loans and unpaid amounts for interfund services are reported as "Interfund Receivable" and "Interfund Payable". Interfund balances are eliminated on the governmental-wide Statement of Net Position except for any net residual amounts due between governmental and business-type activities, which are presented as "Internal Balances."

ACCRUED LIABILITIES AND LONG-TERM OBLIGATIONS

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

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

City of Westerville, Ohio

Notes to the Basic Financial Statements (Continued)

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

BOND DISCOUNTS AND PREMIUMS

Bond discounts and premiums 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 and premiums are presented as a reduction/increase to the face amount of bonds.

DEFERRED CHARGE ON REFUNDING

On the government-wide financial statements, the difference between the reacquisition price (funds required to refund the old debt) and the net carrying amount of the old debt, the gain/loss on the refunding, is being amortized as a component of interest expense. This deferred amount is amortized over the life of the old or new debt, whichever is shorter, using the effective interest method and is presented as deferred outflows of resources on the Statement of Net Position.

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, line capacity charges, 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

FUND BALANCE

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

Nonspendable - The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. The nonspendable fund balances for the City include long-term loans receivable, prepaid items, materials and supplies inventory and interfund loans.

Restricted - The restricted fund balance category includes amounts that can be spent only for specific purposes stipulated by constitution, external resource provides, or through enabling legislation. Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation (City ordinances).

City of Westerville, Ohio

Notes to the Basic Financial Statements (Continued)

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

Assigned – Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. These amounts are assigned by council. In the General Fund, assigned amounts represent intended uses established by City Council or a City official delegated that authority by City Charter or ordinance or by State statute. State statute authorizes the finance director to assign fund balance for purchases on order provided such amounts have been lawfully appropriated.

Unassigned - Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The City has adopted a minimum fund balance policy that the General Fund will maintain six months worth of expenditures and the year's appropriation of transfers-out.

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

City of Westerville, Ohio

Notes to the Basic Financial Statements (Continued)

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

INTERNAL ACTIVITY

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

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

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

NET POSITION

Net position represents the difference between all other elements in a statement of financial position. Net investment in capital assets 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 position is 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 position restricted for other purposes include funds for improving the living environment of the City, the operation of police programs, and various other programs that benefit the City.

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

The government-wide Statement of Net Position reports \$15,133,160 of restricted net position.

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, electric, community data center, and refuse services. Operating expenses are the necessary costs incurred to provide the service that is the primary activity of the fund. Revenues and expenses that do not meet these definitions are reported as non-operating.

City of Westerville, Ohio

Notes to the Basic Financial Statements (Continued)

NOTE 3 – CHANGE IN ACCOUNTING PRINCIPLES

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.

For 2012, the City has implemented Governmental Accounting Standard Board (GASB) Statement No. 60, “Accounting and Financial Reporting for Service Concession Arrangements,” Statement No. 62, “Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989, FASB and AICPA Pronouncements,” Statement No. 63, “Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position,” Statement No. 64, “Derivative Instruments: Application of Hedge Accounting Termination Provisions – an amendment of GASB Statement No. 53” Statement No. 65, “Items Previously Reported as Assets and Liabilities,” and Statement No. 66, “Technical Corrections—2012—an amendment of GASB Statements No. 10 and No. 62”.

GASB Statement No. 60 improves financial reporting by addressing issues related to service concession arrangements, which are a type of public-private or public-public partnership. The implementation of this statement did not result in any change in the City’s financial statements.

GASB Statement No. 62 incorporates into GASB’s authoritative literature certain FASB and AICPA pronouncements issued on or before November 30, 1989. The implementation of this statement did not result in any change in the City’s financial statements.

GASB Statement No. 63 provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related note disclosures. These changes were incorporated in the City’s 2012 financial statements; however, there was no effect on beginning net position/fund balance.

GASB Statement No. 64 clarifies whether an effective hedging relationship continues after the replacement of a swap counterparty or a swap counterparty's credit support provider. This statement sets forth criteria that establish when the effective hedging relationship continues and hedge accounting should continue to be applied. The implementation of this statement did not result in any change in the City’s financial statements.

GASB Statement No. 65 properly classifies certain items that were previously reported as assets and liabilities as deferred outflows of resources or deferred inflows of resources or recognizes certain items that were previously reported as assets and liabilities as outflows of resources (expenses or expenditures) or inflows of resources (revenues). These changes were incorporated in the City’s 2012 financial statements; however, there was no effect on beginning net position/fund balance.

City of Westerville, Ohio

Notes to the Basic Financial Statements (Continued)

GASB Statement No. 66 resolves conflicting accounting and financial reporting guidance that could diminish the consistency of financial reporting and thereby enhance the usefulness of the financial reports. The implementation of this statement did not result in any change in the City's financial statements.

NOTE 4 – ACCOUNTABILITY

At December 31, 2012, the following funds had deficit fund balances:

<u>Funds</u>	<u>Amounts</u>
South State Street TIF Incentive	\$2,087,407
Hotel Tax	22,757
Africa Road Improvement	134,952
Maxtown Road Improvement	2,001,346
Cleveland Avenue Extension Improvement	747,041
Northstar / Worthington Road TIF	350,560
Altair TIF Incentive	877,859

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, results of operations and changes in fund balance 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 Budgetary Basis) and Actual is presented for the General Fund, and each major special revenue fund, on the budgetary basis to provide a meaningful comparison of actual results with the budget.

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

- (a) Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
- (b) Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
- (c) Outstanding year-end encumbrances are treated as expenditures (budget basis) rather than restricted, committed, or assigned fund balance (GAAP basis).

City of Westerville, Ohio

Notes to the Basic Financial Statements
(Continued)

NOTE 5 – BUDGETARY BASIS OF ACCOUNTING (continued)

- (d) Unrecorded cash represents amounts received but not included as revenue on the budget basis operating statements. These amounts are included as revenue on the GAAP basis operating statements.
- (e) Investments are reported at fair value (GAAP basis) rather than at cost (budget basis).
- (f) Advances – In and Advances – Out are operating transactions (budget basis) as opposed to balances sheet transactions (GAAP basis).
- (g) Certain funds are accounted for as separate funds internally with legally adopted budgets (budget basis) that do not meet the definition of special revenue funds under GASB Statement No. 54 and were reported with the General Fund (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>General</i>	<i>Fire Operating</i>	<i>Recreation Operating</i>
GAAP Basis	\$686,327	\$643,940	(\$222,772)
<u>Increases (decreases) Due To:</u>			
Revenue Accruals	(772,321)	57,283	(462)
Expenditure Accruals	588,430	(6,158)	2,772
Encumbrances Outstanding			
At Year-end (Budget Basis)	(785,609)	(333,223)	(625,996)
Perspective Differences:			
Cable TV Franchise Fee Fund	225,579	0	0
Unrecorded Cash - 2012	(32,536)		
Unrecorded Cash - 2011	34,930	0	0
Change in Fair Value of Investments - 2012	(219,056)	11,892	0
Change in Fair Value of Investments - 2011	464,536	(22,660)	0
Transfers	1,762,091	0	0
Advances	1,505,715	0	0
<i>Budget Basis</i>	\$3,458,086	\$351,074	(\$846,458)

NOTE 6 – DEPOSITS AND INVESTMENTS

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

City of Westerville, Ohio

Notes to the Basic Financial Statements (Continued)

NOTE 6 – DEPOSITS AND INVESTMENTS *(continued)*

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

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

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

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

1. United States Treasury notes, bills, bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above;
4. Commercial paper and bankers acceptances if training requirements have been met;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2); and
7. The State Treasurer's investment pool (STAROhio).

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

City of Westerville, Ohio

Notes to the Basic Financial Statements (Continued)

NOTE 6 – DEPOSITS AND INVESTMENTS *(continued)*

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

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

INVESTMENTS

As of December 31, 2012, the City had the following investments. All investments are in an internal investment pool.

	<i>Fair Value</i>	<i>Investment Maturities (in Years)</i>			<i>Credit Rating</i>	<i>Percent of Total Investments</i>
		<i>Less than 1</i>	<i>1 - 2</i>	<i>3 - 4</i>		
STAROhio	\$2,229,515	\$2,229,515	\$0	\$0	AAAm	N/A
United States Treasury Notes	24,000,870	0	17,004,710	6,996,160	N/A	N/A
Federal Farm Credit Bank Bonds	2,505,825	0	0	2,505,825	Aaa	N/A
Federal Home Loan Bank Bonds	2,069,000	0	2,069,000	0	Aaa	N/A
Federal Home Loan Mortgage Corporation Notes	13,533,000	0	0	13,533,000	Aaa	14.09%
Federal National Mortgage Association Notes	22,341,978	0	0	22,341,978	Aaa	23.26%
Repurchase Agreement <i>(Federal National Mortgage Association)</i>	29,346,460	29,346,460	0	0	AAA	30.56%
Totals	\$96,026,648	\$31,575,975	\$19,073,710	\$45,376,963		

INTEREST RATE RISK

As a means of limiting its exposure to fair value losses caused by rising interest rates, the City's investment policy requires that, to the extent possible, investments will match anticipated cash flow requirements. Unless matched to a specific cash flow requirement, the Director of Finance will directly invest in securities as follows; not more than 20 percent of the value (computed at the time the investment is made) of investments to mature or be redeemable within 10 years from the date of purchase and the balance of all investments to mature or be redeemable within five years from the date of purchase. Repurchase agreements are limited to 30 days and the market value of the securities must exceed the principal value of the agreement by at least two percent and be marked to market daily.

City of Westerville, Ohio

Notes to the Basic Financial Statements (Continued)

NOTE 6 – DEPOSITS AND INVESTMENTS *(continued)*

CREDIT RISK

The City's investment policy limits investments to those authorized by State statute which restricts investments to those that are highly rated or backed by the enterprises of the United States Government. Ohio law requires that STAROhio maintain the highest rating provided by at least one nationally recognized standard rating service. Credit ratings for STAROhio are from Standard & Poor's, while all other investment ratings are from Moody's. The rating of each investment is listed in the table above.

CONCENTRATION OF CREDIT RISK

The City places no limit on the amount it may invest in any one issuer. The percentage that each investment represents of total investments is listed in the table above.

NOTE 7 – MUNICIPAL INCOME TAX

The City levies and collects a 2.0 percent income tax on all income earned within the City. Of the 2.0 percent tax received in 2012, 1.40 percent is placed into the General fund, which increased from 1.0 percent with the passage of the tax restructuring levy that became effective January 1, 2009, 0.25 percent is placed into the Parks and Recreation Income Tax Allocation Special Revenue Fund, which became effective January 1, 1999, and 0.35 percent was placed into the General Capital Improvement Capital Projects Fund. The tax is applied to gross salaries, wages and other personal services compensation, as well as net income of for-profit organizations conducting business in the City. In addition, residents of the City are required to pay municipal income tax on income earned outside the City, however a credit is allowed for income taxes paid to other municipalities.

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. The City has established its own Income Tax Division to administer and collect taxes for the City.

NOTE 8 – PROPERTY TAX

Property taxes include amounts levied against all real and public utility property located in the City. Property tax revenue received during 2012 for real and public utility property taxes represents collections of 2011 taxes.

2012 real property taxes were levied after October 1, 2012, on the assessed value as of January 1, 2012, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2012 real property taxes are collected in and intended to finance 2013.

City of Westerville, Ohio

Notes to the Basic Financial Statements
(Continued)

NOTE 8 – PROPERTY TAX (continued)

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

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2012 public utility property taxes which became a lien December 31, 2011, are levied after October 1, 2012, and are collected in 2013 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2012, was \$20.30 per \$1,000 of assessed value. The assessed values of real property and public utility tangible personal property upon which 2012 property tax receipts were based are as follows:

<u>Category</u>	<u>Franklin County</u>	<u>Delaware County</u>	<u>Total</u>
Real Property:			
Residential and Agricultural	\$576,504,460	\$230,266,860	\$806,771,320
Commercial and Industrial	144,619,200	61,358,340	205,977,540
Public Utility Personal	<u>2,579,150</u>	<u>5,305,110</u>	<u>7,884,260</u>
<i>Totals</i>	<u>\$723,702,810</u>	<u>\$296,930,310</u>	<u>\$1,020,633,120</u>

The Franklin and Delaware County Treasurers collect property taxes on behalf of all taxing districts in the county, including the City. The County Auditors periodically remit to the City its portion of the taxes collected. Property taxes receivable represents real and public utility property taxes and outstanding delinquencies which were measurable as of December 31, 2012, and for which there was an enforceable legal claim. In governmental funds, the portion of the receivable not levied to finance 2012 operations is offset to deferred inflows of resources – property taxes. On the accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on the modified accrual basis the revenue has been reported as deferred inflows of resources – unavailable revenue.

City of Westerville, Ohio

Notes to the Basic Financial Statements
(Continued)

NOTE 9 – RECEIVABLES

Receivables at December 31, 2012 consisted of taxes, accounts (billings for user charged services including unbilled utility services), payments in lieu of taxes, interest, intergovernmental receivables arising from grants, entitlements and shared revenues, loans, notes and interfund. All receivables are considered fully collectible and will be received within one year with the exception of property taxes, income taxes, payments in lieu of taxes, accounts receivable related to business-type services, loans, notes and interfund. Property taxes, income taxes, and payments in lieu of taxes, although ultimately collectible, include some portion of delinquents that will not be collected within one year. \$9,925,922 of the interfund receivable is not expected to be repaid within one year.

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

	Water	Sewer	Electric	Community Data Center	Refuse	Totals
Accounts Receivable - Gross	\$481,714	\$1,235,579	\$7,485,629	\$7,248	\$380,871	\$9,591,041
Allowance for Uncollectibles	(11,846)	(30,154)	(183,511)	0	(9,525)	(235,036)
Net Accounts Receivable	<u>\$469,868</u>	<u>\$1,205,425</u>	<u>\$7,302,118</u>	<u>\$7,248</u>	<u>\$371,346</u>	<u>\$9,356,005</u>

The City has an agreement with the Millstone Community Authority (Millstone) whereas the City issued a \$325,000, zero interest note to Millstone on April 22, 2008 so that Millstone could purchase approximately six acres of land from M/I Homes. The property held options for both the Westerville City School District and the City of Westerville. If, within a five-year period, the School District desires to build a school building on the property, the property would be deeded over to them; if the School District waives that option, the parcel may be conveyed to the City for development as a park facility. The School District has waived the option, and the City has developed the property as park grounds. The School District has rights to use the property during school days until 5:30 PM.

The notes will be retired by Millstone via community development charges collected from residents within the Millstone Community Authority. These charges will be collected and distributed by the Delaware County Auditor as part of the real property settlements. One-half of the collections will be remitted to the School District, while the other half will be paid to the City, to reduce the outstanding balance on the note. Once the full amount has been paid to the City, all of the community development charges will be remitted to the School District. At December 31, 2012, the balance of this note was \$158,465 with \$36,787 expected to be repaid within one year.

The City has an agreement with the City of Columbus, dated May 26, 2010, whereas the City of Columbus will pay to the City 48.6 percent of the Worthington Road/Lazelle Road Improvements OPWC loan. The City of Columbus will pay to the City \$6,810 semi-annually until the loan is retired. As of December 31, 2012, the balance of the loan was \$326,900 with \$13,620 expected to be repaid within one year.

City of Westerville, Ohio

Notes to the Basic Financial Statements
(Continued)

NOTE 9 – RECEIVABLES (continued)

A summary of the principal items of intergovernmental receivable follows:

<u>Governmental Activities:</u>	<u>Amounts</u>
Local Government	\$632,147
Liquor Permits	399
Estate Taxes	175,278
DARE Grant	24,939
Task Force Reimbursements	9,480
EMS Public Safety Grant	2,500
Ash Removal and Canopy Restoration Grant	6,250
Emergency Management Assistance Grant - FEMA	87,664
Emergency Management Assistance Grant	7,098
Homestead and Rollbacks	832,913
Gasoline Tax - Cents Per Gallon and Excise	620,758
Motor Vehicle License Tax (includes Permissive)	150,117
<i>Total Intergovernmental Receivable</i>	<u><u>\$2,549,543</u></u>

City of Westerville, Ohio

Notes to the Basic Financial Statements
(Continued)

NOTE 10 – CAPITAL ASSETS

Capital assets activity of the governmental activities for the year ended December 31, 2012, was as follows:

	<i>Balance At 12/31/2011</i>	<i>Additions*</i>	<i>Deletions</i>	<i>Balance At 12/31/2012</i>
<u>Governmental Activities</u>				
<u>Capital Assets, Not Being Depreciated:</u>				
Land	\$18,156,650	\$593,568	\$0	\$18,750,218
Construction in Progress	10,962,446	6,605,454	(2,219,689)	15,348,211
Infrastructure	116,819,091	786,243	0	117,605,334
<i>Total Capital Assets, Not Being Depreciated</i>	<u>145,938,187</u>	<u>7,985,265</u>	<u>(2,219,689)</u>	<u>151,703,763</u>
<u>Depreciable Capital Assets:</u>				
Land Improvements	23,964,586	144,623	0	24,109,209
Buildings	40,971,217	1,089,150	(82,814)	41,977,553
Furniture and Equipment	16,627,873	333,918	(104,748)	16,857,043
Vehicles	5,818,782	164,301	(181,767)	5,801,316
Infrastructure	36,449,560	825,498	0	37,275,058
<i>Total Depreciable Capital Assets</i>	<u>123,832,018</u>	<u>2,557,490</u>	<u>(369,329)</u>	<u>126,020,179</u>
<u>Less Accumulated Depreciation:</u>				
Land Improvements	(10,439,096)	(925,438)	0	(11,364,534)
Buildings	(13,035,724)	(1,168,005)	75,617	(14,128,112)
Furniture and Equipment	(9,281,003)	(980,755)	87,778	(10,173,980)
Vehicles	(3,853,218)	(560,696)	181,767	(4,232,147)
Infrastructure	(11,124,677)	(784,255)	0	(11,908,932)
<i>Total Accumulated Depreciation</i>	<u>(47,733,718)</u>	<u>(4,419,149)</u>	<u>345,162</u>	<u>(51,807,705)</u>
<i>Depreciable Capital Assets, Net</i>	<u>76,098,300</u>	<u>(1,861,659)</u>	<u>(24,167)</u>	<u>74,212,474</u>
<i>Governmental Activities Capital Assets, Net</i>	<u>\$222,036,487</u>	<u>\$6,123,606</u>	<u>(\$2,243,856)</u>	<u>\$225,916,237</u>

* \$81,228 of the additions to infrastructure consisted of assets donated by developers.

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

<u>Governmental Activities</u>	
Security of Person and Property	\$957,617
Public Health	4,080
Leisure Time Activity	1,594,759
Community Development	32,308
Basic Utility Services	684,082
Transportation	397,260
General Government	749,043
<i>Total Depreciation Expense</i>	<u>\$4,419,149</u>

City of Westerville, Ohio

Notes to the Basic Financial Statements
(Continued)

NOTE 10 – CAPITAL ASSETS (continued)

Capital assets activity of the business-type activities for the year ended December 31, 2012, was as follows:

	<i>Balance At 12/31/2011</i>	<i>Additions*</i>	<i>Deletions</i>	<i>Balance At 12/31/2012</i>
<u>Business-Type Activities</u>				
<u>Intangible Assets, Being Amortized:</u>				
Water Rights	\$2,366,450	\$0	\$0	\$2,366,450
Less Amortization	(1,230,564)	(47,329)	0	(1,277,893)
<i>Total Intangible Assets, Being Amortized</i>	1,135,886	(47,329)	0	1,088,557
<u>Capital Assets, Not Being Depreciated:</u>				
Land	1,187,080	0	0	1,187,080
Construction in Progress	9,987,104	4,683,428	(6,829,089)	7,841,443
<i>Total Capital Assets, Not Being Depreciated</i>	11,174,184	4,683,428	(6,829,089)	9,028,523
<u>Depreciable Capital Assets:</u>				
Land Improvements	2,254,644	0	0	2,254,644
Buildings	11,860,705	23,104	0	11,883,809
Furniture and Equipment	17,464,631	720,905	0	18,185,536
Vehicles	2,382,469	334,331	(190,620)	2,526,180
Infrastructure				
Water Lines	39,503,086	1,318,999	0	40,822,085
Sewer Lines	26,040,526	178,204	0	26,218,730
Electric System	62,314,990	3,274,201	(814,387)	64,774,804
Community Data Center	0	3,746,273	0	3,746,273
<i>Total Depreciable Capital Assets</i>	161,821,051	9,596,017	(1,005,007)	170,412,061
<u>Less Accumulated Depreciation:</u>				
Land Improvements	(1,743,685)	(181,052)	0	(1,924,737)
Buildings	(4,052,393)	(302,017)	0	(4,354,410)
Furniture and Equipment	(5,016,791)	(551,737)	0	(5,568,528)
Vehicles	(1,654,330)	(195,683)	188,635	(1,661,378)
Infrastructure				
Water Lines	(15,845,816)	(689,915)	0	(16,535,731)
Sewer Lines	(12,676,093)	(377,413)	0	(13,053,506)
Electric System	(23,519,247)	(1,658,088)	515,613	(24,661,722)
Community Data Center	0	(6,244)	0	(6,244)
<i>Total Accumulated Depreciation</i>	(64,508,355)	(3,962,149)	704,248	(67,766,256)
<i>Depreciable Capital Assets, Net</i>	97,312,696	5,633,868	(300,759)	102,645,805
<i>Business-Type Activities Capital Assets, Net</i>	\$109,622,766	\$10,269,967	(\$7,129,848)	\$112,762,885

*\$578,600, \$79,750 and \$978 of the additions to the Water, Sewer and Community Data Center Funds, respectively, consisted of assets donated by developers.

City of Westerville, Ohio

Notes to the Basic Financial Statements
(Continued)

NOTE 10 – CAPITAL ASSETS (continued)

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

<u>Business-Type Activities</u>	
Water	\$896,333
Sewer	421,126
Electric	2,296,056
Community Data Center	184,794
Refuse	163,840
<i>Total Depreciation Expense</i>	<u><u>\$3,962,149</u></u>

NOTE 11 – DEFINED BENEFIT PENSION PLANS

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM

Plan Description – The City participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The Traditional Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan. The Member-Directed Plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the Member-Directed Plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan. Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to, but less than, the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost-of-living adjustments to members of the Traditional Pension and 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. Interested parties may obtain a copy by visiting <https://www.opers.org/investments/cafr.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

City of Westerville, Ohio

Notes to the Basic Financial Statements (Continued)

NOTE 11 – DEFINED BENEFIT PENSION PLANS *(continued)*

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions and currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for state and local employer units and 18.1 percent of covered payroll for law enforcement and public safety employer units. Member contribution rates, as set forth in the Ohio Revised Code, are not to exceed 10 percent of covered payroll for members in State and local divisions and 12 percent for law enforcement and public safety members. For the year ended December 31, 2012, members in state and local divisions contributed 10 percent of covered payroll while public safety and law enforcement members contributed 11.5 percent and 12.1 percent, respectively. Effective January 1, 2013, the member contribution rates for public safety and law enforcement increased to 12 percent and 12.6 percent, respectively. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the Traditional Pension Plan. For 2012, member and employer contribution rates were consistent across all three plans.

The City's 2012 contribution rate was 14.0 percent, except for those plan members in law enforcement or public safety, for whom the City's contribution was 18.10 percent of covered payroll. The portion of employer contributions used to fund pension benefits is net of post-employment health care benefits. The portion of employer contribution allocated to health care for members in the Traditional Plan was 4.00 percent for 2012. The portion of employer contributions allocated to health care for members in the Combined Plan was 6.05 percent for 2012. Employer contribution rates are actuarially determined.

The City's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2012, 2011, and 2010 were \$1,656,298, \$1,692,571, and \$1,509,450, respectively; For 2012, 98.51 percent has been contributed, with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2011 and 2010. Contributions to the Member-Directed Plan for 2012 were \$29,498 made by the City and \$41,297 made by plan members.

OHIO POLICE AND FIRE PENSION FUND

Plan Description – The City contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple-employer defined benefit pension plan. OP&F provides retirement and disability 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 OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy – The Ohio Revised Code requires plan members to contribute 10.0 percent of their annual covered salary, while employers are required to contribute 19.5 percent for police officers and 24.0 percent for firefighters.

City of Westerville, Ohio

Notes to the Basic Financial Statements (Continued)

NOTE 11 – DEFINED BENEFIT PENSION PLANS *(continued)*

The OP&F Pension Fund is authorized by the Ohio Revised Code to allocate a portion of the employer contributions to retiree health care benefits. The portion of employer contributions used to fund pension benefits was 12.75 percent of covered payroll for police officers and 17.25 percent of covered payroll for firefighters. The City's contributions to OP&F for police and firefighters were \$891,737 and \$1,301,456 for the year ended December 31, 2012, \$831,311 and \$1,221,304 for the year ended December 31, 2011, and \$828,947 and \$1,178,069 for the year ended December 31, 2010, respectively. For 2012, 97.17 percent for police and 97.39 percent for firefighters has been contributed, with the balance for both police and firefighters being reported as an intergovernmental payable. The full amount has been contributed for 2011 and 2010.

NOTE 12 – POST-EMPLOYMENT BENEFITS

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM

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

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

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

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

City of Westerville, Ohio

Notes to the Basic Financial Statements (Continued)

NOTE 12 – POST-EMPLOYMENT BENEFITS *(continued)*

Funding Policy – The post-employment health care plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). The Ohio Revised Code provides the statutory authority requiring public employers to fund post-retirement health care through contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post-retirement health care.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2012, state and local employers contributed at a rate of 14.0 percent of covered payroll, and public safety and law enforcement employers contributed at 18.10 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code.

Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post-employment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Plan was 4.0 percent for 2012. The portion of employer contributions allocated to health care for members in the Combined Plan was 6.05 percent for 2012. Effective January 1, 2013, the portion of employer contributions allocated to healthcare was lowered to 1 percent for both plans, as recommended by the OPERS Actuary.

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

The City's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2012, 2011, and 2010, were \$674,319, \$689,511, and \$852,138, respectively. For 2012, 98.51 percent has been contributed, with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2011 and 2010.

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the recent passage of pension legislation under SB 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4 percent of the employer contributions toward the health care fund after the end of the transition period.

OHIO POLICE AND FIRE PENSION FUND

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

City of Westerville, Ohio

Notes to the Basic Financial Statements (Continued)

NOTE 12 – POST-EMPLOYMENT BENEFITS *(continued)*

OP&F provides access to post-retirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or survivor benefit check or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F meets the definition of an Other Post-Employment Benefit (OPEB) as described in GASB Statement No. 45.

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

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164. That report is also available of OP&F's website at www.op-f.org.

Funding Policy – The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F defined benefit pension plan. Participating employers are required by Ohio Revised Code to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.5 percent and 24.0 percent of covered payroll for police and fire employers, respectively. Active members do not make contributions to the OPEB Plan.

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For the year ended December 31, 2012, the employer contribution allocated to the health care plan was 6.75 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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

City of Westerville, Ohio

Notes to the Basic Financial Statements (Continued)

NOTE 12 – POST-EMPLOYMENT BENEFITS *(continued)*

The City's contributions to OP&F which were allocated to fund post-employment health care benefits for police and firefighters were \$472,096 and \$509,265 for the year ended December 31, 2012, \$440,106 and \$477,902 for the year ended December 31, 2011, and \$438,855 and \$460,983 for the year ended December 31, 2010, respectively. For 2012, 97.17 percent has been contributed for police and 97.39 percent has been contributed for firefighters, with the balance for both police and firefighters being reported as an intergovernmental as an intergovernmental payable. The full amount has been contributed for 2011 and 2010.

NOTE 13 – EMPLOYEE BENEFITS

DEFERRED COMPENSATION

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

COMPENSATED ABSENCES

Vacation leave is earned at rates which vary depending upon length of service. Current policy credits vacation leave on the employee's first anniversary date; thereafter, vacation leave accrues on a pro-rated basis each pay period. A maximum of two years' accrual may be carried into the next calendar year. City employees are paid for earned, unused vacation leave at the time of termination of employment and those employees with six years of service may request pay in lieu of vacation for up to three weeks accumulated balance. Pay in lieu of vacation is subject to the availability of funds, and the employee must have taken or scheduled 10 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 1,120 hours upon retirement or termination from the City, or the full balance may be transferred to another governmental agency. The maximum payment for sick leave is \$20,500 for all employees.

HEALTH CARE/DENTAL/VISION/LIFE INSURANCE BENEFITS

The City provides health care, dental, and life insurance coverage for its employees through Aetna, and vision coverage through Vision Service Plan.

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, 2012, were as follows:

City of Westerville, Ohio

Notes to the Basic Financial Statements (Continued)

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

<i>Types / Issues</i>	<i>Interest Rates</i>	<i>Balance 12/31/11</i>	<i>Issued</i>	<i>Retired</i>	<i>Balance 12/31/12</i>	<i>Due Within One Year</i>
<u>Business-Type Activities</u>						
<u>General Obligation Bonds</u>						
2007 Water System Improvement Bonds	4.13 - 5.00%	\$935,000	\$0	\$40,000	\$895,000	\$45,000
Premium on Debt Issue		25,244	0	1,603	23,641	0
2009 Water System Improvement Bonds	1.00 - 5.00%	1,800,937	0	77,685	1,723,252	79,780
Premium on Debt Issue		14,775	0	825	13,950	0
2010 Water System Improvement Bonds	2.00 - 5.00%	1,270,000	0	50,000	1,220,000	50,000
Premium on Debt Issue		29,382	0	1,546	27,836	0
2011 Water System Improvement Bonds	2.00 - 4.375%	1,075,000	0	40,000	1,035,000	40,000
2004 Electric Capital Facilities Bonds	2.25 - 5.25%	945,000	0	825,000	120,000	60,000
Premium on Debt Issue		23,232	0	20,820	2,412	0
2007 Electric System Improvement Bonds	4.13 - 5.00%	14,605,000	0	645,000	13,960,000	670,000
Premium on Debt Issue		394,213	0	25,029	369,184	0
2009 Electric System Imp. Refunding Bonds	2.00 - 5.00%	1,105,000	0	125,000	980,000	125,000
Premium on Debt Issue		50,558	0	6,319	44,239	0
2009 Transportation Imp. Refunding Bonds	2.00 - 5.00%	579,420	0	74,925	504,495	76,590
Premium on Debt Issue		31,311	0	4,473	26,838	0
2009 Electric System Improvement Bonds	1.00 - 5.00%	3,040,000	0	130,000	2,910,000	135,000
Premium on Debt Issue		26,295	0	1,468	24,827	0
2010 Electric System Improvement Bonds	2.00 - 5.00%	1,480,000	0	55,000	1,425,000	60,000
Premium on Debt Issue		34,441	0	1,813	32,628	0
2011 Electric System Improvement Bonds	2.00 - 4.375%	5,745,000	0	215,000	5,530,000	215,000
2009 Sewer System Improvement Bonds	1.00 - 5.00%	1,209,063	0	52,315	1,156,748	55,220
Premium on Debt Issue		9,984	0	557	9,427	0
2012 Water System Improvement Bonds	2.0 - 5.0%	0	630,000	0	630,000	25,000
Premium on Debt Issue		0	10,461	249	10,212	0
2012 Sewer Line Improvement Bonds	2.0 - 5.0%	0	715,000	0	715,000	25,000
Premium on Debt Issue		0	11,873	283	11,590	0
2012 Electric Capital Facilities Refunding Bonds	2.0 - 5.0%	0	785,000	0	785,000	5,000
Premium on Debt Issue		0	83,514	3,212	80,302	0
2012 Electric System Bonds	2.0 - 5.0%	0	1,565,000	0	1,565,000	60,000
Premium on Debt Issue		0	27,210	648	26,562	0
Total General Obligation Bonds		\$34,428,855	\$3,828,058	\$2,398,770	\$35,858,143	\$1,726,590

City of Westerville, Ohio

Notes to the Basic Financial Statements
(Continued)

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

<u>Types / Issues</u>	<u>Interest Rates</u>	<u>Balance 12/31/11</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance 12/31/12</u>	<u>Due Within One Year</u>
<u>Revenue Bonds</u>						
2010 Data Center Revenue Bonds	2.00 - 5.00%	5,280,000	0	0	5,280,000	0
Premium on Debt Issue		442,263	0	23,277	418,986	0
2011 Data Center and Fiber Network Revenue Bonds	2.78 - 6.03%	3,200,000	0	0	3,200,000	0
<i>Total Revenue Bonds</i>		<u>8,922,263</u>	<u>0</u>	<u>23,277</u>	<u>8,898,986</u>	<u>0</u>
<u>Other Long-Term Obligations</u>						
Compensated Absences		732,609	476,879	466,209	743,279	430,372
ODNR Debt		1,597,139	0	45,116	1,552,023	46,570
<i>Total Other Long-Term Obligations</i>		<u>2,329,748</u>	<u>476,879</u>	<u>511,325</u>	<u>2,295,302</u>	<u>476,942</u>
<i>Total Business-Type Activities</i>		<u>\$45,680,866</u>	<u>\$4,304,937</u>	<u>\$2,933,372</u>	<u>\$47,052,431</u>	<u>\$2,203,532</u>

City of Westerville, Ohio

Notes to the Basic Financial Statements
(Continued)

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

<u>Types / Issues</u>	<u>Interest Rates</u>	<u>Balance 12/31/11</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance 12/31/12</u>	<u>Due Within One Year</u>
<u>Governmental Activities</u>						
<u>General Obligation Bonds</u>						
2003 Fire/EMS Improvement Bonds-Voted	2.00 - 4.65%	\$1,755,000	\$0	\$1,635,000	\$120,000	\$120,000
Discount on Debt Issue		(9,506)	0	(9,053)	(453)	0
2003 Fire/EMS Improvement Bonds-Blendon	2.00 - 4.65%	290,200	0	270,200	20,000	20,000
Discount on Debt Issue		(1,476)	0	(1,409)	(67)	0
2003 Municipal Facilities Improvement Bonds	2.00 - 4.65%	2,389,800	0	2,224,800	165,000	165,000
Discount on Debt Issue		(12,173)	0	(11,599)	(574)	0
2007 Westar TIF Improvement Bonds	4.13 - 5.00%	325,000	0	15,000	310,000	15,000
Premium on Debt Issue		8,754	0	556	8,198	0
2009 Transportation Improvement Refunding Bonds	2.00 - 5.00%	1,160,580	0	150,075	1,010,505	153,410
Premium on Debt Issue		62,717	0	8,959	53,758	0
2009 Recreation Facilities Refunding Bonds	2.00 - 5.00%	11,895,000	0	1,540,000	10,355,000	1,580,000
Premium on Debt Issue		639,436	0	91,348	548,088	0
2009 Land Purchase Bonds	1.00 - 5.00%	1,525,000	0	65,000	1,460,000	70,000
Premium on Debt Issue		12,524	0	699	11,825	0
2010 Aquatic Center Improvement Bonds	2.00 - 5.00%	5,685,000	0	560,000	5,125,000	575,000
Premium on Debt Issue		473,279	0	52,586	420,693	0
2010 Main Street Bridge Improvement Bonds	2.00 - 5.00%	750,000	0	30,000	720,000	30,000
Premium on Debt Issue		16,639	0	876	15,763	0
2011 Parks and Recreation Property Acquisition Bonds	2.00 - 4.375%	1,270,000	0	45,000	1,225,000	50,000
2011 Street Improvement and South State Streetscape Bonds	2.00 - 4.375%	1,905,000	0	70,000	1,835,000	70,000
2012 Fire/EMS Voted Refunding Bonds	2.00 - 4.00%	0	1,520,000	0	1,520,000	0
Premium on Debt Issue		0	127,356	5,307	122,049	0
2012 Fire/EMS Blendon Refunding Bonds	2.00 - 5.00%	0	250,000	0	250,000	0
Premium on Debt Issue		0	22,011	917	21,094	0
2012 Municipal Improvement Refunding Bonds	2.00 - 5.00%	0	2,055,000	0	2,055,000	15,000
Premium on Debt Issue		0	184,086	7,671	176,415	0
2012 Road Improvement Bonds	2.00 - 5.00%	0	2,400,000	0	2,400,000	95,000
Premium on Debt Issue		0	172,022	4,094	167,928	0
Total Governmental General Obligation Bonds		\$30,140,774	\$6,730,475	\$6,756,027	\$30,115,222	\$2,958,410

City of Westerville, Ohio

Notes to the Basic Financial Statements (Continued)

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

<i>Types / Issues</i>	<i>Interest Rates</i>	<i>Balance 12/31/11</i>	<i>Issued</i>	<i>Retired</i>	<i>Balance 12/31/12</i>	<i>Due Within One Year</i>
<u>OPWC Loans</u>						
OPWC Loan - South State Street and Huber						
Village Boulevard/Heatherdown Drive Intersection		925,495	574,505	0	1,500,000	68,182
OPWC Loan - Worthington Road/						
Lazelle Road Improvements		491,704	208,955	14,013	686,646	28,026
Total OPWC Loans		1,417,199	783,460	14,013	2,186,646	96,208
<u>Other Long-Term Obligations</u>						
Compensated Absences		3,449,769	3,139,512	3,121,545	3,467,736	2,237,129
Police Pension Liability		18,964	0	693	18,271	723
Total Other Long-Term Obligations		3,468,733	3,139,512	3,122,238	3,486,007	2,237,852
Total Governmental Activities		\$35,026,706	\$10,653,447	\$9,892,278	\$35,787,875	\$5,292,470
Total - All Long-Term Obligations		\$80,707,572	\$14,958,384	\$12,825,650	\$82,840,306	\$7,496,002

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. These bonds are generally issued as 20 year serial bonds with equal amounts of principal maturing each year and are to be repaid from voted and unvoted general property taxes and from income tax revenues. The debt will be repaid from the General Obligation Bond Retirement Fund. Unvoted property tax and income tax monies are transferred from the General Fund, the Parks and Recreation Income Tax Allocation Special Revenue Fund, and the General Capital Improvement Capital Projects 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, Sewer and Electric Enterprise Funds are not available to meet the annual debt service requirements.

On December 16, 2009, the City issued \$8,215,000 in general obligation various purpose bonds for the purpose of retiring the Various Purpose Notes, making improvements to the water, sewer, and municipal electric systems, and for land acquisition. Of these bonds, \$3,495,000, are serial bonds and \$4,720,000 are term bonds. The bonds were issued for a 20 year period with final maturity in December 2029. The serial bonds mature from December 1, 2010, to December 1, 2019. The bonds will be retired from the General Bond Retirement Debt Service Fund and the Water, Sewer, and Electric Enterprise Funds.

City of Westerville, Ohio

Notes to the Basic Financial Statements
(Continued)

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

The term bonds, issued at \$4,720,000, maturing annually on December 1, 2020 through 2029 are subject to mandatory sinking fund redemption at a redemption price of 100 percent of the principal amount plus accrued interest to the date of redemption, on December 1, in the years and in the respective amounts as follows:

Year	Amounts
2020	\$400,000
2021	415,000
2022	430,000
2023	440,000
2024	455,000
2025	475,000
2026	495,000
2027	515,000
2028	530,000
2029	565,000
	<u>\$4,720,000</u>

On July 27, 2010, the City issued \$9,870,000 in various purpose general obligation bonds for the purpose of removing the Highlands Pool and constructing the new Highlands Park Aquatic Center, reconstructing the Main Street Bridge, and making improvements to the Water and Electric Systems. Of these bonds, \$7,735,000, are serial bonds and \$2,135,000 are term bonds. The bonds were issued for a 20 year period with final maturity in December 2030. The serial bonds mature from December 1, 2011 to December 1, 2020. The bonds will be retired from the General Bond Retirement Debt Service Fund and the Water and Electric Enterprise Funds.

The term bonds maturing annually on December 1, 2025 and December 1, 2030, are subject to mandatory sinking fund redemption in part by lot at a redemption price equal to 100 percent of the principal amount redeemed, plus interest accrued to the redemption date, on December 1 in the years and the respective amounts as follows:

City of Westerville, Ohio

Notes to the Basic Financial Statements
(Continued)

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

<u>Year</u>	<u>Amounts</u>
2021	\$180,000
2022	190,000
2023	190,000
2024	205,000
2025	210,000
2026	215,000
2027	225,000
2028	235,000
2029	235,000
2030	250,000
	<u>\$2,135,000</u>

The bonds maturing after December 1, 2020 are also subject to prior redemption on or after June 1, 2020, by and at the sole option of the City, either in whole or in part on any date and in integral multiples of \$5,000, at par, plus accrued interest to the redemption date.

On April 28, 2011, the City issued \$9,995,000 in various purpose general obligation bonds for the purpose of acquiring land for parks and recreation, street improvements and South State streetscape, and making improvements and advanced metering infrastructure to the Water and Electric Systems. Of these bonds, \$4,660,000, are serial bonds and \$5,335,000 are term bonds. The bonds were issued for a 20 year period with final maturity in December 2031. The serial bonds mature from December 1, 2012 to December 1, 2022. The bonds will be retired from the General Bond Retirement Debt Service Fund and the Water and Electric Enterprise Funds.

The term bonds maturing annually on December 1, 2024, 2026, 2028, and 2031, are subject to mandatory sinking fund redemption in part by lot at a redemption price equal to 100 percent of the principal amount redeemed, plus interest accrued to the redemption date, on December 1 in the years and the respective amounts as follows:

City of Westerville, Ohio

Notes to the Basic Financial Statements
(Continued)

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

Year	Amounts
2023	\$505,000
2024	520,000
2025	550,000
2026	565,000
2027	590,000
2028	610,000
2029	635,000
2030	665,000
2031	695,000
	<u>\$5,335,000</u>

The bonds maturing after December 1, 2021 are also subject to prior redemption on or after June 1, 2021, by and at the sole option of the City, either in whole or in part on any date and in integral multiples of \$5,000, at par, plus accrued interest to the redemption date.

GENERAL OBLIGATION REFUNDING BONDS

In July, 2009, the City issued \$18,595,000 in Electric System Improvement, Transportation Improvement and Recreation Facilities General Obligation Refunding Bonds. The proceeds were used to advance refund the 1998 Transportation Improvement Bonds, the 1998 Recreation Facilities Bonds and the 1999 Electric System Improvement Bonds in the total amount of \$18,875,000.

In June 2012, the City issued \$9,920,000 in general obligation bonds for the purpose of street, water, sewer, and electric improvements as well as advance refunding a portion of various general obligation issues in order to take advantage of lower interest rates. An analysis of the information follows:

	2003 Fire/EMS	2003 Fire/EMS Blendon	2003 Municipal Facilities	2004 Electric Capital Facilities
Outstanding at December 31, 2011	\$1,755,000	\$290,200	\$2,389,800	\$945,000
Amount Refunded	(1,520,000)	(251,200)	(2,068,800)	(770,000)
Principal Payment on				
Non-Refunded Portion	(115,000)	(19,000)	(156,000)	(55,000)
Outstanding at December 21, 2012	\$120,000	\$20,000	\$165,000	\$120,000

City of Westerville, Ohio

Notes to the Basic Financial Statements
(Continued)

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

The bonds were sold at a premium of \$505,475. Proceeds of \$4,939,015 were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded portion of the various bonds (\$4,083,163 for governmental activities and \$855,852 for business type activities/Enterprise Fund). As a result, \$4,610,000 of these bonds are considered defeased and the liability for the refunded portion of these bonds has been removed from the City's financial statements. As of December 31, 2012, \$4,610,000 of the bonds were not matured and unpaid.

The reacquisition price exceeded the net carrying amount of the old debt by \$ \$263,679 for governmental activities and \$66,534 for business type activities/enterprise fund. These amounts are presented as a Deferred Charge on Refunding and amortized over the remaining life of the new debt. The City decreased its total debt service payments by \$113,313 as a result of the advance refunding. The City also incurred an economic gain (difference between the present values of the old and new debt service payments) of \$330,212.

General obligation bonds outstanding at December 31, 2012 consisted of the following:

City of Westerville, Ohio

Notes to the Basic Financial Statements
(Continued)

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

2007 Water System Improvement	\$1,085,000	December, 2027	\$895,000
2009 Water System Improvement	1,954,212	December, 2029	1,723,252
2010 Water System Improvement Bonds	1,320,000	December, 2030	1,220,000
2011 Water System Improvement Bonds	1,075,000	December, 2031	1,035,000
2012 Water System Improvement Bonds	630,000	December, 2032	630,000
2004 Electric Capital Facilities	1,300,000	December, 2024	120,000
2007 Electric System Improvement	16,945,000	December, 2027	13,960,000
2009 Electric System Improvement Refunding	1,355,000	December, 2019	980,000
2009 Transportation Improvement Refunding	734,265	December, 2018	504,495
2009 Electric System Improvement	3,295,000	December, 2029	2,910,000
2010 Electric System Improvement Bonds	1,535,000	December, 2030	1,425,000
2011 Electric System Improvement Bonds	5,745,000	December, 2031	5,530,000
2012 Electric Refunding Bonds	785,000	December, 2024	785,000
2012 Electric System Improvement Bonds	1,565,000	December, 2032	1,565,000
2009 Sewer System Improvement	1,310,788	December, 2029	1,156,748
2012 Sewer Improvement Bonds	715,000	December, 2032	715,000
2003 Fire/EMS Improvement - Voted	2,575,000	December, 2023	120,000
2003 Fire/EMS Improvement - Blendon	425,000	December, 2023	20,000
2003 Municipal Facilities Improvement	3,500,000	December, 2023	165,000
2007 Westar TIF Improvement	380,000	December, 2027	310,000
2009 Transportation Improvement Refunding	1,470,735	December, 2018	1,010,505
2009 Recreation Facilities Refunding	15,035,000	December, 2018	10,355,000
2009 Land Purchase	1,655,000	December, 2029	1,460,000
2010 Aquatic Center Improvement Bonds	6,235,000	December, 2020	5,125,000
2010 Main Street Bridge Improvement Bonds	780,000	December, 2030	720,000
2011 Parks and Recreation Property Acquisition Bonds	1,270,000	December, 2031	1,225,000
2011 Street Improvement and South State Streetscape Bonds	1,905,000	December, 2031	1,835,000
2012 Fire/EMS Voted Bonds	1,520,000	December, 2023	1,520,000
2012 Fire/EMS Blendon Bonds	250,000	December, 2023	250,000
2012 Refunding Municipal Improvement Bonds	2,055,000	December, 2023	2,055,000
2012 Road Improvement Bonds	2,400,000	December, 2032	2,400,000

City of Westerville, Ohio

Notes to the Basic Financial Statements (Continued)

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

At December 31, 2012, \$501,688, \$1,763,879, and \$682,395 of the 2011 Water System Improvement Bonds, Data Center and Fiber Network Revenue Bonds, and Electric System Improvement Bond proceeds remained unspent. At December 31, 2012, \$588,942 of the Sewer System Improvement Bond proceeds remained unspent.

ODNR DEBT PAYABLE

In 1974, the City entered into a 60 year agreement with the State of Ohio, Department of Natural Resources (ODNR), whereby the City acquired the right to seven and one-half percent of the storage capacity of the Alum Creek Reservoir. In exchange for the water rights, the City agreed to pay to ODNR, beginning in the tenth year of the agreement, seven and one-half percent of their annual payment due to the United States Army Corps of Engineers as reimbursement of the project investment costs. In addition, the City is required to pay seven and one-half percent of the annual operation and maintenance costs for as long as the contract is in effect. The original ODNR Debt of \$2,366,440 will be fully retired in June, 2035.

OPWC LOANS PAYABLE

On February 20, 2009 the City was approved for two Ohio Public Works Commission loans. The Worthington Road/Lazelle Road improvements loan is for \$700,659 and the South State Street and Huber Village Boulevard/Heatherdown Drive Intersection loan is for \$1,500,000. As of December 31, 2012, loan proceeds had been issued in full. Payments have begun on the Worthington Road/Lazelle Road improvement loan and will be fully retired in January, 2037. Payments will begin on the South State Street and Huber Village Boulevard/Heatherdown Drive Intersection loan in January, 2013, and will be fully retired in July, 2034.

REVENUE BONDS

On October 27, 2010 the City issued \$5,280,000 in Data Center Revenue Bonds (Recovery Zone Facilities Bonds) for the purpose of constructing a community data center. The Data Center Revenue Bonds are special obligations of the City and do not constitute general obligations or pledge the faith and credit of the City but are payable from non-tax revenues. Of these bonds, \$1,760,000, are serial bonds and \$3,520,000 are term bonds. The bonds were issued for a 20 year period with final maturity in December 2030. The serial bonds mature from December 1, 2014 to December 1, 2020.

The term bonds maturing annually on December 1, 2025 and December 1, 2030 are subject to mandatory sinking fund redemption in part by lot at a redemption price equal to 100 percent of the principal amount redeemed, plus interest accrued to the redemption date, on December 1 in the years and the respective amounts as follows:

City of Westerville, Ohio

Notes to the Basic Financial Statements
(Continued)

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

<u>Year</u>	<u>Amounts</u>
2021	\$280,000
2022	295,000
2023	310,000
2024	325,000
2025	340,000
2026	355,000
2027	375,000
2028	395,000
2029	410,000
2030	435,000
	<u>\$3,520,000</u>

The bonds maturing after December 1, 2020 are also subject to prior redemption on or after December 1, 2020, by and at the sole option of the City, either in whole or in part on any date and in integral multiples of \$5,000, at par, plus accrued interest to the redemption date.

The City has pledged future revenue to repay revenue bonds in the Community Data Center Enterprise Fund. The debt is payable solely from non-tax revenues and are payable through 2030. The total principal and interest remaining to be paid on the bonds is \$7,973,000. The bonds require interest payments only until 2014.

On May 24, 2011 the City issued \$3,200,000 in Data Center and Fiber Network Revenue Bonds for the purpose of acquiring, constructing, equipping, furnishing, and improving a community data center and a related fiber network. The Data Center and Fiber Network Revenue Bonds are special obligations of the City and do not constitute general obligations or pledge the faith and credit of the City but are payable from non-tax revenues. The bonds are term bonds and were issued for a 20 year period with final maturity in December 2031.

The term bonds maturing annually on December 1, 2016, 2018, 2021, 2026, and 2031 are subject to mandatory sinking fund redemption in part by lot at a redemption price equal to 100 percent of the principal amount redeemed, plus interest accrued to the redemption date, on December 1 in the years and the respective amounts as follows:

City of Westerville, Ohio

Notes to the Basic Financial Statements
(Continued)

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

<u>Year</u>	<u>Amounts</u>
2014	\$120,000
2015	125,000
2019	140,000
2020	150,000
2022	165,000
2023	170,000
2024	180,000
2024	190,000
2027	215,000
2028	225,000
2029	240,000
2030	255,000
	<u>\$2,175,000</u>

The bonds maturing after December 1, 2021 are also subject to prior redemption on or after June 1, 2021, by and at the sole option of the City, either in whole or in part on any date and in integral multiples of \$5,000, at par, plus accrued interest to the redemption date.

The City has pledged future revenue to repay revenue bonds in the Community Data Center Enterprise Fund. The debt is payable solely from non-tax revenues and are payable through 2031. The total principal and interest remaining to be paid on the bonds is \$5,292,161. The bonds require interest payments only until 2014.

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.

The City's overall legal debt margin was \$78,718,813, with an unvoted debt margin of \$27,687,157 at December 31, 2012.

City of Westerville, Ohio

Notes to the Basic Financial Statements
(Continued)

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

FUTURE DEBT SERVICE REQUIREMENTS

The principal and interest requirements to retire the long-term debt obligations outstanding at December 31, 2012 are:

<i>Year</i>	<i>Governmental Activities</i>				
	<i>General Obligation and General Obligation Refunding Bonds</i>		<i>Police Pension</i>		<i>OPWC Debt</i>
	<i>Principal</i>	<i>Interest</i>	<i>Principal</i>	<i>Interest</i>	<i>Principal</i>
2013	\$2,958,410	\$1,070,742	\$723	\$769	\$96,208
2014	3,041,745	993,943	754	738	96,208
2015	3,123,415	907,646	787	705	96,208
2016	3,230,085	790,900	820	672	96,208
2017	3,370,090	660,476	856	636	96,208
2018-2022	8,121,760	1,659,773	4,863	2,598	481,041
2023-2027	2,775,000	689,863	6,000	1,460	481,041
2028-2032	1,950,000	200,790	3,468	223	481,041
2033 - 2037	0	0	0	0	262,483
<i>Totals</i>	<u>\$28,570,505</u>	<u>\$6,974,133</u>	<u>\$18,271</u>	<u>\$7,801</u>	<u>\$2,186,646</u>

<i>Year</i>	<i>Business-Type Activities</i>					
	<i>Water Refunding and Improvement Bonds</i>		<i>Electric System, Electric Facilities and Transportation Improvement Bonds</i>		<i>Sewer System Improvement Bonds</i>	
	<i>Principal</i>	<i>Interest</i>	<i>Principal</i>	<i>Interest</i>	<i>Principal</i>	<i>Interest</i>
2013	\$239,780	\$204,256	\$1,406,590	\$1,153,557	\$80,220	\$62,590
2014	239,780	198,452	1,458,255	1,109,258	85,220	61,123
2015	244,780	192,400	1,501,585	1,061,928	85,220	59,556
2016	261,870	185,036	1,559,915	1,005,975	88,130	57,714
2017	261,870	177,303	1,614,910	948,262	88,130	55,661
2018-2022	1,477,385	741,627	8,173,240	3,747,015	482,615	240,742
2023-2027	1,777,170	431,467	9,325,000	1,856,469	562,830	147,394
2028-2032	1,000,617	92,982	2,740,000	276,755	399,383	37,449
<i>Totals</i>	<u>\$5,503,252</u>	<u>\$2,223,523</u>	<u>\$27,779,495</u>	<u>\$11,159,219</u>	<u>\$1,871,748</u>	<u>\$722,229</u>

City of Westerville, Ohio

Notes to the Basic Financial Statements
(Continued)

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

<i>Year</i>	<i>Business-Type Activities</i>			
	<i>ODNR Debt</i>		<i>Data Center Revenue Bonds</i>	
	<i>Principal</i>	<i>Interest</i>	<i>Principal</i>	<i>Interest</i>
2013	\$46,570	\$50,006	\$0	\$384,294
2014	48,070	48,506	355,000	384,294
2015	49,619	46,957	365,000	376,258
2016	51,218	45,358	375,000	367,983
2017	52,868	43,708	385,000	359,469
2018-2022	291,019	191,863	2,110,000	1,591,730
2023-2027	341,024	141,859	2,660,000	1,041,368
2028-2032	399,618	83,265	2,230,000	279,765
2033-2035	272,017	17,714	0	0
<i>Totals</i>	<u>\$1,552,023</u>	<u>\$669,236</u>	<u>\$8,480,000</u>	<u>\$4,785,161</u>

NOTE 15 – CONSTRUCTION COMMITMENTS

The City has entered into various contracts for the construction and acquisition of capital assets. At December 31, 2012, the significant outstanding construction commitments are:

<i>Projects</i>	<i>Contract Amount</i>	<i>Amount Expended</i>	<i>Balance At 12/31/12</i>
Electric Underground 69kV Cable Project	\$1,405,847	\$1,110,694	\$295,153
Air Handling Equipment Replacement	114,200	72,650	41,550
Electric Cable Replacement Project	564,672	562,103	2,569
Community Broadband Phase 2B	1,233,986	1,162,346	71,640
Advanced Metering Infrastructure	3,416,387	2,845,441	570,946
S. State Street/Huber Village Blvd./Heatherdown	3,821,549	3,775,124	46,425
Community Broadband Phase 3 and 4	1,235,912	1,108,394	127,518
<i>Totals</i>	<u>\$11,792,553</u>	<u>\$10,636,752</u>	<u>\$1,155,801</u>

City of Westerville, Ohio

Notes to the Basic Financial Statements
(Continued)

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 Association Self-Insurance Pool, Inc. (CORMA). CORMA was formed pursuant to Section 2744.081 of the Ohio Revised Code. Members of CORMA are the cities of Westerville, Dublin, Upper Arlington, Pickerington, Grove City, Groveport and Powell. Each member has two representatives on the Board of Trustees.

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

As part of participating in CORMA, coverage is provided for up to \$15,000,000 per occurrence and \$20,000,000 annual umbrella/excess liability per member for liability claims and \$375,692,776 limit for property claims for the pool. Coverage is provided on an annual aggregate basis for crime (\$1,000,000 blanket public employee dishonesty, \$500,000 forgery/computer fraud, and \$100,000 money and securities). Coverage is provided for general liability and employee benefits liability (\$1,000,000/\$2,000,000), employer’s liability, law enforcement liability, public officials liability, and employment practices liability (\$1,000,000/\$1,000,000), and automobile liability (\$1,000,000).

Pool retentions are \$25,000 per loss for property and \$600,000 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 claims and the City 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, 2011 and 2012 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>
2011	\$14,859	\$1,441	\$12,500	\$3,800
2012	3,800	58,845	62,645	0

City of Westerville, Ohio

Notes to the Basic Financial Statements
(Continued)

NOTE 16 – RISK MANAGEMENT (continued)

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.

The City is self-insured for workers' compensation for all of its employees. The program is administered by CareWorks Consultants, Inc., which provides claims review and processing services. The workers' compensation self-insurance program is reported in the Worker's Compensations Self-Insurance Internal Service Fund.

The liability for unpaid claims of \$832,633 reported in the Workers' Compensation Self-Insurance Internal Service Fund at December 31, 2012, is based on the requirements of GASB Statement No. 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues," as amended by GASB Statement No. 30, "Risk Management Omnibus," which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. Estimates were calculated based upon an independent actuarial evaluation of claims payable. The estimate was not affected by incremental claims adjustment expenses and does not include other allocated or unallocated claims adjustment expenses.

The City has purchased stop loss coverage through Mid-West Casualty to cover claims in excess of \$500,000 per event.

The change in claims activity for worker's compensation benefits for 2012 is as follows:

	<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>
2011	\$0	\$617,862	\$0	\$617,862
2012	617,862	385,605	170,834	832,633

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 – DEVELOPMENT STAGE ENTERPRISE FUND

The City of Westerville has built a Community Data Center Enterprise Fund which houses a City-wide broadband network and data storage for public and commercial use. The City has issued revenue bonds in the amount of \$8,480,000 for the purpose of paying the costs of constructing, equipping, furnishing and improving the community data center. Revenues of the data center include cage and rack subscriptions, fiber leases, conduit leases, and managed services. Customers include institutions, hospitals, local governments, businesses, internet providers and others. The daily operations of this utility are contracted through a third party that has experience in data center management.

NOTE 18 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund balances at December 31, 2012, consist of the following individual fund receivables and payables:

	<i>Receivable</i>			<i>Totals</i>
	<i>General</i>	<i>Electric</i>	<i>Internal</i>	
	<i>Fund</i>	<i>Fund</i>	<i>Service</i> <i>Funds</i>	
General	\$0	\$0	\$237,976	\$237,976
Fire Operating	0	0	128,294	128,294
Parks and Recreation Operating	0	0	75,344	75,344
<i>Payable</i> South State Street TIF Incentive	2,336,000	810,000	0	3,146,000
Nonmajor Governmental Funds	5,586,209	0	13,687	5,599,896
Water Fund	0	0	18,282	18,282
Sewer Fund	0	0	5,331	5,331
Electric Fund	0	0	51,746	51,746
Community Data Center Fund	2,974,740	0	0	2,974,740
Nonmajor Enterprise Funds	204,000	0	1,195	205,195
Internal Service Funds	0	0	4,190	4,190
<i>Totals</i>	<u>\$11,100,949</u>	<u>\$810,000</u>	<u>\$536,045</u>	<u>\$12,446,994</u>

The amounts due to the General Fund from the South State Street TIF Incentive Fund and Nonmajor Governmental Funds result from loans to various capital projects funds for the purpose of funding construction projects. The General Fund will be reimbursed when funds become available in the those funds.

The amounts due to the General Fund from the Nonmajor Enterprise Funds result from a long-term loan to the Refuse Enterprise Fund to help fund operations, while the loan to the Community Data Center Enterprise Fund was made to assist with startup costs.

City of Westerville, Ohio

Notes to the Basic Financial Statements
(Continued)

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

Of the total amount due to the General Fund at year-end, \$9,925,922 is not expected to be repaid in 2013.

The amount payable to the Electric Enterprise Fund was advanced to the South State Street TIF Capital Projects Fund to provide funding for infrastructure improvements to property along South State Street. Of this amount \$612,703 is not expected to be repaid during 2013.

The amounts due to the Workers' Compensation Self-Insurance Internal Service Fund, is for the portion of the estimated liability associated with the other funds.

Transfers made during the year ended December 31, 2012 were as follows:

<i>Transfers From</i>	<i>Transfers To</i>				<i>Totals</i>
	<i>General Fund</i>	<i>Parks and Recreation Operating Fund</i>	<i>General Capital Improvement Fund</i>	<i>Nonmajor Governmental Funds</i>	
General Fund	\$0	\$4,547,795	\$1,128,100	\$3,063,600	\$8,739,495
General Capital Improvement	0	0	0	980,706	980,706
Nonmajor					
Governmental Funds	2,667	0	0	4,173,534	4,176,201
<i>Totals</i>	<u>\$2,667</u>	<u>\$4,547,795</u>	<u>\$1,128,100</u>	<u>\$8,217,840</u>	<u>\$13,896,402</u>

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

Due From Other Funds and Due To Other Funds consist of electric service provided by the Electric Enterprise Fund to various other funds of the City. Due to/from amounts at December 31, 2012 were as follows:

City of Westerville, Ohio

Notes to the Basic Financial Statements
(Continued)

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

	<i>Due To</i>
	<u><i>Electric Fund</i></u>
General Fund	\$11,094
Fire Operating Fund	3,263
Parks and Recreation Operating Fund	32,224
Nonmajor Governmental Funds	539
Water Fund	15,711
<i>Due From</i> Sewer Fund	444
Community Data Center Fund	6,347
Nonmajor Enterprise Funds	54
Internal Service Fund	249
<i>Total</i>	<u><u>\$69,925</u></u>

NOTE 19 – FUND BALANCES

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

City of Westerville, Ohio

Notes to the Basic Financial Statements
(Continued)

NOTE 19 – FUND BALANCES (continued)

Fund Balances	General	Fire Operating	Parks and Recreation Operating	General Capital Improvement	South State Street TIF Incentive	Nonmajor Governmental Funds	Total
<i>Nonspendable</i>							
Prepays	\$419,078	\$3,352	\$1,442	\$0	\$0	\$5,260	\$429,132
Materials And							
Supplies Inventory	245,203	0	154,375	0	0	284,393	\$683,971
Unclaimed Monies	122,984	0	0	0	0	0	\$122,984
Interfund Receivable	9,925,922	0	0	0	0	0	\$9,925,922
<i>Total Nonspendable</i>	10,713,187	3,352	155,817	0	0	289,653	11,162,009
<i>Restricted For</i>							
Fire Protection	0	4,476,139	0	0	0	0	4,476,139
Police Programs	0	0	0	0	0	345,175	345,175
Streets and							0
Transportation	0	0	0	0	0	2,825,944	2,825,944
Recreational Activities	0	0	0	0	0	1,458,415	1,458,415
Recreational							0
Improvements	0	0	0	0	0	1,365,669	1,365,669
Endowment	0	0	0	0	0	73,216	73,216
Capital Improvements	0	0	0	0	0	1,676,419	1,676,419
Other Purposes	0	0	0	0	0	426,350	426,350
<i>Total Restricted</i>	0	4,476,139	0	0	0	8,171,188	12,647,327
<i>Committed To</i>							
Unpaid Obligations	0	0	0	703,324	0	0	703,324
Capital Improvements	0	0	0	0	0	1,434,108	1,434,108
Recreational Activities	0	0	4,715,158	0	0	0	4,715,158
<i>Total Committed</i>	0	0	4,715,158	703,324	0	1,434,108	6,852,590
<i>Assigned To</i>							
Debt Service	0	0	0	0	0	122,840	122,840
Unpaid Obligations	984,689	0	0	0	0	0	984,689
Capital Improvements	0	0	0	5,968,865	0	0	5,968,865
<i>Total Assigned</i>	984,689	0	0	5,968,865	0	122,840	7,076,394
<i>Unassigned (Deficit)</i>	27,425,907	0	0	0	(2,087,407)	(4,134,515)	21,203,985
<i>Total Fund Balances</i>	\$39,123,783	\$4,479,491	\$4,870,975	\$6,672,189	(\$2,087,407)	\$5,883,274	\$58,942,305

City of Westerville, Ohio

Notes to the Basic Financial Statements (Continued)

NOTE 20 – JOINTLY GOVERNED ORGANIZATION

The Westerville, Minerva Park, and Blendon Township Joint Hospital District is a jointly governed organization managed by a nine member board consisting of three elected officials from each of the governmental entities comprising the Joint Hospital District. The Joint Hospital District possesses its own budgeting and taxing authority and does not receive contributions or payments from its members. The participating members do not retain an ongoing financial interest or an ongoing financial responsibility for the Joint Hospital District. Nothing was paid to the organization by the City in 2012.

NOTE 21 – 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. The City contributed \$100,000 to WICC during 2012.

NOTE 22 – RISK SHARING POOL

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

City of Westerville, Ohio

Notes to the Basic Financial Statements (Continued)

NOTE 23 – CONTINGENT LIABILITIES

LITIGATION

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

FEDERAL AND STATE GRANTS

For the period January 1, 2012, to December 31, 2012, 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.



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City of Westerville, Ohio

Required Supplementary Information Condition Assessment of the City's Infrastructure

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

Roads

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

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

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

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

City of Westerville, Ohio

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

The following summarizes the physical condition assessment of City roads as of December 31, for 2007, 2009 and 2011:

Road Condition Rating	2007			
	Major Arterials		All Other	
	Road Miles	% of Total	Road Miles	% of Total
Good or Better	12.3	83%	91.9	67%
Less than Good	2.5	17%	45.2	33%
Total	14.8	100%	137.1	100%

Road Condition Rating	2009			
	Major Arterials		All Other	
	Road Miles	% of Total	Road Miles	% of Total
Good or Better	12.3	83%	91.9	67%
Less than Good	2.5	17%	45.2	33%
Total	14.8	100%	137.1	100%

Road Condition Rating	2011			
	Major Arterials		All Other	
	Road Miles	% of Total	Road Miles	% of Total
Good or Better	13.0	88%	81.3	60%
Less than Good	1.8	12%	55.8	40%
Total	14.8	100%	137.1	100%

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

Year	Budget	Actual	Difference
2012	\$8,583,761	\$7,026,055	\$1,557,706
2011	7,818,794	7,701,362	117,432
2010	7,297,219	6,736,529	560,690
2009	7,194,062	6,902,639	291,423
2008	4,479,571	4,301,218	178,353

City of Westerville, Ohio

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

Bridges

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

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

The Federal Highway Administration has defined specific criteria for each element of the bridge, based on its construction. For each element, a 1-9 rating scale is used, where 4 or less is defined as "Poor" condition. The ratings of all elements are combined to summarize the structural condition of a bridge as follows:

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

City of Westerville, Ohio

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

It is the City's policy to maintain the bridge system in the City where 80% of the structures have a general appraisal summary of 7 (Good) condition or better. Each bridge in the City will be assessed on a triennial basis. The following is a summary of the conditional assessment for bridges as of December 31 for 2012, 2011 and 2010:

Bridge Condition	2012		2011		2010	
	Number of Bridges	% of Total	Number of Bridges	% of Total	Number of Bridges	% of Total
Good or Better	5	100%	5	100%	5	100%
Less than Good	0	0%	0	0%	0	0%
Total	5	100%	5	100%	5	100%

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

Year	Budget	Actual	Difference
2012	\$509,580	\$417,389	\$92,191
2011	507,685	494,516	13,169
2010	851,594	846,944	4,650
2009	114,225	98,025	16,200
2008	83,650	22,650	61,000



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Combining Statements
And
Individual Fund Schedules

City of Westerville, Ohio

Nonmajor Governmental Fund Descriptions

SPECIAL REVENUE FUNDS

To account for and report the proceeds of specific revenue sources (other than major capital projects) that are restricted, committed, or assigned to expenditure for specified purposes other than debt service or capital projects. The following are descriptions of the City's nonmajor Special Revenue Funds.

Nonmajor Special Revenue Funds

Street Maintenance Fund – To account for and report the portion (92.5 percent) of the State gasoline tax and motor vehicle registration fees restricted for maintenance and repair of streets within the City.

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

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

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

Hotel Tax Fund – To account for and report committed receipts of 75 percent of the hotel tax revenues collected by the City and expended as required by local ordinance.

OMVI Education Fund – To account for and report restricted 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 and report restricted monies received from payments in lieu of taxes to be redistributed to area school districts.

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

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

FEMA Fund – To account for and report the restricted 75 percent reimbursement from the Federal Emergency Management Agency for expenditures associated with the March, 2008 snow and September, 2008 wind storms.

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

(continued)

City of Westerville, Ohio

Nonmajor Governmental Fund Descriptions
(Continued)

Nonmajor Special Revenue Funds (Continued)

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

McVay Endowment Fund – To account for and report restricted 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.

Cable TV Franchise Fee Fund – To account for and report cable franchise fees which are used primarily to supplement funding to the Otterbein College community access channel. This fund is included with the General Fund for GAAP reporting as it does not have a restricted or a committed revenue source.

DEBT SERVICE FUND

To account for and report financial resources that are restricted, committed or assigned to expenditure for principal and interest.

Nonmajor Debt Service Fund

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

The General Bond Retirement Fund is the only nonmajor debt service fund. Therefore, no combining statements are presented.

CAPITAL PROJECTS FUNDS

To account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Nonmajor Capital Projects Funds

Africa Road Improvement Fund – To account for and report street improvements committed to be financed by transfers from the General Fund.

Dempsey Road Improvement Fund – To account for and report street improvements committed to be financed by transfers from the General Fund, potential grant revenues (OPWC), and cooperative revenue payments from other governmental entities.

(continued)

City of Westerville, Ohio

Nonmajor Governmental Fund Descriptions (Continued)

Nonmajor Capital Projects Funds (Continued)

McCorkle Boulevard Road Improvement Fund – To account for and report the McCorkle Boulevard extension project committed to be funded by transfers from the General Fund, potential grant revenues (OPWC) and cooperative revenue payments from other governmental entities.

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

Maxtown Road Improvement Fund – To account for and report street improvements financed by restricted TIF revenues received from Genoa Township.

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

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

Cleveland Avenue Extension Improvement Fund – To account for and report street improvements committed to be financed by transfers from the General Fund.

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

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

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

City Buildings Improvement Fund – To account for and report monies received from the General Fund committed to renovate, improve, furnish and equip municipal facilities.

Safety Building Capital Improvement Fund – To account for and report monies received from the General Fund committed to improving the provision of municipal fire services, including the constructing, furnishing and equipping of buildings to house municipal fire functions, related site improvements, and the acquisition of safety vehicles and communication equipment.

(continued)

City of Westerville, Ohio

Nonmajor Governmental Fund Descriptions
(Continued)

Nonmajor Capital Projects Funds (Continued)

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

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

Northstar / Worthington Road TIF Fund – To account for and report restricted service payments in lieu of taxes made by developers and/or owners to fund public infrastructure improvements and acquisition of interests in real estate relating to the TIF area. This fund will also account for the portion of the project that is financed by OPWC grants and/or loans.

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

Perimeter Road Improvement Fund – To account for and report fees charged to developers and committed 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.

City of Westerville, Ohio

General Governmental Capital Assets

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

City of Westerville, Ohio
Schedule of Governmental Activities Capital Assets
By Program and Department
December 31, 2012

<i>Program / Department</i>	<i>Land</i>	<i>Land Improvements</i>	<i>Buildings</i>
Security of Persons and Property			
Police	\$0	\$0	\$5,266,028
Fire	110,512	32,721	5,617,799
Communications	0	0	0
Total Security of Persons and Property	110,512	32,721	10,883,827
Public Health			
Cemetery Maintenance	0	60,463	173,777
Leisure Time Activities			
Parks and Recreation	6,347,084	23,878,142	23,046,513
Community Development			
Planning, Engineering and Building	0	0	24,705
Basic Utility Services			
Storm Sewer	528,954	7,469	2,439
Transportation			
Street Maintenance	0	74,594	493,639
Roads and Bridges	0	0	0
Sidewalks	0	0	0
Traffic Signal Maintenance and Repair	0	0	0
Total Transportation	0	74,594	493,639
General Government			
City Manager	0	0	0
Legislative	0	0	0
Cable TV Commission	0	0	0
Finance	0	0	0
Management Information Systems	0	0	70,198
Income Tax	0	0	0
Mayor's Court	0	0	0
Lands and Buildings	11,763,668	55,820	6,620,935
Total General Government	11,763,668	55,820	6,691,133
Total General Capital Assets	18,750,218	24,109,209	41,316,033
Less Accumulated Depreciation	0	(11,364,534)	(13,587,913)
Net General Capital Assets	18,750,218	12,744,675	27,728,120
Internal Service Fund Capital Assets	0	0	661,520
Less Accumulated Depreciation	0	0	(540,199)
Net Internal Service Fund Capital Assets	0	0	121,321
Total Before Construction in Progress	\$18,750,218	\$12,744,675	\$27,849,441
Construction in Progress			
Total Governmental Activities Capital Assets			

<i>Furniture and Equipment</i>	<i>Vehicles</i>	<i>Infrastructure</i>	<i>Totals</i>
\$651,290	\$1,185,919	\$0	\$7,103,237
505,494	2,525,894	0	8,792,420
2,348,624	0	0	2,348,624
3,505,408	3,711,813	0	18,244,281
0	0	0	234,240
2,206,762	872,401	0	56,350,902
91,326	235,407	0	351,438
320,881	41,743	33,830,516	34,732,002
634,450	799,968	0	2,002,651
0	0	117,605,334	117,605,334
0	0	3,444,542	3,444,542
7,389,321	0	0	7,389,321
8,023,771	799,968	121,049,876	130,441,848
57,552	0	0	57,552
24,083	0	0	24,083
701,354	71,189	0	772,543
107,945	45,905	0	153,850
1,288,881	0	0	1,359,079
18,960	0	0	18,960
86,357	0	0	86,357
346,110	0	0	18,786,533
2,631,242	117,094	0	21,258,957
16,779,390	5,778,426	154,880,392	261,613,668
(10,124,833)	(4,215,774)	(11,908,932)	(51,201,986)
6,654,557	1,562,652	142,971,460	210,411,682
77,653	22,890	0	762,063
(49,147)	(16,373)	0	(605,719)
28,506	6,517	0	156,344
\$6,683,063	\$1,569,169	\$142,971,460	210,568,026
			15,348,211
			\$225,916,237

City of Westerville, Ohio
Schedule of Changes in Governmental Activities Capital Assets
By Program and Department
For the Year Ended December 31, 2012

<i>Program / Department</i>	<i>Balance 12/31/2011</i>	<i>Additions</i>	<i>Deletions</i>	<i>Balance 12/31/2012</i>
Security of Persons and Property				
Police	\$6,942,824	\$221,830	\$61,417	\$7,103,237
Fire	8,814,778	43,179	65,537	8,792,420
Communications	2,348,624			2,348,624
Total Security of Persons and Property	<u>18,106,226</u>	<u>265,009</u>	<u>126,954</u>	<u>18,244,281</u>
Public Health				
Cemetery Maintenance	234,240		0	234,240
Leisure Time Activities				
Parks and Recreation	55,910,490	512,686	72,274	56,350,902
Community Development				
Planning, Engineering and Building	314,588	36,850		351,438
Basic Utility Services				
Storm Sewer	34,703,358	28,644	0	34,732,002
Transportation				
Street Maintenance	1,583,312	584,327	164,988	2,002,651
Roads and Bridges	116,819,091	786,243		117,605,334
Sidewalks	2,647,688	796,854		3,444,542
Traffic Signal Maintenance and Repair	7,373,861	15,460	0	7,389,321
Total Transportation	<u>128,423,952</u>	<u>2,182,884</u>	<u>164,988</u>	<u>130,441,848</u>
General Government				
City Manager	57,552	0	0	57,552
Legislative	24,083	0	0	24,083
Cable TV Commission	772,543	0	0	772,543
Finance	158,963	0	5,113	153,850
Management Information Systems	1,250,243	108,836	0	1,359,079
Income Tax	18,960	0	0	18,960
Mayor's Court	86,357	0	0	86,357
Lands and Buildings	18,002,868	783,665	0	18,786,533
Total General Government	<u>20,371,569</u>	<u>892,501</u>	<u>5,113</u>	<u>21,258,957</u>
Total General Capital Assets	258,064,423	3,918,574	369,329	261,613,668
Less Accumulated Depreciation	(47,150,438)	(4,396,710)	(345,162)	(51,201,986)
Net General Capital Assets	<u>210,913,985</u>	<u>(478,136)</u>	<u>24,167</u>	<u>210,411,682</u>
Internal Service Fund Capital Assets	743,336	18,727	0	762,063
Less Accumulated Depreciation	(583,280)	(22,439)	0	(605,719)
Net Internal Service Fund Capital Assets	<u>160,056</u>	<u>(3,712)</u>	<u>0</u>	<u>156,344</u>
Totals Before Construction in Progress	211,074,041	(481,848)	24,167	210,568,026
Construction in Progress	10,962,446	6,605,454	2,219,689	15,348,211
Total Governmental Activities Capital Assets	<u>\$222,036,487</u>	<u>\$6,123,606</u>	<u>\$2,243,856</u>	<u>\$225,916,237</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, 2012

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Property Taxes	\$3,159,820	\$2,873,581	\$2,873,581	\$0
Municipal Income Tax	26,717,385	26,731,622	26,938,525	206,903
Intergovernmental	4,365,306	5,018,697	5,014,037	(4,660)
Charges for Services	247,468	237,894	238,940	1,046
Fees, Licenses and Permits	582,100	806,630	810,309	3,679
Fines and Forfeitures	598,835	550,651	550,651	0
Investment Earnings	1,000,000	1,128,215	1,181,983	53,768
Other	30,100	52,057	34,260	(17,797)
Total Revenues	36,701,014	37,399,347	37,642,286	242,939
<u>Expenditures:</u>				
Current Operations and Maintenance				
Security of Persons and Property				
Police Department				
Police Services				
Personal Services	11,758,909	11,758,909	10,797,282	961,627
Supplies and Materials	544,756	525,570	411,121	114,449
Contractual Services	860,745	865,164	795,210	69,954
Capital Outlay	359,925	352,408	137,575	214,833
Total Police Department	13,524,335	13,502,051	12,141,188	1,360,863
Communications				
Personal Services	1,528,225	1,549,225	1,451,802	97,423
Supplies and Materials	35,359	29,648	18,338	11,310
Contractual Services	223,539	211,668	194,522	17,146
Capital Outlay	569,024	31,433	30,714	719
Total Communications	2,356,147	1,821,974	1,695,376	126,598
Total Security of Persons and Property	15,880,482	15,324,025	13,836,564	1,487,461
Public Health				
Cemetery Maintenance				
Supplies and Materials	1,550	1,550	999	551
Contractual Services	89,878	92,741	77,236	15,505
Capital Outlay	150,428	2,000	0	2,000
Total Public Health	241,856	96,291	78,235	18,056
Community Development				
Planning, Engineering, and Building Department				
Building, Planning and Zoning				
Personal Services	2,648,111	2,598,111	2,240,594	357,517
Supplies and Materials	95,348	94,434	73,207	21,227
Contractual Services	564,569	583,032	539,109	43,923
Capital Outlay	58,700	58,700	41,559	17,141
Other Financing Uses	1,000	1,000	0	1,000
Total Community Development	\$3,367,728	\$3,335,277	\$2,894,469	\$440,808

(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, 2012

(Continued)

	Budget		Actual	Variance
	Original	Final		Positive (Negative)
Basic Utility Services				
General Public Services				
Storm Sewer Maintenance and Improvements				
Personal Services	\$541,195	\$541,195	\$490,776	\$50,419
Supplies and Materials	44,194	47,349	42,776	4,573
Contractual Services	192,085	211,287	148,887	62,400
Capital Outlay	9,747	9,750	3,326	6,424
Total Basic Utility Services	<u>787,221</u>	<u>809,581</u>	<u>685,765</u>	<u>123,816</u>
General Government				
City Manager				
Administration				
Personal Services	412,486	412,486	410,485	2,001
Supplies and Materials	4,566	6,388	3,737	2,651
Contractual Services	850,997	790,237	755,374	34,863
Capital Outlay	2,000	2,000	1,672	328
Total Administration	<u>1,270,049</u>	<u>1,211,111</u>	<u>1,171,268</u>	<u>39,843</u>
Economic Development				
Personal Services	102,824	103,324	102,870	454
Supplies and Materials	16,800	23,905	17,827	6,078
Contractual Services	361,745	312,515	289,491	23,024
Other	315,000	315,000	285,168	29,832
Total Economic Development	<u>796,369</u>	<u>754,744</u>	<u>695,356</u>	<u>59,388</u>
Total City Manager	<u>2,066,418</u>	<u>1,965,855</u>	<u>1,866,624</u>	<u>99,231</u>
Legislative				
Personal Services	145,524	145,524	144,278	1,246
Supplies and Materials	14,600	14,600	10,272	4,328
Contractual Services	87,381	87,435	72,066	15,369
Capital Outlay	2,000	2,000	2,000	0
Total Legislative	<u>249,505</u>	<u>249,559</u>	<u>228,616</u>	<u>20,943</u>
Administrative Services				
Personal Services	798,822	798,822	773,776	25,046
Supplies and Materials	13,109	14,669	8,831	5,838
Contractual Services	635,444	604,813	487,367	117,446
Capital Outlay	23,600	7,600	5,682	1,918
Total Administrative Services	<u>1,470,975</u>	<u>1,425,904</u>	<u>1,275,656</u>	<u>150,248</u>
Management Information Systems				
Personal Services	1,098,233	1,098,233	1,073,584	24,649
Supplies and Materials	50,442	48,065	32,634	15,431
Contractual Services	1,001,220	1,021,566	683,594	337,972
Capital Outlay	224,500	330,538	226,870	103,668
Total Management Information Systems	<u>\$2,374,395</u>	<u>\$2,498,402</u>	<u>\$2,016,682</u>	<u>\$481,720</u>

(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, 2012

(Continued)

	Budget		Actual	Variance
	Original	Final		Positive (Negative)
Finance Department				
Administration and Accounting				
Personal Services	\$859,215	\$859,215	\$797,421	\$61,794
Supplies and Materials	34,405	35,304	25,634	9,670
Contractual Services	444,845	441,148	394,947	46,201
Capital Outlay	14,000	14,000	3,516	10,484
Total Administration and Accounting	1,352,465	1,349,667	1,221,518	128,149
Income Tax				
Personal Services	423,819	423,819	399,980	23,839
Supplies and Materials	42,389	41,213	25,317	15,896
Contractual Services	84,504	78,793	61,657	17,136
Capital Outlay	2,500	2,500	2,018	482
Other Financing Uses	1,300,000	1,600,000	1,144,964	455,036
Total Income Tax	1,853,212	2,146,325	1,633,936	512,389
Utility Billing Services				
Personal Services	636,345	636,345	601,097	35,248
Supplies and Materials	24,844	24,462	23,447	1,015
Contractual Services	119,399	120,749	109,996	10,753
Capital Outlay	10,674	1,250	1,013	237
Total Utility Billing Services	791,262	782,806	735,553	47,253
Mayor's Court				
Personal Services	474,592	454,592	345,214	109,378
Supplies and Materials	17,928	18,049	11,619	6,430
Contractual Services	434,634	452,485	431,690	20,795
Total Mayor's Court	927,154	925,126	788,523	136,603
Law Administration				
Personal Services	129,470	129,470	128,328	1,142
Contractual Services	515,827	494,737	494,691	46
Total Law Administration	645,297	624,207	623,019	1,188
Buildings and Grounds				
Personal Services	482,763	482,763	444,462	38,301
Supplies and Materials	70,750	72,374	44,232	28,142
Contractual Services	349,031	351,634	337,022	14,612
Capital Outlay	69,811	6,132	5,895	237
Total Buildings and Grounds	972,355	912,903	831,611	81,292
Total Finance Department	6,541,745	6,741,034	5,834,160	906,874
Total General Government	\$12,703,038	\$12,880,754	\$11,221,738	\$1,659,016

(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, 2012
(Continued)

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
Debt Service				
Principal Retirement	\$665	\$694	\$693	\$1
Interest and Fiscal Charges	828	799	799	0
Total Debt Service	1,493	1,493	1,492	1
<i>Total Expenditures</i>	32,981,818	32,447,421	28,718,263	3,729,158
Excess of Revenues Over Expenditures	3,719,196	4,951,926	8,924,023	3,972,097
<u>Other Financing Sources (Uses):</u>				
Proceeds from Sale of Capital Assets	0	3,084	3,085	1
Advances - In	2,962,068	3,130,716	3,130,715	(1)
Advances - Out	0	(1,625,000)	(1,625,000)	0
Transfers - In	177,913	2,668	2,667	(1)
Transfers - Out	(6,009,304)	(7,137,404)	(6,977,404)	160,000
<i>Total Other Financing Sources (Uses)</i>	(2,869,323)	(5,625,936)	(5,465,937)	159,999
Net Change in Fund Balance	849,873	(674,010)	3,458,086	4,132,096
Fund Balance at Beginning of Year	20,042,020	20,776,577	20,776,577	0
Prior Year Encumbrances Carried Over	1,494,150	606,572	606,572	0
Fund Balance at End of Year	\$22,386,043	\$20,709,139	\$24,841,235	\$4,132,096

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, 2012

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Property Taxes	\$9,720,756	\$9,255,493	\$9,255,493	\$0
Intergovernmental	2,902,937	3,105,215	3,105,218	3
Charges for Services	1,158,827	1,089,684	1,096,070	6,386
Fees, Licenses and Permits	0	50	50	0
Investment Earnings	50,000	59,352	61,951	2,599
Other	1,500	5,232	5,233	1
<i>Total Revenues</i>	<u>13,834,020</u>	<u>13,515,026</u>	<u>13,524,015</u>	<u>8,989</u>
<u>Expenditures:</u>				
Current Operations and Maintenance				
Security of Persons and Property				
Fire Department				
Operations				
Personal Services	12,124,282	12,124,282	11,358,762	765,520
Supplies and Materials	542,350	548,516	451,260	97,256
Contractual Services	1,187,990	1,133,327	979,055	154,272
Capital Outlay	781,756	595,346	383,864	211,482
<i>Total Expenditures</i>	<u>14,636,378</u>	<u>14,401,471</u>	<u>13,172,941</u>	<u>1,228,530</u>
Excess of Revenues Over (Under) Expenditures	(802,358)	(886,445)	351,074	1,237,519
<u>Other Financing Uses:</u>				
Transfers - Out	(177,913)	0	0	0
Net Change in Fund Balance	(980,271)	(886,445)	351,074	1,237,519
Fund Balance at Beginning of Year	3,807,961	3,963,008	3,963,008	0
Prior Year Encumbrances Carried Over	359,687	204,645	204,645	0
Fund Balance at End of Year	<u>\$3,187,377</u>	<u>\$3,281,208</u>	<u>\$4,518,727</u>	<u>\$1,237,519</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, 2012

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$0	\$10,434	\$10,434	\$0
Charges for Services	3,747,202	3,833,636	3,900,109	66,473
Fees, Licenses and Permits	36,000	11,665	11,666	1
Other	32,000	5,001	5,032	31
Total Revenues	3,815,202	3,860,736	3,927,241	66,505
<u>Expenditures:</u>				
Current Operations and Maintenance				
Leisure Time Activities				
Administration				
Personal Services	668,003	668,003	598,051	69,952
Supplies and Materials	18,676	16,430	10,072	6,358
Contractual Services	192,389	243,953	227,060	16,893
Other Financing Uses	10,000	20,000	14,531	5,469
Capital Outlay	8,350	8,350	6,689	1,661
Total Administration	897,418	956,736	856,403	100,333
Services				
Personal Services	2,845,108	2,845,081	2,755,684	89,397
Supplies and Materials	252,474	258,626	254,481	4,145
Contractual Services	1,343,230	1,310,937	1,227,721	83,216
Capital Outlay	85,430	81,350	74,494	6,856
Total Services	4,526,242	4,495,994	4,312,380	183,614
Parks				
Personal Services	1,869,982	1,868,074	1,734,324	133,750
Supplies and Materials	318,487	305,406	295,374	10,032
Contractual Services	577,222	679,550	669,037	10,513
Capital Outlay	157,903	182,335	149,121	33,214
Total Parks	2,923,594	3,035,365	2,847,856	187,509
Senior Center				
Personal Services	599,412	599,412	557,398	42,014
Supplies and Materials	39,722	39,099	38,633	466
Contractual Services	99,586	93,577	79,525	14,052
Capital Outlay	32,737	31,836	11,617	20,219
Total Senior Center	771,457	763,924	687,173	76,751
Highland Pool				
Personal Services	464,102	464,102	442,399	21,703
Supplies and Materials	88,615	83,617	80,898	2,719
Contractual Services	109,677	100,041	83,867	16,174
Capital Outlay	11,000	11,000	10,518	482
Total Highland Pool	673,394	658,760	617,682	41,078
Total Expenditures	9,792,105	9,910,779	9,321,494	589,285
Excess of Revenues				
Under Expenditures	(5,976,903)	(6,050,043)	(5,394,253)	655,790
<u>Other Financing Sources:</u>				
Transfers - In	4,547,795	4,547,795	4,547,795	0
Net Change in Fund Balance	(1,429,108)	(1,502,248)	(846,458)	655,790
Fund Balance at Beginning of Year	5,014,516	4,914,164	4,914,164	0
Prior Year Encumbrances Carried Over	240,751	341,105	341,105	0
Fund Balance at End of Year	\$3,826,159	\$3,753,021	\$4,408,811	\$655,790

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, 2012

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Municipal Income Tax	\$7,493,365	\$7,185,921	\$7,231,153	\$45,232
Intergovernmental	13,620	0	0	0
Charges for Services	69,000	50,793	50,793	0
Other	0	37,326	37,327	1
<i>Total Revenues</i>	<u>7,575,985</u>	<u>7,274,040</u>	<u>7,319,273</u>	<u>45,233</u>
<u>Expenditures:</u>				
Capital Outlay	11,971,007	12,179,014	10,202,160	1,976,854
Debt Service				
Interest and Fiscal Charges	96,388	39,853	39,852	1
<i>Total Expenditures</i>	<u>12,067,395</u>	<u>12,218,867</u>	<u>10,242,012</u>	<u>1,976,855</u>
Excess of Revenues				
Under Expenditures	<u>(4,491,410)</u>	<u>(4,944,827)</u>	<u>(2,922,739)</u>	<u>2,022,088</u>
<u>Other Financing Sources (Uses):</u>				
General Obligation Bonds Issued	2,400,000	2,400,001	2,400,000	(1)
Premium on Debt Issued	0	39,852	39,852	0
Transfers - In	0	1,128,100	1,128,100	0
Transfers - Out	<u>(1,149,120)</u>	<u>(1,149,120)</u>	<u>(980,706)</u>	<u>168,414</u>
<i>Total Other Financing Sources (Uses)</i>	<u>1,250,880</u>	<u>2,418,833</u>	<u>2,587,246</u>	<u>168,413</u>
Net Change in Fund Balance	<u>(3,240,530)</u>	<u>(2,525,994)</u>	<u>(335,493)</u>	<u>2,190,501</u>
Fund Balance at Beginning of Year	1,556,587	1,011,496	1,011,496	0
Prior Year Encumbrances Carried Over	<u>3,005,507</u>	<u>3,550,598</u>	<u>3,550,598</u>	<u>0</u>
Fund Balance at End of Year	<u>\$1,321,564</u>	<u>\$2,036,100</u>	<u>\$4,226,601</u>	<u>\$2,190,501</u>

City of Westerville, Ohio

Schedule of Revenues, Expenditures, and Changes in Fund
Balance - Budget (Non-GAAP Budgetary Basis) and Actual
South State Street TIF Incentive Capital Projects Fund
For the Year Ended December 31, 2012

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Payments in Lieu of Taxes	\$1,395,312	\$547,422	\$547,421	(\$1)
Intergovernmental	0	1,617	1,617	0
Other	0	233,000	233,000	0
<i>Total Revenues</i>	<u>1,395,312</u>	<u>782,039</u>	<u>782,038</u>	<u>(1)</u>
<u>Expenditures:</u>				
Capital Outlay	1,166,097	2,060,900	1,952,442	108,458
Debt Service				
Principal Retirement	0	68,182	0	68,182
<i>Total Expenditures</i>	<u>1,166,097</u>	<u>2,129,082</u>	<u>1,952,442</u>	<u>176,640</u>
Excess of Revenues Over (Under) Expenditures	<u>229,215</u>	<u>(1,347,043)</u>	<u>(1,170,404)</u>	<u>176,639</u>
<u>Other Financing Sources (Uses):</u>				
Proceeds from OPWC Loans	0	574,505	574,505	0
Advances - Out	(2,310,000)	(1,500,000)	(1,500,000)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(2,310,000)</u>	<u>(925,495)</u>	<u>(925,495)</u>	<u>0</u>
Net Change in Fund Balance	(2,080,785)	(2,272,538)	(2,095,899)	176,639
Fund Balance at Beginning of Year	1,752,105	990,968	990,968	0
Prior Year Encumbrances Carried Over	1,166,097	1,927,235	1,927,235	0
Fund Balance at End of Year	<u>\$837,417</u>	<u>\$645,665</u>	<u>\$822,304</u>	<u>\$176,639</u>

City of Westerville, Ohio

Schedule of Revenues, Expenses, and Changes in Fund
Equity - Budget (Non-GAAP Budgetary Basis) and Actual
Water Enterprise Fund
For the Year Ended December 31, 2012

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Charges for Services	\$3,011,575	\$3,208,801	\$3,224,143	\$15,342
Capacity Charges	264,000	814,982	814,983	1
Proceeds of Bonds	8,243,000	630,000	630,000	0
Premium on Bonds	0	10,462	10,461	(1)
Sale of Meters	15,000	29,675	29,675	0
Other	88,000	97,446	97,448	2
Total Revenues	11,621,575	4,791,366	4,806,710	15,344
<u>Expenses:</u>				
Personal Services				0
Water Treatment	1,113,800	1,113,800	1,051,883	61,917
System Improvements	594,367	594,367	527,547	66,820
Total Personal Service	1,708,167	1,708,167	1,579,430	128,737
Supplies and Materials				
Water Treatment	499,747	492,540	435,176	57,364
System Improvements	116,286	115,844	96,671	19,173
Total Supplies and Materials	616,033	608,384	531,847	76,537
Other Services and Charges				
Water Treatment	781,403	806,819	793,054	13,765
System Improvements	154,698	153,236	91,960	61,276
Total Other Services and Charges	936,101	960,055	885,014	75,041
Capital Outlay				
Water Treatment	7,447,534	1,601,330	1,306,470	294,860
System Improvements	1,025,317	915,409	722,082	193,327
Total Capital Outlay	8,472,851	2,516,739	2,028,552	488,187
Debt Service				
Principal Retirement	250,030	252,802	252,801	1
Interest and Fiscal Charges	354,197	364,886	262,239	102,647
Total Debt Service	604,227	617,688	515,040	102,648
Total Expenses	12,337,379	6,411,033	5,539,883	871,150
Net Change in Fund Equity	(715,804)	(1,619,667)	(733,173)	886,494
Fund Equity at Beginning of Year	6,950,965	6,037,261	6,037,261	0
Prior Year Encumbrances Carried Over	633,650	1,547,355	1,547,355	0
Fund Equity at End of Year	\$6,868,811	\$5,964,949	\$6,851,443	\$886,494

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, 2012

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Charges for Services	\$7,973,861	\$8,015,517	\$8,054,754	\$39,237
Tap-In Fees	6,000	6,000	4,800	(1,200)
Capacity Charges	55,000	226,550	226,550	0
Proceeds of Bonds	715,000	715,000	715,000	0
Premium on Bonds	0	11,873	11,873	0
Other	0	107	108	1
<i>Total Revenues</i>	<u>8,749,861</u>	<u>8,975,047</u>	<u>9,013,085</u>	<u>38,038</u>
<u>Expenses:</u>				
Personal Services				
System Improvements	<u>652,056</u>	<u>651,907</u>	<u>469,250</u>	<u>182,657</u>
Supplies and Materials				
System Improvements	<u>41,999</u>	<u>40,650</u>	<u>22,915</u>	<u>17,735</u>
Other Services and Charges				
Sewer Treatment	9,254,543	9,017,170	9,016,937	233
System Improvements	240,944	232,297	194,520	37,777
Total Other Services and Charges	<u>9,495,487</u>	<u>9,249,467</u>	<u>9,211,457</u>	<u>38,010</u>
Capital Outlay				
System Improvements	<u>914,820</u>	<u>973,993</u>	<u>356,327</u>	<u>617,666</u>
Debt Service				
Principal Retirement	52,315	52,315	52,315	0
Interest and Fiscal Charges	50,163	63,172	63,172	0
Total Debt Service	<u>102,478</u>	<u>115,487</u>	<u>115,487</u>	<u>0</u>
<i>Total Expenses</i>	<u>11,206,840</u>	<u>11,031,504</u>	<u>10,175,436</u>	<u>856,068</u>
Net Change in Fund Equity	(2,456,979)	(2,056,457)	(1,162,351)	894,106
Fund Equity at Beginning of Year	3,319,374	3,043,906	3,043,906	0
Prior Year Encumbrances Carried Over	1,999,028	2,274,495	2,274,495	0
Fund Equity at End of Year	<u>\$2,861,423</u>	<u>\$3,261,944</u>	<u>\$4,156,050</u>	<u>\$894,106</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, 2012

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Charges for Services	\$46,843,313	\$45,767,320	\$45,863,860	\$96,540
Underground Line Charge	4,000	3,000	3,000	0
Proceeds of Bonds	1,565,000	2,350,000	2,350,000	0
Premium on Bonds		110,724	110,724	0
Sale of Capital Assets	0	16,024	16,024	0
Sale of Meters	6,000	3,840	3,840	0
Interest	0	772	859	87
Grants	0	5,911	0	(5,911)
Other	85,000	122,295	122,510	215
Total Revenues	48,503,313	48,379,886	48,470,817	90,931
<u>Expenses:</u>				
Personal Services				0
Electric System Maintenance	4,516,488	4,575,891	4,382,458	193,433
Supplies and Materials				
Electric System Maintenance	900,683	839,257	571,831	267,426
Other Services and Charges				
Purchased Power	38,150,088	38,160,153	37,096,354	1,063,799
Electric System Maintenance	1,489,079	1,492,281	1,243,031	249,250
Total Other Services and Charges	39,639,167	39,652,434	38,339,385	1,313,049
Capital Outlay				
Electric System Maintenance	5,360,381	6,947,040	5,212,256	1,734,784
Debt Service				
Principal Retirement	1,299,925	1,299,925	1,299,925	0
Interest and Fiscal Charges	1,176,682	1,230,439	1,223,043	7,396
Payment to Refunding Escrow Agent	0	855,852	855,852	0
Total Debt Service	2,476,607	3,386,216	3,378,820	7,396
Total Expenses	52,893,326	55,400,838	51,884,750	3,516,088
Excess of Revenues				
Under Expenses Before Advances	(4,390,013)	(7,020,952)	(3,413,933)	3,607,019
Advances - In	810,000	0	0	0
Net Change in Fund Equity	(3,580,013)	(7,020,952)	(3,413,933)	3,607,019
Fund Equity at Beginning of Year	16,073,498	14,146,512	14,146,512	0
Prior Year Encumbrances Carried Over	5,359,302	7,286,293	7,286,293	0
Fund Equity at End of Year	\$17,852,787	\$14,411,853	\$18,018,872	\$3,607,019

City of Westerville, Ohio

Schedule of Revenues, Expenses, and Changes in Fund
Equity - Budget (Non-GAAP Budgetary Basis) and Actual
Community Data Center Enterprise Fund
For the Year Ended December 31, 2012

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Charges for Services	\$1,539,750	\$593,116	\$329,232	(\$263,884)
Interest	0	31,205	32,316	1,111
Other	5,000	13,285	8,285	(5,000)
Total Revenues	1,544,750	637,606	369,833	(267,773)
<u>Expenses:</u>				
Supplies and Materials				
Service Operations	35,000	38,151	11,759	26,392
Other Services and Charges				
Contractual Services	1,043,050	1,173,512	834,634	338,878
Capital Outlay				
System Improvements	2,558,863	2,367,974	1,932,258	435,716
Debt Service				
Interest and Fiscal Charges	384,294	384,294	384,294	0
Total Expenses	4,021,207	3,963,931	3,162,945	800,986
Excess of Revenues				
Under Expenses Before Advances	(2,476,457)	(3,326,325)	(2,793,112)	533,213
Advances - In	469,294	935,000	935,000	0
Advances - Out	(165,000)	0	0	0
Transfers - In	0	384,294	384,294	0
Transfers - Out	(384,294)	(384,294)	(384,294)	0
Net Change in Fund Equity	(2,556,457)	(2,391,325)	(1,858,112)	533,213
Fund Equity at Beginning of Year	2,645,786	1,824,650	1,824,650	0
Prior Year Encumbrances Carried Over	1,080,706	1,901,841	1,901,841	0
Fund Equity (Deficit) at End of Year	\$1,170,035	\$1,335,166	\$1,868,379	\$533,213

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, 2012

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$1,410,000	\$1,416,236	\$1,416,237	\$1
Other	0	3,403	3,404	1
<i>Total Revenues</i>	<u>1,410,000</u>	<u>1,419,639</u>	<u>1,419,641</u>	<u>2</u>
<u>Expenditures:</u>				
Current Operations and Maintenance				
Transportation				
Right of Way Maintenance				
Streets				
Personal Services	1,292,811	1,292,198	1,208,283	83,915
Supplies and Materials	579,962	496,196	467,743	28,453
Contractual Services	427,521	406,189	264,037	142,152
Capital Outlay	233,948	416,725	402,744	13,981
<i>Total Expenditures</i>	<u>2,534,242</u>	<u>2,611,308</u>	<u>2,342,807</u>	<u>268,501</u>
Excess of Revenues				
Under Expenditures	(1,124,242)	(1,191,669)	(923,166)	268,503
<u>Other Financing Sources:</u>				
Transfers - In	1,050,000	890,000	890,000	0
Net Change in Fund Balance	(74,242)	(301,669)	(33,166)	268,503
Fund Balance at Beginning of Year	1,100,446	1,006,496	1,006,496	0
Prior Year Encumbrances Carried Over	39,339	133,289	133,289	0
Fund Balance at End of Year	<u>\$1,065,543</u>	<u>\$838,116</u>	<u>\$1,106,619</u>	<u>\$268,503</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, 2012

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$114,375	\$114,829	\$114,830	\$1
Investment Earnings	50	50	54	4
<i>Total Revenues</i>	114,425	114,879	114,884	5
<u>Expenditures:</u>				
Current Operations and Maintenance				
Transportation				
Right of Way Maintenance				
Highway				
Capital Outlay	5,000	5,000	5,000	0
Net Change in Fund Balance	109,425	109,879	109,884	5
Fund Balance at Beginning of Year	693,180	693,180	693,180	0
Fund Balance at End of Year	\$802,605	\$803,059	\$803,064	\$5

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, 2012

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$0	\$9,912	\$9,913	\$1
Investment Earnings	0	403	424	21
Other	0	1,954	1,954	0
<i>Total Revenues</i>	<u>0</u>	<u>12,269</u>	<u>12,291</u>	<u>22</u>
<u>Expenditures:</u>				
Current Operations and Maintenance				
Security of Persons and Property				
Police Department				
Supplies and Materials	5,060	16,737	16,728	9
Contractual Services	0	1,634	1,535	99
<i>Total Expenditures</i>	<u>5,060</u>	<u>18,371</u>	<u>18,263</u>	<u>108</u>
Net Change in Fund Balance	(5,060)	(6,102)	(5,972)	130
Fund Balance at Beginning of Year	30,809	29,300	29,300	0
Prior Year Encumbrances Carried Over	4,900	6,408	6,408	0
Fund Balance at End of Year	<u>\$30,649</u>	<u>\$29,606</u>	<u>\$29,736</u>	<u>\$130</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, 2012

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$310,000	\$309,276	\$309,277	\$1
Investment Earnings	175	31	51	20
<i>Total Revenues</i>	310,175	309,307	309,328	21
<u>Expenditures:</u>				
Current Operations and Maintenance				
Transportation				
Right of Way Maintenance				
Capital Outlay	250,000	250,000	250,000	0
Net Change in Fund Balance	60,175	59,307	59,328	21
Fund Balance at Beginning of Year	195,134	195,134	195,134	0
Fund Balance at End of Year	\$255,309	\$254,441	\$254,462	\$21

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, 2012

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Other Local Taxes	\$0	\$38,874	\$38,874	\$0
<u>Expenditures:</u>				
Current Operations and Maintenance				
General Government				
Other Government				
Contractual Services	2,552	38,876	38,874	2
Net Change in Fund Balance	(2,552)	(2)	0	2
Fund Balance at Beginning of Year	2,577	2,577	2,577	0
Fund Balance at End of Year	\$25	\$2,575	\$2,577	\$2

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, 2012

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Fines and Forfeitures	\$0	\$3,236	\$3,236	\$0
<u>Expenditures:</u>				
Current Operations and Maintenance				
Security of Persons and Property				
Police Department				
Supplies and Materials	1,282	1,282	1,282	0
Net Change in Fund Balance	(1,282)	1,954	1,954	0
Fund Balance at Beginning of Year	13,587	12,305	12,305	0
Prior Year Encumbrances Carried Over	0	1,282	1,282	0
Fund Balance at End of Year	\$12,305	\$15,541	\$15,541	\$0

City of Westerville, Ohio

Schedule of Revenues, Expenditures, and Changes in Fund
Balance - Budget (Non-GAAP Budgetary Basis) and Actual
Tax Incentive / Redistribution Special Revenue Fund
For the Year Ended December 31, 2012

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Payments in Lieu of Taxes	\$2,000,000	\$2,242,724	\$2,242,724	\$0
<u>Expenditures:</u>				
Current Operations and Maintenance				
General Government				
Other Government				
Contractual Services	3,317,298	3,414,357	3,287,407	126,950
Excess of Revenues Under Expenditures	(1,317,298)	(1,171,633)	(1,044,683)	126,950
<u>Other Financing Sources:</u>				
Transfers - In	1,217,299	1,217,299	1,217,299	0
Net Change in Fund Balance	(99,999)	45,666	172,616	126,950
Fund Balance at Beginning of Year	169,631	169,631	169,631	0
Fund Balance at End of Year	\$69,632	\$215,297	\$342,247	\$126,950

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, 2012

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Fines and Forfeitures	\$0	\$27,945	\$27,945	\$0
<u>Expenditures:</u>				
Current Operations and Maintenance				
General Government				
Other Government				
Supplies and Materials	0	659	658	1
Contractual Services	3,240	12,037	11,440	597
<i>Total Expenditures</i>	3,240	12,696	12,098	598
Net Change in Fund Balance	(3,240)	15,249	15,847	598
Fund Balance at Beginning of Year	37,984	37,984	37,984	0
Fund Balance at End of Year	\$34,744	\$53,233	\$53,831	\$598

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, 2012

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Municipal Income Tax	\$4,612,500	\$4,685,093	\$4,699,479	\$14,386
<u>Expenditures:</u>				
	0	0	0	0
Excess of Revenues Over Expenditures	4,612,500	4,685,093	4,699,479	14,386
<u>Other Financing Uses:</u>				
Transfers - Out	(4,165,900)	(4,165,900)	(4,165,900)	0
Net Change in Fund Balance	446,600	519,193	533,579	14,386
Fund Balance at Beginning of Year	570,109	570,109	570,109	0
Fund Balance at End of Year	<u>\$1,016,709</u>	<u>\$1,089,302</u>	<u>\$1,103,688</u>	<u>\$14,386</u>

City of Westerville, Ohio

Schedule of Revenues, Expenditures, and Changes in Fund
Balance - Budget (Non-GAAP Budgetary Basis) and Actual
FEMA Special Revenue Fund
For the Year Ended December 31, 2012

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>	\$0	\$0	\$0	\$0
<u>Expenditures:</u>	0	0	0	0
Net Change in Fund Balance	0	0	0	0
Fund Balance at Beginning of Year	3,150	3,150	3,150	0
Fund Balance at End of Year	<u>\$3,150</u>	<u>\$3,150</u>	<u>\$3,150</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, 2012

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Fines and Forfeitures	\$0	\$9,716	\$9,716	\$0
Investment Earnings	0	376	394	18
<i>Total Revenues</i>	0	10,092	10,110	18
<u>Expenditures:</u>				
Current Operations and Maintenance				
Security of Persons and Property				
Police Department				
Supplies and Materials	5,000	5,000	3,000	2,000
Net Change in Fund Balance	(5,000)	5,092	7,110	2,018
Fund Balance at Beginning of Year	26,908	26,908	26,908	0
Fund Balance at End of Year	\$21,908	\$32,000	\$34,018	\$2,018

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, 2012

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Fines and Forfeitures	\$0	\$117,601	\$117,603	\$2
Investment Earnings	103	2,332	2,475	143
<i>Total Revenues</i>	103	119,933	120,078	145
<u>Expenditures:</u>				
Current Operations and Maintenance				
Security of Persons and Property				
Police Department				
Supplies and Materials	2,840	0	0	0
Contractual Services	1,138	12,081	12,070	11
Capital Outlay	70,300	14,930	14,930	0
<i>Total Expenditures</i>	74,278	27,011	27,000	11
Excess of Revenues Over (Under) Expenditures	(74,175)	92,922	93,078	156
<u>Other Financing Sources:</u>				
Proceeds from Sale of Capital Assets	0	21,567	21,568	1
Net Change in Fund Balance	(74,175)	114,489	114,646	157
Fund Balance at Beginning of Year	74,724	147,864	147,864	0
Prior Year Encumbrances Carried Over	73,192	52	52	0
Fund Balance at End of Year	\$73,741	\$262,405	\$262,562	\$157

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, 2012

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Other	\$7,422	\$18,555	\$18,555	\$0
<u>Expenditures:</u>				
Current Operations and Maintenance				
Security of Persons and Property				
Police Department				
Supplies and Materials	469	469	469	0
Net Change in Fund Balance	6,953	18,086	18,086	0
Fund Balance at Beginning of Year	55,129	55,129	55,129	0
Fund Balance at End of Year	\$62,082	\$73,215	\$73,215	\$0

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, 2012

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Other Local Taxes	\$517,000	\$578,433	\$578,435	\$2
<u>Expenditures:</u>				
Current Operations and Maintenance				
General Government				
Other Government				
Other Services and Charges	409,765	399,300	352,856	46,444
Excess of Revenues Over Expenditures	107,235	179,133	225,579	46,446
<u>Other Financing Uses:</u>				
Advances - Out	(85,000)	(85,000)	(85,000)	0
Net Change in Fund Balance	22,235	94,133	140,579	46,446
Fund Balance at Beginning of Year	79,947	90,412	90,412	0
Prior Year Encumbrances Carried Over	22,965	12,500	12,500	0
Fund Balance at End of Year	\$125,147	\$197,045	\$243,491	\$46,446

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, 2012

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Property Taxes	\$194,716	\$177,331	\$177,331	\$0
Intergovernmental	51,946	53,202	53,203	1
Other	0	5,424	5,423	(1)
<i>Total Revenues</i>	<u>246,662</u>	<u>235,957</u>	<u>235,957</u>	<u>0</u>
<u>Expenditures:</u>				
Debt Service				
Principal Retirement	2,765,075	2,765,075	2,765,075	0
Interest and Fiscal Charges	1,147,657	1,222,946	1,186,852	36,094
 Total Debt Service	 <u>3,912,732</u>	 <u>3,988,021</u>	 <u>3,951,927</u>	 <u>36,094</u>
 <i>Total Expenditures</i>	 <u>3,912,732</u>	 <u>3,988,021</u>	 <u>3,951,927</u>	 <u>36,094</u>
Excess of Revenues Under Expenditures	(3,666,070)	(3,752,064)	(3,715,970)	36,094
<u>Other Financing Sources:</u>				
General Obligation Bonds Issued	0	3,825,000	3,825,000	0
Premium on Debt Issued	0	465,626	465,623	(3)
Payment to Refunded Bond Escrow Agent	0	(4,083,163)	(4,083,163)	0
Transfers - In	3,689,499	3,498,450	3,498,450	0
 <i>Total Other Financing Sources</i>	 <u>3,689,499</u>	 <u>3,705,913</u>	 <u>3,705,910</u>	 <u>(3)</u>
Net Change in Fund Balance	23,429	(46,151)	(10,060)	36,091
Fund Balance at Beginning of Year	132,901	132,901	132,901	0
Fund Balance at End of Year	<u>\$156,330</u>	<u>\$86,750</u>	<u>\$122,841</u>	<u>\$36,091</u>

City of Westerville, Ohio

Schedule of Revenues, Expenditures, and Changes in Fund
Balance - Budget (Non-GAAP Budgetary Basis) and Actual
Africa Road Improvements Capital Projects Fund
For the Year Ended December 31, 2012

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

City of Westerville, Ohio

Schedule of Revenues, Expenditures, and Changes in Fund
Balance - Budget (Non-GAAP Budgetary Basis) and Actual
Dempsy Road Improvement Capital Projects Fund
For the Year Ended December 31, 2012

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>	\$0	\$0	\$0	\$0
<u>Expenditures:</u>				
Capital Outlay	210,166	130,629	130,628	1
Net Change in Fund Balance	(210,166)	(130,629)	(130,628)	1
Fund Balance at Beginning of Year	(17,644)	61,895	61,895	0
Prior Year Encumbrances Carried Over	210,166	130,628	130,628	0
Fund Balance at End of Year	(\$17,644)	\$61,894	\$61,895	\$1

City of Westerville, Ohio

Schedule of Revenues, Expenditures, and Changes in Fund
Balance - Budget (Non-GAAP Budgetary Basis) and Actual
McCorkle Boulevard Road Improvement Capital Projects Fund
For the Year Ended December 31, 2012

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>	\$0	\$0	\$0	\$0
<u>Expenditures:</u>	0	0	0	0
Net Change in Fund Balance	0	0	0	0
Fund Balance at Beginning of Year	40,000	40,000	40,000	0
Fund Balance at End of Year	<u>\$40,000</u>	<u>\$40,000</u>	<u>\$40,000</u>	<u>\$0</u>

City of Westerville, Ohio

Schedule of Revenues, Expenditures, and Changes in Fund
Balance - Budget (Non-GAAP Budgetary Basis) and Actual
Spring Road Improvement Capital Projects Fund
For the Year Ended December 31, 2012

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>	\$0	\$0	\$0	\$0
<u>Expenditures:</u>	0	0	0	\$0
<u>Other Financing Sources (Uses):</u>				
Advances - Out	0	(163,547)	(163,547)	0
Net Change in Fund Balance	0	(163,547)	(163,547)	0
Fund Balance at Beginning of Year	163,547	163,547	163,547	0
Fund Balance at End of Year	\$163,547	\$0	\$0	\$0

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, 2012

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$125,027	\$125,027	\$125,027	\$0
<u>Expenditures:</u>	0	0	0	0
Excess of Revenues Over Expenditures	125,027	125,027	125,027	0
<u>Other Financing Uses:</u>				
Advances - Out	(125,027)	(125,027)	(125,027)	0
<i>Total Other Financing Uses</i>	(125,027)	(125,027)	(125,027)	0
Net Change in Fund Balance	0	0	0	0
Fund Balance at Beginning of Year	4,547	4,547	4,547	0
Fund Balance at End of Year	\$4,547	\$4,547	\$4,547	\$0

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, 2012

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$45,843	\$33,961	\$33,961	\$0
Other	42,000	71,143	71,144	1
<i>Total Revenues</i>	87,843	105,104	105,105	1
<u>Expenditures:</u>				
Capital Outlay	5,420,869	510,056	502,039	8,017
Excess of Revenues Under Expenditures	(5,333,026)	(404,952)	(396,934)	8,018
<u>Other Financing Sources:</u>				
General Obligation Bonds Issued	1,250,000	0	0	0
Net Change in Fund Balance	(4,083,026)	(404,952)	(396,934)	8,018
Fund Balance at Beginning of Year	(3,517,063)	1,394,359	1,394,359	0
Prior Year Encumbrances Carried Over	5,039,602	129,733	129,733	0
Fund Balance (Deficit) at End of Year	(\$2,560,487)	\$1,119,140	\$1,127,158	\$8,018

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, 2012

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>	\$0	\$0	\$0	\$0
<u>Expenditures:</u>	0	0	0	0
Net Change in Fund Balance	0	0	0	0
Fund Balance at Beginning of Year	240,065	240,065	240,065	0
Fund Balance at End of Year	<u>\$240,065</u>	<u>\$240,065</u>	<u>\$240,065</u>	<u>\$0</u>

City of Westerville, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund
Balance - Budget (Non-GAAP Budgetary Basis) and Actual
Cleveland Avenue Extension Improvement Capital Projects Fund
For the Year Ended December 31, 2012

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Payment in Lieu of Taxes	\$0	\$43,549	\$43,553	\$4
<u>Expenditures:</u>				
Capital Outlay	22,000	4,243	4,243	0
Excess of Revenues Over (Under) Expenditures	(22,000)	39,306	39,310	4
<u>Other Financing Sources (Uses):</u>				
Advances - Out	0	(68,521)	(68,521)	0
Net Change in Fund Balance	(22,000)	(29,215)	(29,211)	4
Fund Balance at Beginning of Year	7,213	24,961	24,961	0
Prior Year Encumbrances Carried Over	22,000	4,250	4,250	0
Fund Balance at End of Year	<u>\$7,213</u>	<u>(\$4)</u>	<u>\$0</u>	<u>\$4</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, 2012

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>	\$0	\$0	\$0	\$0
<u>Expenditures:</u>				
Capital Outlay	492,270	489,008	468,956	20,052
Excess of Revenues Under Expenditures	(492,270)	(489,008)	(468,956)	20,052
<u>Other Financing Sources:</u>				
Transfers - In	500,000	500,000	500,000	0
Net Change in Fund Balance	7,730	10,992	31,044	20,052
Fund Balance at Beginning of Year	724,317	725,184	725,184	0
Prior Year Encumbrances Carried Over	90,730	89,862	89,862	0
Fund Balance at End of Year	<u>\$822,777</u>	<u>\$826,038</u>	<u>\$846,090</u>	<u>\$20,052</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, 2012

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>	\$0	\$0	\$0	\$0
<u>Expenditures:</u>				
Capital Outlay	445,000	1,184,727	1,140,196	44,531
Excess of Revenues Under Expenditures	(445,000)	(1,184,727)	(1,140,196)	44,531
<u>Other Financing Sources:</u>				
Transfers - In	350,000	350,000	350,000	0
Net Change in Fund Balance	(95,000)	(834,727)	(790,196)	44,531
Fund Balance at Beginning of Year	1,569,031	825,478	825,478	0
Prior Year Encumbrances Carried Over	0	743,553	743,553	0
Fund Balance at End of Year	<u>\$1,474,031</u>	<u>\$734,304</u>	<u>\$778,835</u>	<u>\$44,531</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, 2012

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Fees, Licenses and Permits	\$0	\$3,960	\$3,960	\$0
<u>Expenditures:</u>	0	0	0	0
Net Change in Fund Balance	0	3,960	3,960	0
Fund Balance at Beginning of Year	1,239	1,239	1,239	0
Fund Balance at End of Year	\$1,239	\$5,199	\$5,199	\$0

City of Westerville, Ohio

Schedule of Revenues, Expenditures, and Changes in Fund
Balance - Budget (Non-GAAP Budgetary Basis) and Actual
City Buildings Improvement Capital Projects Fund
For the Year Ended December 31, 2012

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>	\$0	\$0	\$0	\$0
<u>Expenditures:</u>	0	0	0	0
<u>Other Financing Sources (Uses):</u>				
Transfers - Out	0	(2,667)	(2,667)	0
Net Change in Fund Balance	0	(2,667)	(2,667)	0
Fund Balance at Beginning of Year	2,667	2,667	2,667	0
Fund Balance at End of Year	\$2,667	\$0	\$0	\$0

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, 2012

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>	\$0	\$0	\$0	\$0
<u>Expenditures:</u>	0	0	0	0
<u>Other Financing Sources (Uses):</u>				
Advances - Out	0	(101,579)	(101,579)	0
Net Change in Fund Balance	0	(101,579)	(101,579)	0
Fund Balance at Beginning of Year	101,579	101,579	101,579	0
Fund Balance at End of Year	<u>\$101,579</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
Westar / Olentangy TIF Capital Projects Fund
For the Year Ended December 31, 2012

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Payments in Lieu of Taxes	\$40,886	\$46,513	\$46,512	(\$1)
<u>Expenditures:</u>	0	0	0	0
Net Change in Fund Balance	40,886	46,513	46,512	(1)
Fund Balance at Beginning of Year	131,138	131,138	131,138	0
Fund Balance at End of Year	\$172,024	\$177,651	\$177,650	(\$1)

City of Westerville, Ohio

Schedule of Revenues, Expenditures, and Changes in Fund
Balance - Budget (Non-GAAP Budgetary Basis) and Actual
Northridge Crossing TIF Capital Projects Fund
For the Year Ended December 31, 2012

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Payments in Lieu of Taxes	\$613,347	\$600,704	\$600,704	\$0
<u>Expenditures:</u>				
Capital Outlay	150,000	224,169	224,169	0
Net Change in Fund Balance	463,347	376,535	376,535	0
Fund Balance at Beginning of Year	275,321	200,697	200,697	0
Prior Year Encumbrances Carried Over	0	74,624	74,624	0
Fund Balance at End of Year	\$738,668	\$651,856	\$651,856	\$0

City of Westerville, Ohio

Schedule of Revenues, Expenditures, and Changes in Fund
Balance - Budget (Non-GAAP Budgetary Basis) and Actual
Northstar / Worthington Road TIF Capital Projects Fund
For the Year Ended December 31, 2012

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Payments in Lieu of Taxes	\$132,860	\$126,752	\$126,752	\$0
Intergovernmental	28,452	34,091	34,092	1
<i>Total Revenues</i>	161,312	160,843	160,844	1
<u>Expenditures:</u>				
Capital Outlay	2,474,194	1,841,324	1,833,653	7,671
Debt Service:				
Principal Retirement	0	28,206	14,013	14,193
<i>Total Expenditures</i>	2,474,194	1,869,530	1,847,666	21,864
Excess of Revenues Under Expenditures	(2,312,882)	(1,708,687)	(1,686,822)	21,865
<u>Other Financing Sources (Uses):</u>				
Proceeds from OPWC Loan	208,955	208,955	208,955	0
Advances - In	775,000	775,000	775,000	0
Advances - Out	(1,172,041)	(1,172,041)	(1,172,041)	0
<i>Total Other Financing Sources (Uses)</i>	(188,086)	(188,086)	(188,086)	0
Net Change in Fund Balance	(2,500,968)	(1,896,773)	(1,874,908)	21,865
Fund Balance at Beginning of Year	104,141	1,403,989	1,403,989	0
Prior Year Encumbrances Carried Over	2,474,194	1,174,346	1,174,346	0
Fund Balance at End of Year	\$77,367	\$681,562	\$703,427	\$21,865

City of Westerville, Ohio

Schedule of Revenues, Expenditures, and Changes in Fund
Balance - Budget (Non-GAAP Budgetary Basis) and Actual
Altair TIF Incentive Capital Projects Fund
For the Year Ended December 31, 2012

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Payments in Lieu of Taxes	\$19,765	\$21,400	\$21,399	(\$1)
<u>Expenditures:</u>				
Contractual Services	0	12,500	12,454	46
Excess of Revenues Over Expenditures	19,765	8,900	8,945	45
<u>Other Financing Uses:</u>				
Transfers - Out	(30,269)	(7,639)	(7,634)	5
Net Change in Fund Balance	(10,504)	1,261	1,311	50
Fund Balance at Beginning of Year	16,169	16,169	16,169	0
Fund Balance at End of Year	\$5,665	\$17,430	\$17,480	\$50

City of Westerville, Ohio

Schedule of Revenues, Expenditures, and Changes in Fund
Balance - Budget (Non-GAAP Budgetary Basis) and Actual
Perimeter Road Improvements Capital Projects Fund
For the Year Ended December 31, 2012

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Fees, Licenses and Permits	\$33,300	\$28,800	\$28,800	\$0
<u>Expenditures:</u>	0	0	0	0
Net Change in Fund Balance	33,300	28,800	28,800	0
Fund Balance at Beginning of Year	159,532	159,532	159,532	0
Fund Balance at End of Year	\$192,832	\$188,332	\$188,332	\$0

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, 2012

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Charges for Services	\$2,366,687	\$2,366,687	\$2,385,641	\$18,954
<u>Expenses:</u>				
Personal Services				
Refuse Operations	106,763	106,763	101,952	4,811
Supplies and Materials				
Refuse Operations	5,650	5,650	3,709	1,941
Other Services and Charges				
Refuse Operations	2,430,051	2,497,652	2,482,063	15,589
Capital Outlay				
Refuse Operations	2,232	1,500	0	1,500
Total Expenses	2,544,696	2,611,565	2,587,724	23,841
Net Change in Fund Equity	(178,009)	(244,878)	(202,083)	42,795
Fund Equity at Beginning of Year	427,695	425,505	425,505	0
Prior Year Encumbrances Carried Over	187,631	189,822	189,822	0
Fund Equity at End of Year	\$437,317	\$370,449	\$413,244	\$42,795

City of Westerville, Ohio

Schedule of Revenues, Expenses, and Changes in Fund
Equity - Budget (Non-GAAP Budgetary Basis) and Actual
Garage Internal Service Fund
For the Year Ended December 31, 2012

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Charges for Services	\$1,175,000	\$1,038,700	\$1,026,759	(\$11,941)
Other	3,500	6,742	6,742	0
Total Revenues	1,178,500	1,045,442	1,033,501	(11,941)
<u>Expenses:</u>				
Personal Services				
Garage Operations	417,462	417,462	375,498	41,964
Supplies and Materials				
Garage Operations	732,317	760,512	667,319	93,193
Contractual Services				
Garage Operations	82,545	85,776	57,585	28,191
Capital Outlay				
Garage Operations	23,253	20,250	19,378	872
Net Change in Fund Equity	(77,077)	(238,558)	(86,279)	152,279
Fund Equity at Beginning of Year	242,032	204,122	204,122	0
Prior Year Encumbrances Carried Over	11,480	49,391	49,391	0
Fund Equity at End of Year	<u>\$176,435</u>	<u>\$14,955</u>	<u>\$167,234</u>	<u>\$152,279</u>

City of Westerville, Ohio
Schedule of Revenues, Expenses, and Changes in Fund
Equity - Budget (Non-GAAP Budgetary Basis) and Actual
Workers Compensation Self-Insurance Internal Service Fund
For the Year Ended December 31, 2012

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Charges for Services	\$0	\$492,098	\$492,098	\$0
<u>Expenses:</u>				
Other Services and Charges				
Self-Insurance	194,327	408,896	402,361	6,535
Net Change in Fund Equity	(194,327)	83,202	89,737	6,535
Fund Equity at Beginning of Year	534,669	531,192	531,192	0
Prior Year Encumbrances Carried Over	0	3,477	3,477	0
Fund Equity at End of Year	\$340,342	\$617,871	\$624,406	\$6,535

City of Westerville, Ohio

Schedule of Revenues, Expenses, and Changes in Fund
Equity - Budget (Non-GAAP Budgetary Basis) and Actual
Self-Insurance Internal Service Fund
For the Year Ended December 31, 2012

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Other	\$0	\$48,059	\$48,060	\$1
<u>Expenses:</u>				
Other Services and Charges				
Self-Insurance	14,122	75,353	73,502	1,851
Self-Insurance	12,500	0	0	0
<i>Total Expenses</i>	<u>26,622</u>	<u>75,353</u>	<u>73,502</u>	<u>1,851</u>
Net Change in Fund Equity	(26,622)	(27,294)	(25,442)	1,852
Fund Equity at Beginning of Year	781,898	775,309	775,309	0
Prior Year Encumbrances Carried Over	<u>26,622</u>	<u>33,210</u>	<u>33,210</u>	<u>0</u>
Fund Equity at End of Year	<u><u>\$781,898</u></u>	<u><u>\$781,225</u></u>	<u><u>\$783,077</u></u>	<u><u>\$1,852</u></u>



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City of Westerville, Ohio

Statistical Tables

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

<u>Contents</u>	<u>Pages</u>
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<u>Financial Trends</u>	188-197
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These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

<u>Revenue Capacity</u>	198-211
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These schedules contain information to help the reader assess the City's most significant local revenue sources, municipal income taxes and property taxes.

<u>Debt Capacity</u>	212-217
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These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

<u>Demographic and Economic Information</u>	218-219
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These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

<u>Operating information</u>	220-225
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These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

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

City of Westerville, Ohio
Net Position by Component
 Last Ten Years
 (accrual basis of accounting)

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Governmental Activities:				
Net Investment in Capital Assets, Net of Related Debt (1)	\$43,583,753	\$53,450,973	\$60,621,053	\$174,424,267
Restricted (2)	23,469,787	22,014,550	17,713,068	16,207,725
Unrestricted (2)	<u>24,341,745</u>	<u>22,517,201</u>	<u>25,208,439</u>	<u>27,408,591</u>
<i>Total Governmental Activities Net Position</i>	<u>91,395,285</u>	<u>97,982,724</u>	<u>103,542,560</u>	<u>218,040,583</u>
Business-Type Activities:				
Net Investment in Capital Assets, Net of Related Debt	66,100,531	66,883,895	69,957,465	73,070,150
Unrestricted	<u>36,087,428</u>	<u>32,615,367</u>	<u>29,543,305</u>	<u>27,293,331</u>
<i>Total Business-Type Activities</i>	<u>102,187,959</u>	<u>99,499,262</u>	<u>99,500,770</u>	<u>100,363,481</u>
Primary Government:				
Net Investment in Capital Assets, Net of Related Debt	109,684,284	120,334,868	130,578,518	247,494,417
Restricted	23,469,787	22,014,550	17,713,068	16,207,725
Unrestricted	<u>60,429,173</u>	<u>55,132,568</u>	<u>54,751,744</u>	<u>54,701,922</u>
<i>Total Primary Government Net Position</i>	<u>\$193,583,244</u>	<u>\$197,481,986</u>	<u>\$203,043,330</u>	<u>\$318,404,064</u>

- (1) The large increase of Net Investment in Capital Assets, Net of Related Debt for 2006 was a result of the City recording the roads and bridges infrastructure from 1980 through 2003 in that year.
- (2) The large decrease of Restricted Net Position and increase in Unrestricted Net Position for 2010 was a result of the implementation of GASB 54.

<i>2007</i>	<i>2008</i>	<i>2009</i>	<i>2010</i>	<i>2011</i>	<i>2012</i>
\$175,905,966	\$177,018,595	\$179,020,723	\$186,423,811	\$189,865,503	\$193,493,934
23,599,432	25,592,016	24,859,638	9,041,410	14,417,704	15,133,160
23,773,944	23,755,848	25,806,809	41,266,072	44,614,691	47,689,348
<u>223,279,342</u>	<u>226,366,459</u>	<u>229,687,170</u>	<u>236,731,293</u>	<u>248,897,898</u>	<u>256,316,442</u>
73,089,932	71,935,551	67,786,210	70,184,446	69,813,339	69,473,974
28,615,958	29,588,665	30,202,436	32,019,131	34,678,959	38,887,573
<u>101,705,890</u>	<u>101,524,216</u>	<u>97,988,646</u>	<u>102,203,577</u>	<u>104,492,298</u>	<u>108,361,547</u>
248,995,898	248,954,146	246,806,933	256,608,257	259,678,842	262,967,908
23,599,432	25,592,016	24,859,638	9,041,410	14,417,704	15,133,160
52,389,902	53,344,513	56,009,245	73,285,203	79,293,650	86,576,921
<u>\$324,985,232</u>	<u>\$327,890,675</u>	<u>\$327,675,816</u>	<u>\$338,934,870</u>	<u>\$353,390,196</u>	<u>\$364,677,989</u>

City of Westerville, Ohio
Changes in Net Position
Last Ten Years
(accrual basis of accounting)

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

<i>2007</i>	<i>2008</i>	<i>2009</i>	<i>2010</i>	<i>2011</i>	<i>2012</i>
\$248,491	\$201,340	\$735,687	\$1,338,292	\$1,420,275	\$1,586,087
25,950	37,892	26,276	25,714	31,390	0
3,061,612	3,138,743	2,852,525	3,255,867	3,836,368	3,918,106
823,959	941,293	672,744	818,791	644,144	807,976
45,000	22,500	309,016	48,600	107,885	42,628
781,310	690,699	657,456	740,332	620,632	576,197
4,921,913	5,600,521	5,497,164	5,582,071	5,607,392	5,717,723
790,970	164,846	130,359	3,562,453	1,380,241	226,731
10,699,205	10,797,834	10,881,227	15,372,120	13,648,327	12,875,448
3,536,123	2,958,745	2,843,926	3,446,317	3,026,833	4,109,971
6,829,737	6,955,790	7,091,758	7,552,773	7,595,336	8,286,339
34,701,328	37,127,200	40,106,709	45,120,183	45,044,529	46,352,812
0	0	0	0	260	191,793
1,919,708	1,951,752	2,161,353	2,384,386	2,378,371	2,396,484
459,245	446,827	435,176	0	0	0
58,780	0	0	0	0	0
667,160	425,262	78,865	582,892	76,310	659,328
48,172,081	49,865,576	52,717,787	59,086,551	58,121,639	61,996,727
58,871,286	60,663,410	63,599,014	74,458,671	71,769,966	74,872,175
21,913,868	23,812,277	24,919,134	26,338,118	27,331,663	27,180,283
62,869	56,156	53,989	79,239	117,232	75,580
8,225,686	8,837,447	6,005,577	7,149,210	7,471,158	9,969,402
2,401,588	2,434,545	2,357,182	2,781,118	2,672,231	2,838,362
1,104,555	1,193,430	1,187,441	1,245,063	1,292,044	1,283,310
6,690,507	3,988,338	12,433,936	12,254,959	9,475,825	9,382,151
8,939,908	11,437,810	12,019,757	12,754,058	14,459,348	12,072,576
1,231,338	1,184,204	899,935	946,382	1,073,030	1,855,028
50,570,319	52,944,207	59,876,951	63,548,147	63,892,531	64,656,692
3,335,846	3,700,446	3,703,468	3,902,340	3,626,720	3,614,335
6,488,261	7,138,180	7,497,641	7,441,991	7,584,989	8,089,647
34,790,162	37,048,202	42,847,705	40,057,863	41,870,782	43,033,753
0	0	0	103,162	1,106,301	1,043,292
1,920,950	2,137,563	2,228,911	2,442,963	2,504,275	2,567,475
462,304	515,415	515,398	315,206	0	0
46,997,523	50,539,806	56,793,123	54,263,525	56,693,067	58,348,502
\$97,567,842	\$103,484,013	\$116,670,074	\$117,811,672	\$120,585,598	\$123,005,194

(Continued)

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

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

- (1) The Community Data Center Fund originated in 2010
- (2) Prior to 2006, Other Local Taxes were reported as part of Property Taxes
- (3) The swimming pool is no longer presented as an enterprise fund.
It is reported within the Parks and Recreation Operating Special Revenue Fund.
- (4) The General Capital Improvement Fund directly receipts a percentage of income tax rather than a transfer from the General Fund.

<i>2007</i>	<i>2008</i>	<i>2009</i>	<i>2010</i>	<i>2011</i>	<i>2012</i>
(\$39,871,114)	(\$42,146,373)	(\$48,995,724)	(\$48,176,027)	(\$50,244,204)	(\$51,781,244)
1,174,558	(674,230)	(4,075,336)	4,823,026	1,428,572	3,648,225
(38,696,556)	(42,820,603)	(53,071,060)	(43,353,001)	(48,815,632)	(48,133,019)
3,212,914	3,063,892	3,040,208	3,061,901	3,055,796	2,811,689
7,495,299	6,981,668	6,893,177	7,035,668	9,407,517	9,055,017
97,622	135,795	187,731	189,112	188,737	173,560
17,755,394	18,730,035	29,002,095	31,525,987	26,205,288	26,650,131
4,218,641	4,377,305	3,854,332	4,298,320	4,596,666	4,647,980
0	0	0	0	7,214,875	7,159,055
452,842	491,884	505,053	546,232	584,447	599,571
5,392,820	5,214,556	5,172,682	5,501,341	5,811,570	4,526,451
4,755,384	3,803,114	1,284,620	922,228	1,914,882	897,767
1,711,131	2,269,090	2,239,257	2,607,974	3,859,808	2,245,321
17,826	175,774	408,414	547,024	160,995	433,246
0	(9,623)	(271,134)	(125,000)	(589,772)	0
45,109,873	45,233,490	52,316,435	56,110,787	62,410,809	59,199,788
49,622	146,363	4,226	1,223	633	42,030
118,229	336,570	264,406	222,095	269,744	178,994
0	9,623	271,134	125,000	589,772	0
167,851	492,556	539,766	348,318	860,149	221,024
5,238,759	3,087,117	3,320,711	7,934,760	12,166,605	7,418,544
1,342,409	(181,674)	(3,535,570)	5,171,344	2,288,721	3,869,249
\$6,581,168	\$2,905,443	(\$214,859)	\$13,106,104	\$14,455,326	\$11,287,793

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

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
General Fund				
Nonspendable	\$0	\$0	\$0	\$0
Committed	0	0	0	0
Assigned	0	0	0	0
Unassigned	0	0	0	0
Reserved	4,224,161	6,945,451	5,520,107	10,415,540
Unreserved	<u>18,928,266</u>	<u>14,339,936</u>	<u>17,763,200</u>	<u>15,156,954</u>
<i>Total General Fund</i>	<u>23,152,427</u>	<u>21,285,387</u>	<u>23,283,307</u>	<u>25,572,494</u>
All Other Governmental Funds				
Nonspendable	0	0	0	0
Restricted	0	0	0	0
Committed	0	0	0	0
Assigned	0	0	0	0
Unassigned	0	0	0	0
Reserved	8,706,933	4,562,592	3,300,041	2,638,377
Unreserved, Undesignated (Deficit)				
Reported in:				
Special Revenue Funds	13,357,816	14,130,666	13,863,104	15,274,266
Debt Service Funds	33,638	89,866	99,873	199,513
Capital Projects Funds	<u>4,659,444</u>	<u>3,045,822</u>	<u>1,066,589</u>	<u>(2,202,362)</u>
<i>Total All Other Governmental Funds</i>	<u>26,757,831</u>	<u>21,828,946</u>	<u>18,329,607</u>	<u>15,909,794</u>
<i>Total Governmental Funds</i>	<u>\$49,910,258</u>	<u>\$43,114,333</u>	<u>\$41,612,914</u>	<u>\$41,482,288</u>

(1) The swimming pool is no longer presented as an enterprise fund, it is reported within the Parks and Recreation Operating Special Revenue Fund.

Note: During 2011, the City implemented GASB Statement No. 54.

<i>2007</i>	<i>2008</i>	<i>2009</i>	<i>2010 (1)</i>	<i>2011</i>	<i>2012</i>
\$0	\$0	\$0	\$0	\$11,992,605	\$10,713,187
0	0	0	0	43,757	0
0	0	0	0	328,829	984,689
0	0	0	0	26,072,265	27,425,907
10,382,188	9,696,963	8,074,046	9,365,218	0	0
17,127,003	18,649,355	21,871,346	23,021,584	0	0
<u>27,509,191</u>	<u>28,346,318</u>	<u>29,945,392</u>	<u>32,386,802</u>	<u>38,437,456</u>	<u>39,123,783</u>
0	0	0	0	284,166	448,822
0	0	0	0	10,275,285	12,647,327
0	0	0	0	9,448,941	6,852,590
0	0	0	0	1,735,505	6,091,705
0	0	0	0	(7,748,391)	(6,221,922)
1,375,144	2,323,104	3,733,775	10,224,796	0	0
16,100,108	16,951,764	13,269,120	11,020,401	0	0
121,383	74,435	82,826	180,259	0	0
(1,515,003)	(1,259,399)	(544,687)	(5,167,281)	0	0
<u>16,081,632</u>	<u>18,089,904</u>	<u>16,541,034</u>	<u>16,258,175</u>	<u>13,995,506</u>	<u>19,818,522</u>
<u>\$43,590,823</u>	<u>\$46,436,222</u>	<u>\$46,486,426</u>	<u>\$48,644,977</u>	<u>\$52,432,962</u>	<u>\$58,942,305</u>

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

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Revenues:				
Property Taxes	\$10,430,292	\$10,748,595	\$10,445,069	\$11,227,471
Municipal Income Taxes	17,779,422	18,359,467	19,989,848	21,232,835
Other Local Taxes	363,723	362,261	392,450	345,566
Payments in Lieu of Taxes	219,691	294,277	419,948	860,139
Intergovernmental	10,068,502	12,338,083	12,771,663	10,655,342
Charges for Services	2,714,383	3,370,392	3,219,498	3,543,986
Fees, Licenses and Permits	852,988	867,242	1,204,137	716,669
Fines and Forfeitures	569,604	499,091	505,907	515,463
Investment Earnings	1,548,105	1,325,301	1,458,133	3,180,412
Other	167,963	148,019	223,105	229,739
<i>Total Revenues</i>	<u>44,714,673</u>	<u>48,312,728</u>	<u>50,629,758</u>	<u>52,507,622</u>
Expenditures:				
Current:				
Security of Persons and Property	17,042,390	18,492,909	19,390,459	20,252,931
Public Health	46,113	55,412	49,572	46,945
Leisure Time Activities	5,765,100	6,202,645	6,491,507	7,466,748
Community Development	2,054,743	2,260,454	2,332,143	2,252,948
Basic Utility Services	257,312	232,736	323,997	325,564
Transportation	1,674,169	2,495,398	3,325,763	2,157,229
General Government	8,189,150	9,423,507	8,994,886	9,470,124
Capital Outlay	8,171,645	12,671,378	8,069,949	7,588,335
Debt Service:				
Principal Retirement	1,547,532	1,830,887	1,922,915	1,783,929
Interest and Fiscal Charges	1,321,680	1,444,627	1,369,138	1,297,711
Issuance Costs	120,875	0	0	0
<i>Total Expenditures</i>	<u>46,190,709</u>	<u>55,109,953</u>	<u>52,270,329</u>	<u>52,642,464</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,476,036)</u>	<u>(6,797,225)</u>	<u>(1,640,571)</u>	<u>(134,842)</u>
Other Financing Sources (Uses):				
General Obligation Bonds Issued	6,500,000	0	0	0
OPWC Loans Issued	0	0	0	0
Premium on Debt Issued	0	0	0	0
Discount on Debt Issued	(39,984)	0	0	0
Proceeds From Sale of Capital Assets	0	1,300	155,030	5,669
Payment to Refunded Bond Escrow Agent	0	0	0	0
Transfers - In	13,428,670	10,686,542	9,800,829	10,823,630
Transfers - Out	(13,435,372)	(10,686,542)	(9,816,707)	(10,823,630)
<i>Total Other Financing Sources (Uses)</i>	6,453,314	1,300	139,152	5,669
<i>Prior Period Adjustments</i>	<u>(84,356)</u>	<u>0</u>	<u>0</u>	<u>(1,453)</u>
<i>Net Change in Fund Balances</i>	<u>\$4,892,922</u>	<u>(\$6,795,925)</u>	<u>(\$1,501,419)</u>	<u>(\$130,626)</u>
<i>Debt Service as a Percentage of Noncapital Expenditures</i>	7.6%	8.1%	7.6%	6.8%

2007	2008	2009	2010	2011	2012
\$10,761,808	\$10,065,032	\$10,200,505	\$10,250,347	\$12,347,684	\$12,306,405
21,801,514	23,194,224	32,424,966	35,745,993	37,442,625	38,890,894
444,698	477,009	498,791	516,475	682,087	544,091
1,641,597	1,949,200	2,049,303	2,598,174	3,274,530	3,625,460
10,442,132	11,117,361	10,620,493	12,981,581	13,431,523	10,136,614
3,540,980	3,670,381	3,330,955	4,961,753	5,334,848	5,145,483
810,696	808,069	724,489	790,783	706,186	854,926
653,108	551,037	575,686	753,569	709,742	699,720
4,780,748	3,927,531	1,395,987	959,177	1,948,322	935,632
178,036	175,002	408,534	227,740	170,444	423,190
55,055,317	55,934,846	62,229,709	69,785,592	76,047,991	73,562,415
21,498,778	23,003,087	24,328,138	26,448,962	26,969,586	26,593,184
67,269	53,589	51,422	82,426	179,322	71,500
7,007,948	7,229,515	7,420,917	8,353,292	8,636,282	8,698,270
2,387,252	2,421,397	2,401,381	2,761,688	2,685,053	2,853,154
532,666	571,237	508,432	563,587	651,873	665,789
2,319,041	2,183,713	2,293,288	2,816,796	2,154,857	2,148,313
11,026,743	10,901,565	11,765,733	12,707,473	13,938,717	14,196,157
4,934,906	3,874,933	12,265,032	18,121,004	17,857,481	11,274,360
1,590,622	1,658,981	1,879,016	1,987,377	2,605,740	2,779,781
1,227,015	1,181,804	963,957	945,390	1,126,843	1,227,503
4,482	0	765,874	107,914	49,305	0
52,596,722	53,079,821	64,643,190	74,895,909	76,855,059	70,508,011
2,458,595	2,855,025	(2,413,481)	(5,110,317)	(807,068)	3,054,404
380,000	0	18,160,735	7,015,000	3,175,000	6,225,000
0	0	0	0	1,417,199	783,460
11,117	0	1,017,054	543,380	0	505,475
0	0	0	0	0	0
4,582	0	242,000	10,374	2,854	24,167
0	0	(16,742,935)	0	0	(4,083,163)
10,328,138	11,924,221	19,936,821	20,155,971	10,207,324	13,896,402
(10,328,138)	(11,933,847)	(20,149,990)	(20,280,971)	(10,207,324)	(13,896,402)
395,699	(9,626)	2,463,685	7,443,754	4,595,053	3,454,939
(745,759)	0	(318,322)	143,436	0	0
\$2,108,535	\$2,845,399	(\$268,118)	\$2,476,873	\$3,787,985	\$6,509,343
5.8%	5.7%	4.9%	4.8%	5.9%	6.4%

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

<i>Year</i>	<i>Individual</i>				<i>Total Individual</i>	<i>Percentage of Total</i>
	<i>Withholding</i>	<i>Percentage of Total</i>	<i>Non-Withholding</i>	<i>Percentage of Total</i>		
2003	\$12,701,957	71%	\$3,733,943	21%	\$16,435,900	92%
2004	13,086,987	73	3,694,537	20	16,781,524	93
2005	14,169,776	72	3,636,007	19	17,805,783	91
2006	15,401,321	72	3,878,839	18	19,280,160	90
2007	15,961,301	73	3,862,328	18	19,823,629	91
2008	16,836,106	73	3,878,343	17	20,714,449	89
2009 (2)	25,474,646	80	3,446,878	11	28,921,524	91
2010	27,796,167	78	3,259,250	9	31,055,416	88
2011	29,499,167	80	3,299,326	9	32,798,493	88
2012	30,883,741	79	3,233,857	8	34,117,598	88

Source: City Income Tax Department

- (1) These amounts are reported gross and do not take into account tax refunds.
- (2) The income tax increased to 2.00 percent effective January 1, 2009.
 The City levied a municipal income tax of 1.25 percent through December 31, 2008.

<i>Business Accounts</i>		
<i>Business Accounts</i>	<i>Percentage of Total</i>	<i>Total</i>
\$1,415,124	8%	\$17,851,024
1,251,854	7	18,033,378
1,727,688	9	19,533,471
2,213,900	10	21,494,060
1,943,513	9	21,767,142
2,487,400	11	23,201,849
2,818,229	9	31,739,753
4,404,774	12	35,460,190
4,305,597	12	37,104,090
4,751,559	12	38,869,157

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

<i>Year</i>	<i>General Fund</i>	<i>General Capital Improvement Fund</i>	<i>Subtotal</i>	<i>Parks and Recreation Income Tax Allocation Fund</i>	<i>Total</i>	<i>Percentage Increase</i>
2002	\$13,784,049	\$0	\$13,784,049.00	\$3,260,351	\$17,044,400	0.20%
2003	14,411,457	0	14,411,457	3,367,965	17,779,422	4.31%
2004	14,881,251	0	14,881,251	3,478,216	18,359,467	3.26%
2005	16,150,394	0	16,150,394	3,839,454	19,989,848	8.88%
2006	17,179,148	0	17,179,148	4,053,687	21,232,835	6.22%
2007	17,617,377	0	17,617,377	4,184,137	21,801,514	2.68%
2008	18,799,543	0	18,799,543	4,394,681	23,194,224	6.39%
2009 (1)	28,511,168	0	28,511,168	3,913,798	32,424,966	39.80%
2010	31,457,462	0	31,457,462	4,288,531	35,745,993	10.24%
2011 (2)	26,157,152	6,760,583	32,917,735	4,524,890	37,442,625	4.75%
2012	26,953,741	7,234,957	34,188,698	4,702,196	38,890,894	3.87%

(1) The City's municipal income tax rate changed from 1.25 percent to 2.00 percent, effective with collections starting January 1, 2009.

(2) The City began receipting a percentage of the General Fund's income tax receipts into the General Capital Improvement Fund in 2011, this percentage is determined annually, in 2011 the allocation was 20% of the 1.75% received by the General Fund.

City of Westerville, Ohio
Principal Income Taxpayers - Withholding Accounts
2012 and 2003

<u>Range of Withholding Amount</u>	<u>2012</u>		<u>2003</u>	
	<u>Number of Withholding Accounts</u>	<u>Percentage of Total Withholding Revenue</u>	<u>Number of Withholding Accounts</u>	<u>Percentage of Total Withholding Revenue</u>
\$500,001 and higher	9	32.7%	3	24.3%
\$300,001 - 500,000	7	8.5%	2	5.5%
\$100,001 - 300,000	33	17.2%	6	9.2%
\$55,001 - 100,000	31	7.5%	18	10.4%
Total	80	65.9%	29	49.4%
All Others	3,024	34.1%	3,099	50.6%
Total Withholding Accounts		100.0%		100.0%

Source: City Income Tax Department

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

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

Collection Year	Real Property			Tangible	
	Residential/ Agricultural	Commercial/ Industrial/PU	Estimated Actual Value	Public	Utility
	Assessed Value			Assessed Value	Estimated Actual Value
2003	\$683,824,380.00	\$199,217,280.00	\$2,522,976,171.43	\$20,857,380.00	\$23,701,568.18
2004	694,331,340	201,348,190	2,559,084,371	19,630,910	22,307,852
2005	701,694,570	210,274,550	2,605,626,057	19,697,000	22,382,955
2006	826,421,760	211,306,370	2,964,937,514	18,025,150	20,483,125
2007	839,638,340	223,024,940	3,036,180,800	20,100,820	22,841,841
2008	844,986,330	211,340,770	3,018,077,429	6,316,780	7,178,159
2009	846,824,660	215,905,430	3,036,371,686	7,071,720	8,036,045
2010	854,559,890	221,422,540	3,074,235,514	7,179,670	8,158,716
2011	856,921,260	210,851,470	3,050,779,229	7,554,090	8,584,193
2012	806,771,320	205,977,540	2,893,568,171	7,884,260	8,959,386

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

The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property was assessed in previous years at 25 percent for machinery and equipment and 23 percent for inventories. General business tangible personal property tax was phased out beginning in 2006. Both types of general business tangible personal property were assessed at 18.75 percent for 2006, 12.5 percent for 2007, 6.25 percent for 2008 and zero for 2009. Beginning in 2007, House Bill 66 switched telephone companies from being public utilities to general business taxpayers and began a four year phase out of the tangible personal property tax on local and inter-exchange telephone companies. No tangible personal property taxes were levied or collected in 2009 from general business taxpayers, except telephone companies whose last year to pay tangible personal property tax is 2010. The percentages for telecommunications are 10.0 percent for 2009, 5.0 percent for 2010 and zero for 2011 and 2012.

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

Source: Franklin County Auditor

Personal Property

<i>General Business</i>		<i>Totals</i>			<i>Weighted Average Tax Rate</i>
<i>Assessed Value</i>	<i>Estimated Actual Value</i>	<i>Assessed Value</i>	<i>Estimated Actual Value</i>	<i>Ratio</i>	
\$46,595,889.00	\$202,590,821.74	\$950,494,929.00	\$2,749,268,561.35	34.57%	\$12.21
46,324,344	201,410,191	961,634,784	2,782,802,415	34.56	12.40
32,567,248	141,596,730	964,233,368	2,769,605,742	34.81	12.17
25,812,208	137,665,109	1,081,565,488	3,123,085,749	34.63	11.21
14,593,774	116,750,192	1,097,357,874	3,175,772,833	34.55	10.75
2,425,966	38,815,456	1,065,069,846	3,064,071,044	34.76	10.67
1,244,390	12,443,900	1,071,046,200	3,056,851,631	35.04	10.74
0	0	1,083,162,100	3,082,394,230	35.14	10.74
0	0	1,075,326,820	3,059,363,422	35.15	13.32
0	0	1,020,633,120	2,902,527,558	35.16	13.34

City of Westerville, Ohio
Principal Property Taxpayers
2012 and 2003

<i>Taxpayer</i>	<i>2012 (1)</i>			<i>2003 (2)</i>		
	<i>Total Assessed Valuation</i>	<i>Rank</i>	<i>Percentage of Total Assessed Valuation</i>	<i>Total Assessed Valuation</i>	<i>Rank</i>	<i>Percentage of Total Assessed Valuation</i>
<u>Public Utilities:</u>						
Columbus Southern Power Co.	\$4,798,880	1	0.4702%	\$2,910,369	3	0.3062%
Columbia Gas of Ohio, Inc.	2,589,840	2	0.2537%	-	-	-
Nextel West Corporation	-	-	-	8,666,380	1	0.9118%
Ohio Bell Telephone Co.	-	-	-	6,106,490	2	0.6425%
<u>Real Estate:</u>						
Banc One Management Corporation	8,968,750	1	0.8787%	20,316,570	1	2.1375%
NRI Brooksedge LLC	8,142,920	2	0.7978%	11,882,880	2	1.2502%
Wells Reit II	5,799,990	3	0.5683%	-	-	-
St. Anns Hospital of Columbus, Inc.	5,313,350	4	0.5206%	7,701,820	3	0.8103%
Maxtown Communities LLC	5,250,000	5	0.5144%	5,582,500	4	0.5873%
Meijer Stores Limited Partnership	4,876,630	6	0.4778%	5,577,075	5	0.5868%
Altair Realty LTD	3,646,240	7	0.3573%	-	-	-
Westerville Plaza LP	2,940,330	8	0.2881%	2,971,880	10	0.3127%
Westerville Square, Inc.	2,658,690	9	0.2605%	2,884,770	-	0.3035%
HCRA Properties I, LLC	2,647,480	10	0.2594%	-	-	-
Spectrum Equities LLC	-	-	-	3,657,540	6	0.3848%
North Westerville LTD	-	-	-	3,562,475	7	0.3748%
Sun Life Assurance Co of Canada	-	-	-	3,513,510	8	0.3697%
Brooksedge Associates, LLC	-	-	-	3,062,510	9	0.3222%
-	-	-	-	-	-	-
<u>Tangible Personal Property: (3)</u>						
Banc One Corporation	-	-	-	18,380,430	1	1.9338%
Comdisco, Inc.	-	-	-	4,080,730	2	0.4293%
AT&T Corporation	-	-	-	3,596,080	3	0.3783%
IBM Credit Corporation	-	-	-	1,983,460	4	0.2087%
Exel Logistics, Inc.	-	-	-	1,974,000	5	0.2077%
Time Warner Entertainment Co. LP	-	-	-	1,783,290	6	0.1876%
Roush Equipment Company, Inc.	-	-	-	1,627,940	7	0.1713%
IBM Credit Company	-	-	-	1,574,530	8	0.1657%
West-Camp Press, Inc.	-	-	-	1,537,030	9	0.1617%
Robin Enterprises Company	-	-	-	970,550	10	0.1021%
Totals	57,633,100		5.6468%	125,904,809		13.2462%
All Others	963,000,020		94.3532%	824,590,120		86.7538%
Total Property Assessed Valuation	<u>\$1,020,633,120</u>		<u>100.0000%</u>	<u>\$950,494,929</u>		<u>100.0000%</u>

Notes: (1) Franklin and Delaware County Auditors
(2) Franklin and Delaware County Auditors and City's 2003 CAFR



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City of Westerville, Ohio

Property Tax Levies and Collections
Last Ten Years

<i>Collection Year</i>	<i>Total Current Tax Levy (1)</i>	<i>Current Tax (1) Collections</i>	<i>Percent of Levy Collected (1)</i>	<i>Delinquent Tax Collections (1)</i>	<i>Tax Collected Delaware County (2)</i>
2003	\$8,846,108	\$8,404,735	95.01	\$210,460	\$2,289,736
2004	9,320,227	8,908,894	95.59	226,691	2,654,132
2005	9,159,299	8,801,727	96.10	191,058	2,806,773
2006	9,268,229	8,840,226	95.38	185,000	3,223,639
2007	8,771,296	8,312,446	94.77	209,533	3,409,488
2008	8,472,981	7,919,738	93.47	217,307	3,354,050
2009	8,418,912	7,922,064	94.10	302,118	3,372,191
2010	8,743,224	8,277,632	94.67	264,441	2,833,397
2011	11,009,837	10,296,326	93.52	194,320	3,509,908
2012	10,955,683	10,411,388	95.03	364,653	3,454,051

- (1) Source: Franklin County Auditor's Office
Total Current Tax Levy includes rollback and homestead exemptions.
- (2) Source: Settlement Sheets - Delaware County Auditor's Office.
- (3) Comparison of Franklin County only.
- (4) Includes curent 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>
\$10,904,931	97.39%	\$441,373	4.99%
11,789,717	98.02	411,333	4.41
11,799,558	98.18	357,572	3.90
12,248,865	97.38	428,003	4.62
11,931,467	97.16	458,850	5.23
11,491,095	96.04	553,243	6.53
11,596,373	97.69	496,848	5.90
11,375,470	97.70	465,592	5.33
14,000,554	95.28	713,511	6.48
14,230,092	98.36	544,295	4.97

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

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Unvoted Millage				
Operating	<u>\$2.65</u>	<u>\$2.65</u>	<u>\$2.65</u>	<u>\$2.65</u>
Voted Millage - By Levy				
1976 Bond				
Residential/Agricultural Real	0.05	0.06	0.00	0.00
Commercial/Industrial and Public Utility Real	0.05	0.06	0.00	0.00
General Business and Public Utility Personal	0.05	0.06	0.00	0.00
1976 Charter				
Residential/Agricultural Real	0.60	0.60	0.60	0.60
Commercial/Industrial and Public Utility Real	0.60	0.60	0.60	0.60
General Business and Public Utility Personal	0.60	0.60	0.60	0.60
1977 Fire				
Residential/Agricultural Real	1.07	1.07	1.06	0.92
Commercial/Industrial and Public Utility Real	1.14	1.14	1.14	1.11
General Business and Public Utility Personal	3.60	3.60	3.60	3.60
1982 Fire				
Residential/Agricultural Real	0.52	0.52	0.52	0.45
Commercial/Industrial and Public Utility Real	0.64	0.64	0.63	0.62
General Business and Public Utility Personal	1.20	1.20	1.20	1.20
1983 Fire				
Residential/Agricultural Real	0.52	0.52	0.52	0.45
Commercial/Industrial and Public Utility Real	0.65	0.65	0.64	0.63
General Business and Public Utility Personal	1.20	1.20	1.20	1.20
1985 Bond				
Residential/Agricultural Real	0.30	0.27	0.25	0.27
Commercial/Industrial and Public Utility Real	0.30	0.27	0.25	0.27
General Business and Public Utility Personal	0.30	0.27	0.25	0.27
1986 Fire				
Residential/Agricultural Real	1.09	1.09	1.08	0.93
Commercial/Industrial and Public Utility Real	1.37	1.37	1.36	1.33
General Business and Public Utility Personal	2.40	2.40	2.40	2.40
1995 Fire				
Residential/Agricultural Real	1.51	1.51	1.50	1.29
Commercial/Industrial and Public Utility Real	1.63	1.63	1.62	1.58
General Business and Public Utility Personal	2.10	2.10	2.10	2.10

<i>2007</i>	<i>2008</i>	<i>2009</i>	<i>2010</i>	<i>2011</i>	<i>2012</i>
<u>\$2.65</u>	<u>\$2.65</u>	<u>\$2.65</u>	<u>\$2.65</u>	<u>\$2.65</u>	<u>\$2.65</u>
0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00
0.60	0.60	0.60	0.60	0.60	0.60
0.60	0.60	0.60	0.60	0.60	0.60
0.60	0.60	0.60	0.60	0.60	0.60
0.91	0.91	0.92	0.92	0.92	0.92
1.09	1.13	1.11	1.11	1.11	1.11
3.60	3.60	3.60	3.60	3.60	3.60
0.45	0.45	0.45	0.45	0.45	0.45
0.61	0.63	0.62	0.62	0.62	0.62
1.20	1.20	1.20	1.20	1.20	1.20
0.45	0.45	0.45	0.45	0.45	0.45
0.62	0.64	0.63	0.63	0.63	0.63
1.20	1.20	1.20	1.20	1.20	1.20
0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00
0.93	0.93	0.94	0.94	0.94	0.94
1.31	1.36	1.33	1.33	1.33	1.33
2.40	2.40	2.40	2.40	2.40	2.40
1.29	1.29	1.30	1.30	1.30	1.30
1.56	1.62	1.58	1.59	1.59	1.59
2.10	2.10	2.10	2.10	2.10	2.10

(Continued)

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

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
1996 Fire and EMS				
Residential/Agricultural Real	0.25	0.25	0.25	0.22
Commercial/Industrial and Public Utility Real	0.27	0.27	0.27	0.27
General Business and Public Utility Personal	0.35	0.35	0.35	0.35
2002 Fire and EMS				
Residential/Agricultural Real	3.02	3.02	3.01	2.59
Commercial/Industrial and Public Utility Real	3.15	3.15	3.14	3.07
General Business and Public Utility Personal	3.40	3.40	3.40	3.40
2002 Bond				
Residential/Agricultural Real	0.00	0.23	0.20	0.20
Commercial/Industrial and Public Utility Real	0.00	0.23	0.20	0.20
General Business and Public Utility Personal	<u>0.00</u>	<u>0.20</u>	<u>0.20</u>	<u>0.20</u>
2010 Fire and EMS				
Residential/Agricultural Real	0.00	0.00	0.00	0.00
Commercial/Industrial and Public Utility Real	0.00	0.00	0.00	0.00
General Business and Public Utility Personal	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total Voted Millage By Type of Property				
Residential/Agricultural Real	8.93	9.14	8.99	7.92
Commercial/Industrial and Public Utility Real	9.80	10.01	9.85	9.68
General Business and Public Utility Personal	<u>15.20</u>	<u>15.38</u>	<u>15.30</u>	<u>15.32</u>
Total Voted and Unvoted Millage By Type of Property				
Residential/Agricultural Real	11.58	11.79	11.64	10.57
Commercial/Industrial and Public Utility Real	12.45	12.66	12.50	12.33
General Business and Public Utility Personal	<u>17.85</u>	<u>18.03</u>	<u>17.95</u>	<u>17.97</u>
Overlapping Rates By Taxing District				
School District				
Residential/Agricultural Real	35.45	35.37	40.69	35.70
Commercial/Industrial and Public Utility Real	35.20	34.98	40.33	39.02
General Business and Public Utility Personal	63.20	63.20	68.01	67.31
Library				
Residential/Agricultural Real	0.71	0.71	0.71	0.61
Commercial/Industrial and Public Utility Real	0.74	0.73	0.73	0.72
General Business and Public Utility Personal	0.80	0.80	0.80	0.80
County				
Residential/Agricultural Real	0.28-3.09	0.27-3.07	0.27-3.06	0.23-2.61
Commercial/Industrial and Public Utility Real	0.38-3.30	0.38-3.31	0.38-3.34	0.37-3.21
General Business and Public Utility Personal	0.65-3.50	0.65-3.50	0.65-3.50	0.65-3.50

Source: Ohio Department of Taxation

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

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

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

<i>2007</i>	<i>2008</i>	<i>2009</i>	<i>2010</i>	<i>2011</i>	<i>2012</i>
0.22	0.22	0.22	0.22	0.22	0.22
0.26	0.27	0.27	0.27	0.27	0.27
0.35	0.35	0.35	0.35	0.35	0.35
2.58	2.58	2.60	2.60	2.60	2.60
3.02	3.13	3.07	3.08	3.08	3.08
3.40	3.40	3.40	3.40	3.40	3.40
0.10	0.14	0.20	0.20	0.20	0.20
0.10	0.14	0.20	0.20	0.20	0.20
0.10	0.14	0.20	0.20	0.20	0.20
0.00	0.00	0.00	0.00	2.60	2.60
0.00	0.00	0.00	0.00	2.60	2.60
0.00	0.00	0.00	0.00	2.60	2.60
7.53	7.57	7.68	7.68	10.28	10.28
9.17	9.52	9.41	9.43	12.03	12.03
14.95	14.99	15.05	15.05	17.65	17.65
10.18	10.22	10.33	10.33	12.93	12.93
11.82	12.17	12.06	12.08	14.68	14.68
17.60	17.64	17.70	17.70	20.30	20.30
41.54	41.54	42.28	50.28	50.29	50.29
44.11	45.08	44.81	52.93	53.48	53.48
72.50	72.50	73.00	73.00	72.95	72.95
0.61	0.80	0.80	0.80	0.80	0.80
0.72	0.80	0.78	0.79	0.80	0.80
0.80	0.80	0.80	0.80	0.80	0.80
0.23-2.60	0.23-2.60	0.41-3.50	0.64-3.50	0.64-3.50	0.64-3.50
0.37-3.21	0.37-3.22	0.53-3.39	0.70-3.40	0.71-3.43	0.71-3.43
0.65-3.50	0.65-3.50	0.65-3.50	0.75-3.50	0.75-3.50	0.75-3.50

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

<i>Year</i>	<i>Governmental Activities</i>			<i>Business-Type Activities</i>			
	<i>General Obligation Bonds</i>	<i>Notes Payable</i>	<i>OPWC Loans</i>	<i>General Obligation Bonds</i>	<i>Revenue Bonds</i>	<i>Notes Payable</i>	<i>ODNR Debt</i>
2003 (4)	\$31,882,473	\$296,015	\$0	\$7,687,798	\$0	\$0	\$1,910,896
2004 (4)	30,152,752	197,343	0	6,790,925	0	0	1,875,889
2005 (4)	28,429,696	0	0	6,284,181	0	1,350,000	1,839,754
2006 (4)	26,648,305	0	0	5,750,772	0	7,925,000	1,802,455
2007 (4)	25,451,222	0	0	23,750,018	0	0	1,763,954
2008 (4)	23,794,270	0	0	22,564,982	0	2,233,000	1,724,213
2009 (4)	24,251,797	0	0	27,933,619	0	0	1,683,191
2010 (5)	29,723,874	0	0	29,292,097	5,745,540	0	1,640,847
2011 (4)	30,140,774	0	1,417,199	34,428,855	8,922,263	0	1,597,139
2012	30,115,221	0	2,186,646	35,858,143	8,898,986	0	1,552,023

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

(2) Source: Franklin County Auditor

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

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

(5) Population provided from the official results of the 2010 Census

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

<i>Total Outstanding Debt (1)</i>	<i>Estimated Actual Value of Taxable Property (2)</i>	<i>Population</i>	<i>Personal Income (3)</i>	<i>Ratio of Debt to Personal Income</i>	<i>Debt Per Capita</i>
\$41,777,182	\$2,749,268,561	36,018	\$1,181,174	3.54%	\$1,160
39,016,909	2,782,802,415	36,069	1,216,427	3.21%	1,082
37,903,631	2,769,605,742	36,325	1,269,922	2.98%	1,043
42,126,532	3,123,085,749	36,517	1,326,845	3.17%	1,154
50,965,194	3,175,772,833	36,569	1,380,995	3.69%	1,394
50,316,465	3,064,071,044	37,845	1,485,392	3.39%	1,330
53,868,607	3,056,851,631	37,879	1,545,201	3.49%	1,422
66,402,358	3,082,394,230	36,120	1,531,397	4.34%	1,838
76,506,230	3,059,363,422	36,203	1,595,289	4.80%	2,113
78,611,019	2,902,527,558	36,250	1,660,182	4.74%	2,169

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

<i>Collection Year</i>		<i>General Obligation Bonded Debt (1)</i>	<i>Estimated Actual Value of Taxable Property (2)</i>	<i>Population</i>	<i>Ratio of General Obligation Bonded Debt to Estimated Actual Value</i>	<i>General Obligation Bonded Debt Per Capita</i>
2003	(3)	\$39,570,271	\$2,749,268,561	36,018	1.44%	\$1,098.62
2004	(3)	36,943,677	2,782,802,415	36,069	1.33%	1,024.25
2005	(3)	34,713,877	2,769,605,742	36,325	1.25%	955.65
2006	(3)	32,399,077	3,123,085,749	36,517	1.04%	887.23
2007	(3)	49,201,240	3,175,772,833	36,569	1.55%	1,345.44
2008	(3)	46,359,252	3,064,071,044	37,845	1.51%	1,224.98
2009	(3)	52,185,416	3,056,851,631	37,879	1.71%	1,377.69
2010	(4)	59,015,971	3,082,394,230	36,120	1.91%	1,633.89
2011	(4)	64,569,629	3,059,363,422	36,203	2.11%	1,783.54
2012	(4)	65,973,364	2,902,527,558	36,250	2.27%	1,819.95

(1) Includes all general obligation debt of governmental and business-type activities

(2) Source: Franklin County Auditor

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

(4) Population provided from the official results of the 2010 Census

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

City of Westerville, Ohio
 Computation of Direct and Overlapping Governmental Debt
 December 31, 2012

<i>Jurisdiction</i>	<i>Debt Outstanding</i>	<i>Percentage Applicable to the City of Westerville (1)</i>	<i>Amount Applicable to the City of Westerville</i>
Direct:			
City of Westerville			
General Obligation Bonds	\$30,115,221	100.00%	\$30,115,221
OPWC Loans	2,186,646	100.00%	2,186,646
	<u>32,301,867</u>		<u>32,301,867</u>
Overlapping:			
Westerville City School District			
General Obligation Bonds	110,688,248	43.20%	47,817,323
Franklin County			
General Obligation Bonds	254,660,000	3.86%	9,829,876
Special Obligation Bonds And Notes	25,495,000	3.86%	984,107
OPWC Loans	7,006,000	3.86%	270,432
Total Overlapping Debt	<u>397,849,248</u>		<u>58,901,738</u>
Grand Total	<u>\$430,151,115</u>		<u>\$91,203,605</u>

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

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

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

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Total Assessed Valuation	<u>\$950,494,929</u>	<u>\$961,634,784</u>	<u>\$964,233,368</u>	<u>\$1,081,565,488</u>
Overall debt limitation - 10.5% of assessed valuation	<u>99,801,968</u>	<u>100,971,652</u>	<u>101,244,504</u>	<u>113,564,376</u>
Net Debt Subject to Limitation (General Obligation Bonds)	31,921,620	30,189,900	28,464,845	26,681,455
Less amount available in the debt service fund	<u>(33,638)</u>	<u>(89,866)</u>	<u>(99,873)</u>	<u>(199,513)</u>
Total Net Debt Subject to Limitation	<u>31,887,982</u>	<u>30,100,034</u>	<u>28,364,972</u>	<u>26,481,942</u>
Legal debt margin within 10.5% limitation	<u>\$67,913,986</u>	<u>\$70,871,618</u>	<u>\$72,879,532</u>	<u>\$87,082,434</u>
Legal Debt Margin as a Percentage of the Debt Limit	68.0%	70.2%	72.0%	76.7%
<hr/>				
Unvoted debt limitation 5.5% of assessed valuation	<u>\$52,277,221</u>	<u>\$52,889,913</u>	<u>\$53,032,835</u>	<u>\$59,486,102</u>
Net Debt Subject to Limitation (General Obligation Bonds)	31,921,620	30,189,900	28,464,845	26,681,455
Less amount available in the debt service fund	<u>(33,638)</u>	<u>(89,866)</u>	<u>(99,873)</u>	<u>(199,513)</u>
Total Net Debt Subject to Limitation	<u>31,887,982</u>	<u>30,100,034</u>	<u>28,364,972</u>	<u>26,481,942</u>
Legal debt margin within 10% limitation	<u>\$20,389,239</u>	<u>\$22,789,879</u>	<u>\$24,667,863</u>	<u>\$33,004,160</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation	39.0%	43.1%	46.5%	55.5%

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

<i>2007</i>	<i>2008</i>	<i>2009</i>	<i>2010</i>	<i>2011</i>	<i>2012</i>
\$1,097,357,874	\$1,065,069,846	\$1,071,046,200	\$1,083,162,100	\$1,075,326,820	\$1,020,633,120
115,222,577	111,832,334	112,459,851	113,732,021	112,909,316	107,166,478
25,471,395	23,813,000	23,352,395	28,380,655	28,950,580	28,570,505
(121,383)	(74,435)	(82,826)	(180,259)	(132,900)	(122,840)
25,350,012	23,738,565	23,269,569	28,200,396	28,817,680	28,447,665
\$89,872,565	\$88,093,769	\$89,190,282	\$85,531,625	\$84,091,636	\$78,718,813
78.0%	78.8%	79.3%	75.2%	74.5%	73.5%
\$60,354,683	\$58,578,842	\$58,907,541	\$59,573,916	\$59,142,975	\$56,134,822
25,471,395	23,813,000	23,352,395	28,380,655	28,950,580	28,570,505
(121,383)	(74,435)	(82,826)	(180,259)	(132,900)	(122,840)
25,350,012	23,738,565	23,269,569	28,200,396	28,817,680	28,447,665
\$35,004,671	\$34,840,277	\$35,637,972	\$31,373,520	\$30,325,295	\$27,687,157
58.0%	59.5%	60.5%	52.7%	51.3%	49.3%

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

<i>Year</i>	<i>Population</i>	<i>Total Personal Income (1)</i>	<i>Per Capita Income (2)</i>	<i>School Enrollment (3)</i>	<i>Unemployment Rates (4)</i>			
					<i>Franklin County</i>	<i>Ohio</i>	<i>United States</i>	
2003	(5)	36,018	1,181,174	32,794	14,043	4.9%	6.1%	6.0%
2004	(5)	36,069	1,216,427	33,725	14,156	5.4%	6.1%	5.5%
2005	(5)	36,325	1,269,922	34,960	14,023	5.3%	5.9%	5.1%
2006	(5)	36,517	1,326,845	36,335	14,217	4.5%	5.5%	4.5%
2007	(5)	36,569	1,380,995	37,764	14,252	4.7%	5.6%	5.0%
2008	(5)	37,845	1,485,392	39,249	14,477	5.5%	6.5%	5.8%
2009	(5)	37,879	1,545,201	40,793	14,558	8.9%	10.7%	9.3%
2010	(6)	36,120	1,531,397	42,397	14,925	8.6%	9.5%	9.4%
2011	(5)	36,203	1,595,289	44,065	14,833	7.6%	8.1%	8.3%
2012	(5)	36,250	1,660,182	45,798	14,844	5.3%	6.6%	7.6%

Source: (1) Per capita income multiplied by population (in thousands)
(2) U.S. Department of Commerce, Bureau of Economic Analysis, Columbus MSA
Note: 2007 and 2008 estimates are interpolated based upon percentage increases from the prior years.
(3) Westerville City School District's CAFR, as of fiscal year-end
(4) State of Ohio's CAFR, the Bureau of Labor Statistics and Ohio Labor Market Information
(5) "Population Estimates," published by the Mid-Ohio Regional Planning Commission
(6) Population provided from the official results of the 2010 Census

City of Westerville, Ohio

Principal Employers

2012 and 2003

<i>Employer</i>	<i>2012</i>			<i>2003</i>		
	<i>Approximate Number of Employees</i>	<i>Rank</i>	<i>Percentage of Total Employment</i>	<i>Approximate Number of Employees</i>	<i>Rank</i>	<i>Percentage of Total Employment</i>
JP Morgan Chase Bank NA	5,467	1	9.1%	4,242	1	6.9%
Mount Carmel Health Systems	2,734	2	4.6%	2,310	2	3.7%
Westerville City Schools	2,135	3	3.6%	2,097	3	3.4%
Otterbein College	1,922	4	3.2%	1,611	5	2.6%
CMS Subsidiary	988	5	1.7%	1,675	4	2.7%
Alliance Data Systems Inc	987	6	1.6%	1,118	6	1.8%
Inchord Communications/Gerbig Snell	825	7	1.4%	427	-	0.7%
City of Westerville	824	8	1.4%	813	7	1.3%
NCS Pearson Inc	707	9	1.2%	-	-	0.0%
Heartland Employment	691	10	1.2%	727	10	1.2%
1-800 Flowers (Cheryl's Cookies)	-	-	-	789	8	1.3%
Meijer Stores	-	-	-	792	9	1.3%
Total Employees	17,280		28.9%	16,601		26.8%
All Other Employers	42,584		71.1%	45,229		73.2%
Total Employment within the City	<u>59,864</u>		<u>100.0%</u>	<u>61,830</u>		<u>100.0%</u>

Source: City Income Tax Department

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

<i>Function/Program</i>	<i>2005</i>		<i>2006</i>		<i>2007</i>		<i>2008</i>	
	<i>Full-Time</i>	<i>All</i>	<i>Full-Time</i>	<i>All</i>	<i>Full-Time</i>	<i>All</i>	<i>Full-Time</i>	<i>All</i>
Security of Persons and Property								
Fire	84.00	109.00	84.00	104.00	92.00	103.00	90.00	101.00
Police	85.00	93.00	87.00	91.00	88.00	92.00	87.00	92.00
Communications	13.00	18.00	15.00	19.00	15.00	23.00	17.00	26.00
Total	182.00	220.00	186.00	214.00	195.00	218.00	194.00	219.00
Leisure Time Activities								
Administration	7.00	12.00	7.00	7.00	8.00	8.00	8.00	8.00
Recreation	21.40	289.60	20.65	296.20	22.75	286.75	19.05	286.05
Parks	18.75	42.00	19.25	51.60	19.80	44.80	19.25	38.25
Senior Center	6.50	13.50	6.75	14.75	7.90	16.90	6.45	15.45
Total	53.65	357.10	53.65	369.55	58.45	356.45	52.75	347.75
Community Development	24.00	30.00	24.00	32.00	25.00	28.00	24.00	27.00
Basic Utility Services	3.90	7.35	6.25	12.20	7.25	9.25	6.95	7.95
Transportation	16.00	22.25	14.05	23.33	14.05	22.38	14.05	21.38
General Government								
Legislative	1.00	9.00	1.00	8.00	1.00	9.00	1.00	9.00
City Manager	12.00	13.00	12.00	15.00	13.00	17.00	3.25	3.25
Administrative Services *	N/A	N/A	N/A	N/A	N/A	N/A	8.75	8.75
Finance	21.00	29.00	21.00	29.20	21.60	26.60	23.00	28.00
Information Systems	10.00	12.00	10.00	11.00	10.00	10.00	10.00	10.00
Mayor's Court	3.00	6.00	3.00	7.00	3.00	6.00	3.00	5.00
Legal	0.00	3.00	0.00	2.00	0.00	2.00	0.00	2.00
Buildings and Grounds	6.00	6.00	6.00	6.00	6.00	6.00	7.00	7.00
Total	53.00	78.00	53.00	78.20	54.60	76.60	56.00	73.00
Business-Type Activities								
Water	18.00	20.60	18.10	24.68	18.60	23.93	18.25	25.58
Sewer	8.00	12.60	6.40	9.69	5.90	6.74	7.55	7.89
Refuse	1.05	1.10	1.10	2.05	1.10	1.10	1.10	1.10
Electric	45.00	48.00	45.00	49.80	47.40	48.40	45.00	47.00
Swimming Pool**	1.35	44.90	1.35	63.45	1.55	56.55	1.25	58.25
Garage	4.05	4.10	4.10	5.05	5.10	5.60	5.10	5.10
Total	77.45	131.30	76.05	154.72	79.65	142.32	78.25	144.92
Total - All Employees	410.00	846.00	413.00	884.00	434.00	853.00	426.00	841.00

* The Department of Administrative Services was created in 2008

** The Swimming Pool was reclassified as part of Parks & Recreation in Leisure Time Activities as of January 1, 2010

Source: City Payroll Records

2009		2010		2011		2012	
<i>Full-Time</i>	<i>All</i>	<i>Full-Time</i>	<i>All</i>	<i>Full-Time</i>	<i>All</i>	<i>Full-Time</i>	<i>All</i>
91.00	109.00	90.00	110.00	89.00	106.00	87.00	109.00
88.00	93.00	89.00	93.00	89.00	94.00	87.00	92.00
16.00	21.00	16.00	20.00	16.00	20.00	16.00	20.00
195.00	223.00	195.00	223.00	194.00	220.00	190.00	221.00
7.00	8.00	7.00	8.00	6.00	7.00	7.00	8.00
21.75	269.75	22.75	332.75	21.75	330.70	21.75	339.75
19.25	42.25	19.25	37.25	19.25	47.25	20.25	40.25
7.60	17.60	6.00	14.00	6.00	17.05	6.00	14.00
55.60	337.60	55.00	392.00	53.00	401.00	55.00	402.00
26.00	31.00	24.00	27.00	24.00	27.00	26.00	29.00
6.95	7.95	5.95	10.95	6.10	6.10	6.10	6.10
14.05	16.38	14.05	15.38	15.30	21.63	15.30	18.55
1.00	8.00	1.00	8.00	1.00	8.00	1.00	8.00
4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
10.00	10.00	8.00	8.00	9.00	11.00	9.00	10.00
22.00	31.00	22.00	28.00	23.00	29.00	22.00	27.00
11.00	12.00	11.00	12.00	11.00	13.00	11.00	11.00
3.00	6.00	3.00	5.66	4.00	4.67	4.00	4.67
0.00	2.00	0.00	2.34	0.00	3.33	0.00	3.33
6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
57.00	79.00	55.00	74.00	58.00	79.00	57.00	74.00
17.75	23.08	17.75	22.08	16.55	19.82	17.50	23.75
7.05	10.39	7.05	8.39	5.80	6.15	5.80	7.80
1.10	1.10	1.10	1.10	1.10	1.15	1.15	1.15
46.00	48.00	44.00	45.00	43.00	47.00	44.00	45.50
1.40	62.40	N/A	N/A	N/A	N/A	N/A	N/A
5.10	5.10	4.10	4.10	4.15	4.15	4.15	4.15
78.40	150.07	74.00	80.67	70.60	78.27	72.60	82.35
433.00	845.00	423.00	823.00	421.00	833.00	422.00	833.00

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

<i>Function/Program</i>	<i>2003</i>	<i>2004</i>	<i>2005</i>	<i>2006</i>
General Government:				
Active Income Tax Accounts				
Individual	NA	17,026	16,844	16,737
Business	NA	2,475	2,615	2,689
Withholding	NA	2,744	2,894	3,361
Clerk of Courts:				
Mayor's Court Cases	7,966	8,004	7,338	8,117
Security of Persons and Property - Police				
Police calls	65,805	63,042	58,852	63,453
Physical Arrests	297	346	357	346
Citations	5,956	5,600	5,532	5,849
Parking Violations	752	683	552	619
Security of Persons and Property - Fire				
EMT Calls	3,557	3,319	3,600	3,701
Fire Calls	2,385	2,986	2,986	2,680
Total Calls	5,942	6,305	6,586	6,381
Leisure Time Activities:				
Swimming Pool Revenues *	\$380,711	\$330,281	\$406,640	\$403,979
Parks & Recreation Revenues	\$2,600,032	\$2,813,641	\$3,016,530	\$3,545,571

(1) The Swimming Pool was reclassified as part of Parks & Recreation in Leisure Time Activities as of January 1, 2010

(2) The police division began utilizing a new record management system during 2012 which documents the number of calls with different parameters than prior years.

Source: Department annual reports

NA - Information not available

<i>2007</i>	<i>2008</i>	<i>2009</i>	<i>2010 (1)</i>	<i>2011 (1)</i>	<i>2012 (2)</i>
16,883	16,704	16,259	16,534	16,588	16,664
2,724	2,644	2,597	2,542	2,504	2,489
3,365	3,490	2,814	2,806	2,748	3,104
7,496	8,656	8,826	9,252	9,232	8,927
61,391	59,998	57,423	65,260	65,649	41,143
447	421	438	434	617	701
5,612	6,843	6,880	6,200	5,767	5,148
470	814	475	595	481	379
3,683	4,548	5,018	5,063	5,127	5,233
2,833	2,336	3,024	3,537	2,331	2,765
6,516	6,884	8,042	8,600	7,458	7,998
\$459,366	\$446,935	\$435,176	N/A	N/A	N/A
\$3,083,129	\$3,436,256	\$2,858,613	\$3,264,040	\$3,876,200	\$3,927,703

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

<i>Function/Program</i>	<i>2003</i>	<i>2004</i>	<i>2005</i>	<i>2006</i>
General Government:				
Government Center	1	1	1	1
Security of Persons and Property:				
Number of Police Stations	1	1	1	1
Number of Fire/EMS Stations	3	3	3	3
Leisure Time Activities:				
Number of Parks and Recreation Sites:	31	32	32	33
Developed Acres (1)	392.862	442.477	446.477	446.477
Undeveloped Acres (1)	3.060	12.920	12.920	12.920
Greenways Acreage	87.204	87.204	93.134	93.134
Number of Aquatic Centers	2	2	2	2
Number of Miles: Bike/Walk Trails	16.370	18.020	22.610	22.740
Number of Community Program Centers	2	2	2	2
Number of Senior Centers	1	1	1	1
Number of Playground Sites	11	12	13	13
Number of Skate Parks	0	1	1	1
Number of BMX Tracks	0	1	1	1
Number of Cultural/Historic Sites	3	3	3	3
Number of Athletic Fields	47	48	48	50
Number of Tennis Courts	11	11	11	11
Number of Basketball/Multi Courts	9	9	9	11
Number of Dog Parks	0	0	1	1
Basic Utility Services:				
Miles of Water Mains	171	178	178	174
Miles of Sanitary Sewers	143	150	153	155
Miles of Storm Sewers	135	140	140	146
Miles of Electric Lines	242	251	261	269
Transportation:				
Miles of Streets	148	150	151	152
Number of Street Lights	3,212	3,437	3,744	4,002

Source: City capital asset records

Leisure Time Activities Data Provided by Westerville Parks and Recreation Department.

<i>2007</i>	<i>2008</i>	<i>2009</i>	<i>2010</i>	<i>2011</i>	<i>2012</i>
1	1	1	1	1	1
1	1	1	1	1	1
3	3	3	3	3	3
39	44	45	47	48	52
446.827	559.490	574.760	577.892	577.892	389.000
12.920	18.606	18.606	3.060	18.088	228.000
93.134	93.134	93.134	112.311	112.311	115.400
2	2	2	2	2	2
25.090	25.090	25.690	26.050	27.780	27.150
2	2	2	2	2	2
1	1	1	1	1	1
13	13	13	14	15	15
1	1	1	1	1	1
1	1	1	1	1	1
3	3	3	4	4	5
48	48	48	50	50	51
11	11	11	11	11	11
11	11	11	11	9	12
1	1	1	1	1	1
190	190	190	190	190	190
162	162	163	163	163	163
147	147	147	147	147	147
270	271	271	271	272	272
152	152	152	152	152	152
4,019	4,019	4,134	4,134	3,930	4,006



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Dave Yost • Auditor of State

CITY OF WESTERVILLE

FRANKLIN COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
AUGUST 27, 2013**