



Dave Yost • Auditor of State

CITY OF GAHANNA
FRANKLIN COUNTY

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	1

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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 Gahanna
Franklin County
200 South Hamilton Road
Gahanna, Ohio 43230

To the Members of City Council and the Mayor:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Gahanna, Franklin County, Ohio (the City) as of and for the year ended December 31, 2013, 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 20, 2014, wherein we noted the City restated their 2013 financial statements due to a correction of a misstatement.

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 opinion 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*.

88 East Broad Street, Tenth Floor, Columbus, Ohio 43215-3506
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www.ohioauditor.gov

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 20, 2014



CITY OF GAHANNA, OHIO

Comprehensive Annual Financial Report

**For the Year Ended
December 31, 2013**



CITY OF GAHANNA

200 South Hamilton Road | Gahanna, Ohio | 43230
614.342.4000 | www.Gahanna.gov



CITY OF GAHANNA

City of Gahanna, Ohio

Comprehensive Annual Financial Report

For the Year Ended December 31, 2013

Issued by the Department of Finance

Jennifer Teal
Director of Finance

Joann Bury
Deputy Director of Finance

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INTRODUCTORY SECTION



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CITY OF GAHANNA

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
DECEMBER 31, 2013**

TABLE OF CONTENTS

INTRODUCTORY SECTION

Table of contents i
Transmittal Letter v
Elected Officers & Administrative Staffxi
Organizational Chartxii

FINANCIAL SECTION

Independent Auditor’s Report 1
Management’s Discussion & Analysis 5
Basic Financial Statements:
Government-wide Financial Statements:
 Statement of Net Position 23
 Statement of Activities..... 24
Fund Financial Statements:
 Balance Sheet – Governmental Funds 25
 Reconciliation of Total Governmental Fund Balances
 to Net Position of Governmental Activities..... 26
 Statement of Revenues, Expenditures and Changes
 In Fund Balances – Governmental Funds 27
 Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund
 Fund Balances of Governmental Funds to the Statement of Activities 28
 Statement of Revenues, Expenditures and Changes in Fund Balances
 Budget (Non-GAAP Budgetary Basis) and Actual General Fund 29
 Statement of Revenues, Expenditures and Changes in Fund Balances -
 Budget (Non-GAAP Budgetary Basis) and Actual Tax Increment Equivalent Fund..... 30
 Statement of Net Position – Proprietary Funds 31
 Statement of Revenues, Expenditures and Changes
 In Net Position – Proprietary Funds 32
 Statement of Cash Flows – Proprietary Funds 33
 Statement of Fiduciary Assets and Liabilities – Agency Funds 34
Notes to the Basic Financial Statements 35

CITY OF GAHANNA

Combining Statements and Individual Fund Schedules:

Combining Statements – Nonmajor Governmental Funds:

Nonmajor Governmental Fund Descriptions..... 69
Combining Balance Sheet Nonmajor Governmental Funds 72
Combining Statement of Revenues, Expenditures and Changes
In Fund Balances – Nonmajor Governmental Funds..... 77

Combining Statements – Agency Funds:

Agency Fund Descriptions 83
Combining Statement of Fiduciary Assets and Liabilities – Agency Funds..... 84
Combining Statement of Changes in Assets and Liabilities – Agency Funds 86

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

Major Funds:

General Fund 88
Tax Increment Equivalent Fund 91
Capital Improvement 92

Nonmajor Funds:

Street Special Revenue Fund 93
State Highway Special Revenue Fund 94
Law Enforcement Trust Special Revenue Fund 95
Enforcement & Education Special Revenue Fund 96
Parks & Recreation Donation Special Revenue Fund 97
Permanent Improvement Special Revenue Fund 98
Court Special Revenue Fund 99
County Permissive Special Revenue Fund 100
Cul-De-Sac Maintenance Special Revenue Fund 101
Federal Law Enforcement Seizure Special Revenue Fund 102
Right Of Way Special Revenue Fund 103
FEMA Special Revenue Fund 104
Police Pension Special Revenue Fund 105
Public Landscape Trust Special Revenue Fund 106
Police Duty Weapons Special Revenue Fund 107
Vending Machine Special Revenue Fund 108
Reserve For Sick/Vacation Special Revenue Fund 109
Law Enforcement Special Revenue Fund 110

CITY OF GAHANNA

Park Improvement & Acquisition Capital Projects Fund	111
Park Capital Projects Fund	112
Park In-Lieu of Fees Capital Projects Fund	113
Court Building Capital Projects Fund	114
General Bond Retirement Debt Service Fund	115
Special Assessment Debt Service Fund	116
Workers Compensation Internal Service Fund	117
 <u>STATISTICAL SECTION</u>	
Statistical Tables Descriptions	119
Net Position by Component Last Ten Fiscal Years	120
Change in Net Position Last Ten Fiscal Years	121
Fund Balance, Governmental Funds Last Ten Fiscal Years	123
Change in Fund Balances, Governmental Funds Last Ten Fiscal Years	124
Income Tax Revenue by Payer Type, Net of Refunds	
Cash Basis Last Ten Fiscal Years	125
Top Income Tax Payers – Withholding Accounts	
Current Year and Nine Years Ago	126
Top Income Tax Payers – Individual Accounts	
Current Year and Seven Years Ago	127
Assessed Valuation and Estimated Value of Taxable Property	
Last Ten Collection Years	128
Real Property Tax Rates – Direct and Overlapping Last Ten Years District #25	129
Real Property Tax Rates – Direct and Overlapping Last Ten Years District #26	130
Real Property Tax Rates – Direct and Overlapping Last Ten Years District #27	131
Principal Property Taxpayers Current Year and Nine Years Ago	132
Property Tax Levies and Collections Last Ten Years	133
Ratios of Outstanding Debt by Type Last Ten Fiscal Years	134
Ratios of Net General Bonded Debt Outstanding Last Ten Fiscal Years	135
Computation of Direct and Overlapping General Obligation Debt	
As of December 31, 2013	136
Legal Debt Margin Information Last Ten Years	137
Demographic and Economic Statistics Last Ten Years	138
Principal Employers Current Year and Nine Years Ago	139
Staffing Statistics – Head Count by Type and Function Last Seven Fiscal Years	140
Operating Indicators by Function Last Ten Fiscal Years	141
Capital Asset Statistics Last Ten Fiscal Years	142

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June 20, 2014

To the Citizens and Members of Council of the City of Gahanna:

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the City of Gahanna (the "City"). This CAFR, which includes an unqualified opinion from the Auditor of the State of Ohio, conforms to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental entities. The CAFR is intended to satisfy Ohio Administrative Code 117-2-03(B) which requires the City to report in accordance with GAAP, as well as, Ohio Revised Code 117.38 which requires local public offices to file their annual reports with the Auditor of State.

Responsibility for the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rest with the City's management. To the best of our knowledge and belief, this CAFR and the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included. To provide a reasonable basis for making these representations, management of the City has implemented a comprehensive internal control structure.

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

PROFILE OF THE CITY

The City of Gahanna was founded in 1849 and incorporated in 1881 and is comprised of 12.4 square miles located within Franklin County in central Ohio. The City is a home rule municipal corporation established under the laws of the State of Ohio and operates under its own City Charter, its constitution. The City Charter can only be amended by a majority of the City's voters. The Charter provides for a Mayor-Council form of government. For 2013, the Mid-Ohio Regional Planning Commission estimated Gahanna's population to be 33,288. The City was named one of Ohio's Best Hometowns by Ohio Magazine for 2013-2014.

Legislative authority is vested in a seven member Council, four of which are elected from wards within the City and three elected at large for staggered four-year terms. Council enacts ordinances and resolutions that establish administrative departments, City tax levies, the annual appropriation of available funding, authority to issue debt, compensation and benefits of City Officials and employees, regulations for businesses and trade and all other municipal purposes. The President of Council is the presiding officer for a one-year term elected by the members of Council. Council appoints the Clerk of Council and employs, at its discretion, other Council Office employees.

The Mayor is the Chief Executive Officer and is elected by the Citizens of Gahanna for a four-year term. As the Chief Executive Officer, the Mayor is responsible for the general management of the City and ensuring all laws and ordinances are enforced. The Mayor appoints professional directors to the City's

departments to administer the day-to-day operations of the City. The principal officials appointed by and who serve at the pleasure of the Mayor are the Clerk of Courts and Directors of Finance, Public Safety, Public Service, Emergency Management, Human Resources, Information Technology, Parks & Recreation and Planning and Development.

City Council and the Mayor appoint members of the Planning Commission, Board of Zoning and Building Appeals, Civil Service Commission, Landscape Board and Parks and Recreation Board.

The City Attorney is elected by the Citizens of Gahanna for a four-year term and provides advice and legal representation to the City, elected and appointed officials and employees in their official capacities. The City Attorney prosecutes or defends all suits for and on behalf of the City and serves as legal counsel for the various boards and commissions of the City.

The accompanying financial statements comply with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity* as amended by GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units* and GASB Statement No. 61 *The Financial Reporting Entity: Omnibus*. On this basis, the reporting entity of the City includes the following services to its citizens as authorized by its charter: public safety, public service, street maintenance, parks and recreation, senior services, engineering and general administration. The City of Gahanna is also responsible for the construction, maintenance, and repairs associated with public utility infrastructure including the water and sewer lines and fiber optic cabling and conduit. The City purchases water and sewer treatment services from the City of Columbus. Council and the Mayor have direct responsibility for these activities. The City does not operate any schools and does not have any component units.

The annual budget of the City is a year-round process that concludes each January with the formal adoption of the City's appropriations. The annual budget process begins with the Finance Department's development of the tax budget based on current revenue and expenditure estimates. The administration, which consists of the Mayor and Department Directors, review and provide input. Necessary changes are made by the Finance Department and the tax budget is then provided to Council for approval. Council approves the tax budget by motion resolution for submission to the Franklin County Budget Commission by July 15th. The Franklin County Budget Commission uses the tax budget to substantiate the need to levy the full amount of authorized property taxes for the City and to certify the City's estimated resources. The City's appropriations are limited by the Budget Commission's Certification of Estimated Resources. As necessary, the City may request an amended Certificate of Estimated Resources from the Budget Commission.

After submission of the tax budget, the City begins developing the annual budget which serves as the foundation for the City's financial planning and control. From July through October the administration develops the annual budget through strategic and capital needs assessments, preparation of departmental operating budgets and budget work sessions. Once complete, the administration provides the annual budget request to Council. From November to December Council reviews the budget document, holds budget work sessions and public hearings for citizen input to provide the administration with final input on the budget. Once completed Council submits their input to the Finance Department to make necessary changes to the budget and produce the annual appropriation ordinance. On or about the first day of each fiscal year Council then passes an ordinance approving the adoption of the City's appropriations in accordance with Ohio Revised Code 5705. The appropriation ordinance sets forth the City's authority to spend resources at the fund, function and object levels for all funds. As necessary, the

City may amend or supplement the appropriation ordinance by Council action within the limits of the Certificate of Estimated Resources. City Council has passed legislation to allow the Finance Director to transfer appropriations between object levels within the same function and fund up to \$3,000. Transfers in excess of \$3,000 require Council approval.

LOCAL ECONOMY

The City of Gahanna has adopted a proactive development strategy that combines successful public-private partnerships with a robust complement of development incentives to expand its employment base and retain existing businesses. The City has a diverse mix of business and industry with retail, professional services and healthcare as the top three industries. The City uses a mix of incentives and abatements to attract new businesses as well as encourage existing businesses to grow. The incentives consist of Community Reinvestment Areas (CRA), which provide real property tax abatements to new or expanding facilities within the identified CRA; Tax Increment Financing (TIF), which redirects and segregates increased property tax revenue that would normally flow to the General Fund for infrastructure and other improvements within the TIF District; Office and Industrial Incentive (O&I) programs, which provides up to a 50% credit of income tax payments made by the business based on annual salary, project investment and jobs created and retained within the City; investment in fiber optic connectivity, which allows businesses to access multiple internet service providers at below market cost reducing their cost of doing business in Gahanna.

The City has also worked to capitalize on its own currently existing assets to attract private investment. The most notable being the Creekside Gahanna development and Tech Center Drive extension. Creekside is a public-private partnership between the City and a private developer that created a new "heart" in Olde Gahanna. The Creekside development provides a mixed use of office space, retail, restaurants and residential units with a public park, plaza and parking garage. Although growth in the Creekside development slowed during the recession it is now seeing resurgence due to the purchase of the Creekside Development by a new developer in 2013, and completion of the residential component which began in 2013 and is estimated to be complete in 2014. The Tech Center Drive extension was completed by the City in 2012 to allow 120 acres of shovel-ready land within Central Park of Gahanna direct access to I-270 and the Port Columbus International Airport. Central Park of Gahanna is an attractive corporate campus style development that boasts eleven developable lots surrounding the recently opened Golf Village at Central Park and is connected with multi-purpose trails to a 20 acre conservation area making it an ideal location for businesses looking to establish a corporate campus.

These strategies have paid dividends in recent years expanding the City's employment base by over 1,500 jobs since 2010 despite the economic recession. With the addition of the Central Ohio Urology Group in 2012 on the recently constructed Tech Center Drive extension, Niagara Bottling in 2013 on the Eastgate Parkway and multiple new additions to the Creekside development, the City is continuing to see growth mainly in the medical, manufacturing and professional services sector of the economy. The City's success in economic development is further evidenced by the City's low unemployment rate when compared to the surrounding areas as well as the State of Ohio. The City's 2013 unemployment rate as reported by the Ohio Labor Market Information was 5.6%. The City of Columbus and Franklin County had an unemployment rate of 6.2% during the same time period and the State of Ohio was 6.9%.

The City plans to continue to utilize its economic development model to retain and further grow the City's economic base into the future. The City has expanded the CRA to incorporate the Central Park development area and is moving forward to create a TIF District for the Hamilton Road Corridor Plan. The City's close proximity to the Port Columbus International Airport, I-270 and the City of Columbus along with the City's ability to provide various incentives will continue to make the City an attractive location for various industries.

LONG-TERM FINANCIAL PLANNING

Although the City has maintained and grown its economic base, there are still financial challenges ahead. State reductions to multiple revenue sources, a slow economic recovery from the recession impacting investment earnings and the increased cost to maintain the City's aging assets and infrastructure will continue to impact the City's ability to maintain services at past levels. In response to projected funding deficits, the City placed an income tax reform on the ballot in 2013 to increase the income tax rate from 1.5% to 2.5% with an increase to the income tax credit from 83.33% to 100%, however the issue failed. In response, the administration has moved forward with an unprecedented level of financial planning, transparency and accountability in 2013.

During 2012 and continuing into 2013 the City prepared and updated the following items to identify the level of funding necessary to continue to provide operations and services at past levels and maintain its assets and infrastructure:

- Five Year Capital Needs Assessment – This document outlines all capital projects identified by the administration to maintain, replace or add to existing assets and infrastructure. The projects are defined and prioritized to allow the administration and Council to determine those projects that will be incorporated into the City's annual budget. Projects not selected for the next annual budget are re-evaluated and prioritized the following year or possibly removed if no longer considered necessary or feasible.
- Five Year Operating Budget – Each year departments complete their five-year operating budget and submit their plans to the Finance Department. The Finance Department creates a five year comprehensive budget forecast based on the capital projects identified in the capital needs assessment, the departmental operating requests and revenue projections. Revenue projections are prepared by the Finance Department based on past trends, known future events, and estimates from other government sources or third-parties. Once the five-year forecast is complete, the administration holds budget and strategic planning work sessions to recommend to Council a budget plan for the following year. Council reviews the recommended plan, holds budget work sessions and public hearings for citizen input and provides the administration with final comments on the plan.
- The budget document and appropriation ordinance – The Finance Department prepares the annual budget document and appropriation ordinance based on Council's final recommendations and presents them to Council for approval.

For 2013 to 2018, it has become apparent to the administration and Council that resources will not be sufficient to maintain current operations and fund needed capital projects with an average projected funding gap of \$7 million per year. The administration and Council agreed for 2013 and 2014 to utilize a portion of the General Fund carry-over surplus balance to close the funding gap while reducing expenditures and postponing or cancelling some capital investments. Beyond 2014 the administration and Council are working on a strategic comprehensive plan to ensure assets and infrastructure are

maintained at an acceptable level while keeping operating expenditures balanced with planned revenue sources. Based on the strategic planning results, the City may ultimately reduce and or eliminate services previously provided that are not required for the public safety of its citizens or compliance with federal, state or local laws. In addition to a reduction of services the administration and Council are also considering more private-public partnerships for City operations, selling assets that are not needed or will not be needed in the future, re-allocating current assets for multiple uses, increasing or creating new user fees and providing City services to other political subdivisions for a fee. Although no final decisions have been made regarding the future of the City, the administration and Council are dedicated to preparing a plan to provide necessary services to its citizenry to the best of their ability while maintaining a balanced budget.

RELEVANT FINANCIAL POLICIES

During 2012, the City issued its first debt policy. The policy sets forth the purposes for which debt will be issued, type of debt allowed, duration of the obligation and sources to be used for repayment. The City issued debt on an infrequent basis in the past and followed no formal policy. Under the current economic conditions, it is possible the City will issue debt more frequently mainly to fund necessary capital projects. The administration and Council took the necessary measures to ensure there was an adequate policy in place to avoid the issuance of debt for a purpose, amount or time period that was not in conformity with the City's mission and vision.

During 2013, the City reviewed and updated its investment policy. The investment policy was originally passed by Council in 1998. The amended policy provides for a more diversified portfolio by approving investment types not previously allowed under the original policy, such as, investment in State of Ohio bonds and other obligations, bonds and obligations of political subdivisions of the State of Ohio and corporate bonds. Allowing for a more diversified investment policy not only reduces risk associated with over-investing in specific issuers but also lends the potential to increase investment earnings with more options to select from.

The City also began the process of reviewing and updating its emergency reserve policy in 2013. As part of this process, the administration and Council determined if the reserve amount and how it is calculated is sufficient, what the emergency reserve may or may not be used for, action required to spend from the reserve and how it will be replenished. This is a critical component to the strategic planning process. Before decisions can be made regarding the use of surplus balances, the amount that must remain intact for emergency costs must be clearly defined and set-aside.

MAJOR INITIATIVES

This is the City's first Comprehensive Annual Financial Report and it will be submitted to the Government Finance Officers Association for consideration of the Excellence in Financial Reporting Certification. For 2013 and 2014 the City prepared a comprehensive budget document for all funds to aid the administration and Council in developing a strategy for the City's future. For 2014 and beyond, developing a sustainable strategic plan will be the main focus of the administration and Council. This plan will potentially have a significant impact on the revenues, expenditures and operations of the City.

ACKNOWLEDGEMENTS

The Finance Department prepared this Comprehensive Annual Financial Report with the efficient and dedicated services of its entire staff. We wish to express our appreciation to everyone who contributed to its preparation particularly Ms. Joann Bury, Deputy Finance Director, who oversaw all aspects of this first CAFR process for the City. Copies of the Comprehensive Annual Financial Report are on file at City Hall for use by the general public as well as the City's website www.gahanna.gov

Respectfully submitted,



Jennifer Teal
Director of Finance



Rebecca Stinchcomb
Mayor

**City of Gahanna
Elected Officials and Administrative Staff
As of December 31, 2013**

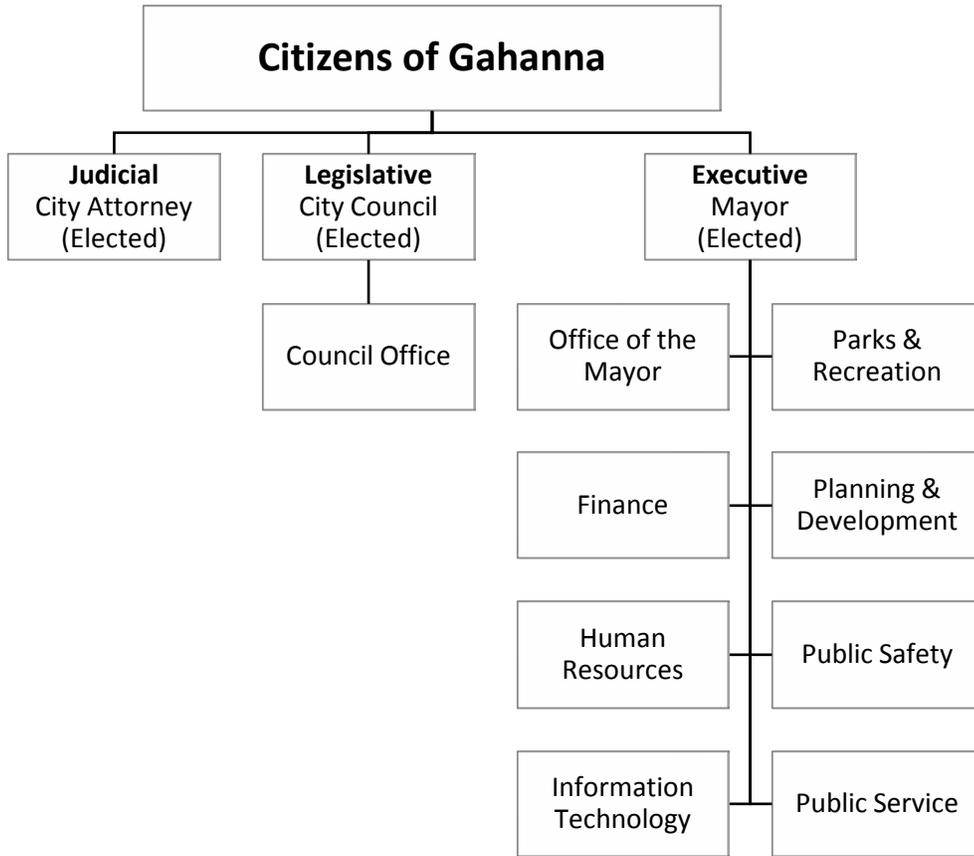
ELECTED OFFICIALS

Rebecca Stinchcomb	Mayor
Stephen A. Renner	Council President
Ryan P. Jolley	Council Vice President
Karen J. Angelou	Council Member
Brain D. Larick	Council Member
Beryl D. Anderson	Council Member
Tom Kneeland	Council Member
Brandon Wright	Council Member
Shane Ewald	City Attorney

ADMINISTRATIVE STAFF

Jennifer Teal	Director of Finance
Dottie Franey	Director of Public Service
Dennis Murphy	Chief of Police
Sue Wadley	Director of Human Resources
Anthony Jones	Director of Planning & Development
Alan DeLoera	Director of Information Technology
Tony Collins	Director of Parks & Recreation
James Williams	Director of Emergency Management
Amanda Parker	Clerk of Courts
Isobel Sherwood	Clerk of Council

CITY OF GAHANNA
ORGANIZATIONAL CHART



FINANCIAL SECTION



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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

City of Gahanna
Franklin County
200 South Hamilton Road
Gahanna, Ohio 43230

To the Members of City Council and the Mayor:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Gahanna, Franklin County, Ohio (the City), as of and for the year ended December 31, 2013, 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 City of Gahanna, Franklin County, Ohio, as of December 31, 2013, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General and the Tax Increment Equivalent Funds, thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 23 to the financial statements, the 2013 financial statements have been restated to correct a misstatement. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

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 statements and schedules are management's responsibility, and derive 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 statements and schedules directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, these statements and schedules are 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 20, 2014, 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 20, 2014

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CITY OF GAHANNA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2013
(UNAUDITED)

The Management's Discussion and Analysis of the City of Gahanna's (the "City") financial performance provides an overall review of the City's financial activities for the year ended December 31, 2013. The intent of this discussion and analysis is to look at the City's financial performance as a whole. Readers should also review the Basic Financial Statements and the notes to the Basic Financial Statements to enhance their understanding of the City's financial performance.

Financial Highlights

Key financial highlights for 2013 are as follows:

- The Statement of Net Position, reported on an accrual basis of accounting, reports an increase of total net position of the City of \$1,715,958 or 1% from 2012. Net position of Governmental Activities increased \$2,268,625 or 2% from 2012 and net position of Business-type Activities decreased \$552,667 or 0.8% from 2012.
- The Statement of Activities, reported on an accrual basis of accounting, reports general revenues of \$22,490,689 or 75% of total Governmental Activities revenue. Program specific revenues accounted for \$7,686,432 or 25% of total Governmental Activities revenue.
- The Statement of Activities reports \$27,908,496 in expenses related to Governmental Activities; \$7,686,432 of these expenses was offset by program specific charges for services, grants or contributions. The remaining expenses of the Governmental Activities, \$20,222,064, were offset by general revenues (primarily income taxes, property taxes and unrestricted grants and entitlements) of \$22,490,689.
- The Statement of Revenues, Expenditures and Changes in Fund Balance for Governmental Funds, reported on a modified accrual basis of accounting, reports General Fund revenues and other financing sources of \$24,570,355 in 2013. This represents an increase of \$1,727,848 or 8% from 2012. The expenditures and other financing uses of the General Fund, which totaled \$22,564,597 in 2013, decreased \$3,736,257 or 14% from 2012. The net increase in fund balance for the General Fund was \$2,005,758 or 11%.
- The Statement of Revenues, Expenditures and Changes in Fund Balance for Governmental Funds, reports Tax Increment Equivalent Fund revenues of \$1,459,187 during 2013. The expenditures and other financing uses of the Tax Increment Equivalent Fund were \$2,077,157 during 2013. The net decrease in fund balance for the Tax Increment Equivalent Fund was \$617,970 or 21%.
- The Statement of Revenues, Expenditures and Changes in Fund Balance for Governmental Funds, reports Capital Improvement Fund revenue and other financing sources of \$2,878,272 in 2013. The expenditures of the Capital Improvement Fund totaled \$3,501,062 in 2013. The net decrease in fund balance for the Capital Improvement Fund was \$622,790 or 13%.
- The Statement of Net Position reports a decrease of \$552,667 in net position for 2013 for the Business-type Activities, which consist of the Water, Sewer and Storm Water Enterprise Funds. The decrease is due to charges for services revenue not maintained at a level sufficient to cover expenses in the sewer fund resulting in a decrease of net position of \$1,786,349. The rates established for the Sewer Fund were deliberately set lower than cost by the City to mitigate rate increases for sewer services by utilizing available net position of the Sewer Fund for operations. The Water and Storm Water Funds had increases of \$817,399 and \$410,973 of net position respectively.

CITY OF GAHANNA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2013
(UNAUDITED)

Using this Annual Financial Report

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

The Statement of Net Position located on page 23 and Statement of Activities located on page 24 provide information about the activities of the City as a whole presenting both an aggregate view of the City's finances and a longer-term view of those finances. Fund Financial Statements beginning on page 25 provide the next level of detail. For Governmental Funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The Fund Financial Statements also look at the 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

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

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

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

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

Business-type Activities - These services are provided on a charge for goods or services basis to recover all or a significant portion of the expenses of the goods or services provided. The City's Water, Sewer and Storm Water operations are reported here.

Reporting the City's Most Significant Funds

Fund Financial Statements

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

CITY OF GAHANNA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2013
(UNAUDITED)

Fund Financial Statements provide detailed information about the City's major funds. The City uses many funds to account for a multitude of financial transactions. However, these Fund Financial Statements focus on the City's most significant funds. The analysis of the City's Major Governmental and Proprietary Funds begins on page 12.

Governmental Funds

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

Because the focus of the Governmental Funds is narrower than that of the Government-wide Financial Statements, it is useful to compare the information presented for Governmental Funds with similar information presented for Governmental Activities in the Government-wide Financial Statements. By doing so, the reader may better understand the long-term impact of the City's near-term financing decisions. Both, the Governmental Fund Balance Sheet and the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances, provide a reconciliation to facilitate this comparison between Governmental Funds and Governmental Activities. The reconciliations are located on pages 26 and 28.

The City maintains a number of individual Governmental Funds and has segregated them into two categories: major funds and non-major funds. The City's major Governmental Funds are the General Fund, Tax Increment Equivalent Fund (TIF) and Capital Improvement Fund. Information for major funds is presented separately in the Governmental Fund Balance Sheet and in the Governmental Statement of Revenues, Expenditures, and Changes in Fund Balances. Data from the Other Governmental Funds are combined into a single, aggregated presentation. The basic Governmental Fund Financial Statements can be found on pages 25-30 of this report.

Proprietary Funds

The City maintains two types of Proprietary Funds. The first type of Proprietary Funds is the Enterprise Funds used to report the same functions presented as Business-type Activities in the Government-wide Financial Statements. The City uses Enterprise Funds to account for its Water, Sewer and Storm Water management functions. These three funds are also all major Enterprise Funds. The second type of Proprietary Funds is the Internal Service Fund used by the City to accumulate and allocate workers compensation insurance costs internally among the City's various funds. The basic Proprietary Fund Financial Statements can be found on pages 31-33 of this report.

Fiduciary Funds

Fiduciary Funds are used to account for resources held for the benefit of parties outside the City. Fiduciary Funds are not reflected in the Government-wide Financial Statements because the resources of those funds are not available to support the City's own programs. The accounting used for Fiduciary Funds is much like that used for Proprietary Funds. Agency Funds are the City's only Fiduciary Fund Type. The basic Fiduciary Fund Financial Statement can be found on page 34 of this report.

Notes to the Basic Financial Statements

The notes provide additional information essential to a full understanding of the data provided in the Government-wide and Fund Financial Statements. These notes to the Basic Financial Statements can be found on pages 35-66 of this report.

CITY OF GAHANNA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2013
(UNAUDITED)

Government-Wide Financial Analysis

The Statement of Net Position provides the perspective of the City as a whole. The table below provides a summary of the City's Net Position at December 31, 2013 and December 31, 2012.

	Net Position					
	Governmental Activities 2013	Restated Governmental Activities 2012	Business-type Activities 2013	Business-type Activities 2012	2013 Total	2012 Total
<u>Assets</u>						
Current and Other Assets	\$ 42,102,811	\$ 41,739,486	\$ 20,593,236	\$ 20,320,551	\$ 62,696,047	\$ 62,060,037
Capital Assets, Net	87,628,347	88,789,561	50,782,017	51,544,455	138,410,364	140,334,016
Total assets	<u>129,731,158</u>	<u>130,529,047</u>	<u>71,375,253</u>	<u>71,865,006</u>	<u>201,106,411</u>	<u>202,394,053</u>
Deferred Outflows of Resources	1,080,596	-	20,636	-	1,101,232	-
<u>Liabilities</u>						
Current and Other Liabilities	1,133,034	1,588,379	2,684,344	2,521,477	3,817,378	4,109,856
Long-term Liabilities	26,318,987	27,537,538	2,453,070	2,532,387	28,772,057	30,069,925
Total Liabilities	<u>27,452,021</u>	<u>29,125,917</u>	<u>5,137,414</u>	<u>5,053,864</u>	<u>32,589,435</u>	<u>34,179,781</u>
Deferred Inflows of Resources	2,712,517	3,024,539	-	-	2,712,517	3,024,539
<u>Net Position</u>						
Net Investment in						
Capital Assets	63,412,334	63,455,491	48,396,696	49,068,153	111,809,030	112,523,644
Restricted	12,445,887	13,687,434	-	-	12,445,887	13,687,434
Unrestricted	24,788,995	21,235,666	17,861,779	17,742,989	42,650,774	38,978,655
Total Net Position	<u>\$ 100,647,216</u>	<u>\$ 98,378,591</u>	<u>\$ 66,258,475</u>	<u>\$ 66,811,142</u>	<u>\$ 166,905,691</u>	<u>\$ 165,189,733</u>

Over time, net position can serve as a useful indicator of a government's financial position. At December 31, 2013, the City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$166,905,691. At year-end, net position was \$100,647,216 and \$66,258,475 for the Governmental Activities and the Business-type Activities, respectively.

Capital assets reported on the Government-wide Statements represent the largest portion of the City's assets. At year-end, capital assets represented 69% of total assets. Capital assets include land and land improvements, right of ways, easements, buildings, improvements other than buildings, machinery and equipment, vehicles, infrastructure and construction in progress. Net investment in capital assets at December 31, 2013 was \$63,412,334 and \$48,396,696 in the Governmental Activities and Business-type Activities, respectively. These capital assets are used to provide services to citizens and are not available for future spending. Although the City's net investment in capital assets is reported net of related debt, it should be noted the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

As of December 31, 2013, the City is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate Governmental and Business-type Activities.

CITY OF GAHANNA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2013
(UNAUDITED)

A portion of the City's net position, \$12,445,887 represents resources that are subject to external restriction on how they may be used. In the Governmental Activities, the remaining balance of unrestricted net position of \$24,788,995 may be used to meet the government's ongoing obligations to citizens and creditors. The table below shows the changes in net position for 2013 and 2012.

	Change in Net Position					
	Governmental	Restated Governmental	Business-type	Business-type	2013	2012
	Activities 2013	Activities 2012	Activities 2013	Activities 2012	Total	Total
Revenues						
Program revenues						
Charges for Services	\$ 4,252,994	\$ 3,211,145	\$ 13,825,804	\$ 12,970,668	\$ 18,078,798	\$ 16,181,813
Operating Grants & Contributions	1,902,075	2,099,228	-	-	1,902,075	2,099,228
Capital Grants & Contributions	1,531,363	630,617	60,000	-	1,591,363	630,617
Total Program Revenues	<u>7,686,432</u>	<u>5,940,990</u>	<u>13,885,804</u>	<u>12,970,668</u>	<u>21,572,236</u>	<u>18,911,658</u>
General Revenues						
Income Taxes	16,798,204	16,531,571	-	-	16,798,204	16,531,571
Property Taxes	1,889,319	1,933,031	-	-	1,889,319	1,933,031
Revenue in Lieu of Taxes	1,435,780	1,908,942	-	-	1,435,780	1,908,942
Other Local Taxes	408,373	435,863	-	-	408,373	435,863
Unrestricted Grants & Entitlements	1,453,288	741,106	-	-	1,453,288	741,106
Investment Earnings	115,597	492,559	-	-	115,597	492,559
Increase (Decrease) in Fair Value of Investments	-	(35,400)	-	-	-	(35,400)
Miscellaneous Transfers	535,882 (145,754)	1,004,594 (244,637)	42,728 145,754	203,403 244,637	578,610 -	1,207,997 -
Total General Revenues & Transfers	<u>22,490,689</u>	<u>22,767,629</u>	<u>188,482</u>	<u>448,040</u>	<u>22,679,171</u>	<u>23,215,669</u>
Total Revenues & Transfers	<u>30,177,121</u>	<u>28,708,619</u>	<u>14,074,286</u>	<u>13,418,708</u>	<u>44,251,407</u>	<u>42,127,327</u>
Expenses						
General Government	4,538,713	4,456,167	-	-	4,538,713	4,456,167
Security of Persons & Property	8,994,894	9,347,802	-	-	8,994,894	9,347,802
Public Health & Welfare	216,427	206,424	-	-	216,427	206,424
Transportation	4,659,802	4,059,871	-	-	4,659,802	4,059,871
Community Environment	4,224,762	4,517,023	-	-	4,224,762	4,517,023
Leisure Time Activity	3,949,682	3,591,675	-	-	3,949,682	3,591,675
Utility Services	562,939	504,919	-	-	562,939	504,919
Interest & Fiscal Charges	761,277	928,555	-	-	761,277	928,555
Water	-	-	6,403,114	6,748,836	6,403,114	6,748,836
Sewer	-	-	7,337,381	7,424,007	7,337,381	7,424,007
Storm Water	-	-	886,458	963,282	886,458	963,282
Total Expenses	<u>27,908,496</u>	<u>27,612,436</u>	<u>14,626,953</u>	<u>15,136,125</u>	<u>42,535,449</u>	<u>42,748,561</u>
Change in Net Position	2,268,625	1,096,183	(552,667)	(1,717,417)	1,715,958	(621,234)
Net Position Beginning of Year (Restated)	<u>98,378,591</u>	<u>97,282,408</u>	<u>66,811,142</u>	<u>68,528,559</u>	<u>165,189,733</u>	<u>165,810,967</u>
Net Position End of Year	<u>\$ 100,647,216</u>	<u>\$ 98,378,591</u>	<u>\$ 66,258,475</u>	<u>\$ 66,811,142</u>	<u>\$ 166,905,691</u>	<u>\$ 165,189,733</u>

CITY OF GAHANNA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2013
(UNAUDITED)

Governmental Activities

The Statement of Activities presents expenses, program revenues, general revenues and changes in net position with expenses categorized as the core functions and activities of the City. Below are the most significant items reported on the Statement of Activities for Governmental Activities.

Net position of Governmental Activities increased \$2,268,625 in 2013. The increase was mainly due to an increase in intergovernmental revenue of \$1,415,773 related to increases in MORPC pledged revenue and grants as well as an increase of \$1,041,849 in charges for services related to license permits and fees and other charges for services.

Security of persons and property expenses, which primarily supports the operations of the police department, accounted for \$8,994,894 of the total expenses of the City. These expenses were partially funded by \$207,783 in direct charges to users of the services and \$32,782 in operating grants and contributions.

General government expense, which includes all general administrative and legislative operations, totaled \$4,538,713. General government expenses were partially funded by \$1,944,536 in direct charges to users of the services and \$3,181 of operating grants and contributions.

Transportation expenses which primarily includes street maintenance and improvement programs, accounted for \$4,659,802 of the total expenses of the City. These expenses were partially funded by \$11,389 in direct charges to users of the services, \$1,866,112 in operating grants and contributions and \$1,481,363 in capital grants and contributions.

Community environment expenses, which primarily support economic development programs, accounted for \$4,224,762 of the total expenses of the City. These expenses were partially funded by \$750,802 in direct charges to users of the services.

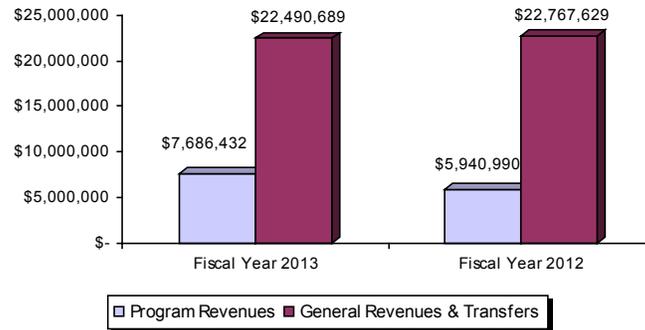
Program revenues, which consist of operating grants and contributions and capital grants and contributions, include state and federal government contributions or grants to the City totaling \$1,902,075 in operating grants and contributions and \$1,531,363 in capital grants and contributions. These revenues are restricted to particular programs or purposes based on the legal requirements of the grantor. Of the total operating and capital grants and contributions, \$1,866,112 and \$1,481,363 respectively subsidized transportation programs.

General revenues totaled \$22,490,689, and amounted to 74% of total governmental revenues. These revenues primarily consist of tax revenue (including income, property, revenue in lieu of, and other local taxes) of \$20,531,676. The other primary source of general revenues is grants and entitlements not restricted to specific programs, which includes local government funds from the State of Ohio, making up \$1,453,288.

CITY OF GAHANNA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2013
(UNAUDITED)

The graph below compares the City's general revenues and program revenues for fiscal year 2013 and 2012.

Governmental Activities – General and Program Revenues



General revenues remained consistent from 2012 to 2013 with a decrease of \$276,940 or 1%. Program revenues increased \$1,745,442 or 29% due to increases in capital grants and contributions and charges for services.

The Statement of Activities shows the cost of program services and the charges for services, grants and contributions offsetting those services. The following table shows, for Governmental Activities, the total cost of services and the net cost of services. That is, it identifies the portion of the cost of these services supported by general revenues. The table below demonstrates the City's high dependence upon general revenues to support its Governmental Activities with 72% of expenses supported through taxes and other general revenues.

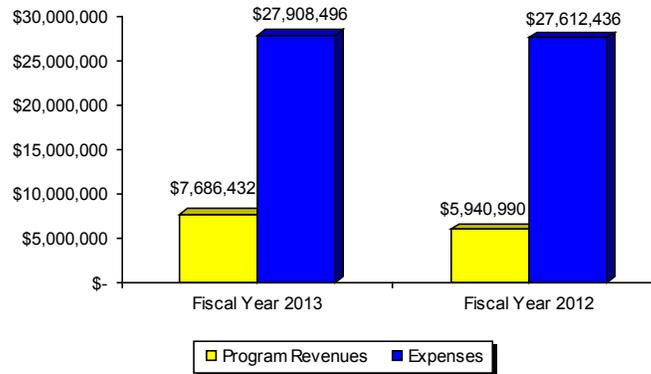
Governmental Activities

	Total Cost of Services 2013	Net Cost of Services 2013	% of Cost Supported by General Revenue 2013
Program Expenses:			
General Government	\$ 4,538,713	\$ 2,590,996	57%
Security of Persons & Property	8,994,894	8,754,329	97%
Public Health & Welfare	216,427	216,427	100%
Transportation	4,659,802	1,300,938	28%
Community Environment	4,224,762	3,473,960	82%
Leisure Time Activity	3,949,682	2,561,198	65%
Utility Services	562,939	562,939	100%
Interest & Fiscal Charges	761,277	761,277	100%
Total	\$ 27,908,496	\$ 20,222,064	72%

CITY OF GAHANNA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2013
(UNAUDITED)

The graph below compares the program revenues of the City to total expenses further illustrating the City's dependence on general revenues.

Governmental Activities – Program Revenues vs. Total Expenses



Business-type Activities

Business-type Activities include the Water, Sewer and Storm Water Enterprise Funds. These programs have program revenues of \$13,885,804, general revenues and transfers of \$188,482 and expenses of \$14,626,953 for 2013. The Statement of Net Position for Business-type Activities reports \$71,375,253 of assets, \$20,636 of deferred outflows of resources, \$5,137,414 of liabilities and \$66,258,475 of net position. Program revenues increased \$915,138 or 7% from 2012 due to a 4% rate increase and an increase in consumption due to the addition of Niagara Bottling LLC. Niagara Bottling uses a state of the art bottling production system to purify City water to supply bottled spring water nation-wide. There were no other significant changes for Business-type Activities when compared to 2012.

Financial Analysis of the Government's Funds

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

Governmental Funds

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

The City's Governmental Funds (as presented on the Balance Sheet on page 25) reported a combined fund balance of \$32,483,457 which is \$969,232 more than the 2012 total of \$31,514,225. The schedule below indicates the fund balances and the total change in fund balances as of December 31, 2013 for all major and nonmajor Governmental Funds.

CITY OF GAHANNA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2013
(UNAUDITED)

	Fund Balances <u>12/31/13</u>	Fund Balances <u>12/31/12</u>	Increase <u>(Decrease)</u>
Major funds			
General	\$ 20,059,965	\$ 18,054,207	\$ 2,005,758
Tax Increment Equivalent	2,337,837	2,955,807	(617,970)
Capital Improvements	4,151,768	4,774,558	(622,790)
Other Nonmajor Governmental Funds	<u>5,933,887</u>	<u>5,729,653</u>	<u>204,234</u>
Total	<u>\$ 32,483,457</u>	<u>\$ 31,514,225</u>	<u>\$ 969,232</u>

General Fund

The City's general fund balance increased \$2,005,758 which is due to an increase in revenues and a decrease in expenditures and other financing uses. The following tables assist in illustrating the revenues and expenditures of the General Fund in comparison to 2012.

	<u>2013</u> <u>Amount</u>	<u>2012</u> <u>Amount</u>	<u>Percentage</u> <u>Change</u>
<u>General Fund Revenues</u>			
Taxes	\$ 18,370,916	\$ 17,072,901	7.60 %
Charges for Services	1,604,154	1,147,643	39.78 %
Licenses, Permits & Fees	1,785,446	1,071,782	66.59 %
Fines & Forfeitures	484,655	437,583	10.76 %
Intergovernmental	1,746,805	1,560,595	11.93 %
Investment Income	111,342	514,112	(78.34) %
Increase (Decrease) in Fair Value of Investments	-	(35,400)	(100.00) %
Other	<u>270,083</u>	<u>399,518</u>	<u>(32.40) %</u>
Total	<u>\$ 24,373,401</u>	<u>\$ 22,168,734</u>	<u>9.94 %</u>

Tax revenue represents 76% of all General Fund revenue and increased slightly from 2012 to 2013 mainly due to an increase in income tax revenues. With the exception of interest and other revenue, all revenue streams of the City experienced growth in 2013 with the most notable being Licenses, Permits and Fees. This was due to an increase in application for building and zoning permits. This along with the increase in income tax revenue evidences the City's growth during 2013. The decrease in investment income is due to continued decreases in interest rates for the City's investment portfolio, as well as, a change in the reporting of the fair value of investments to a component of interest revenue.

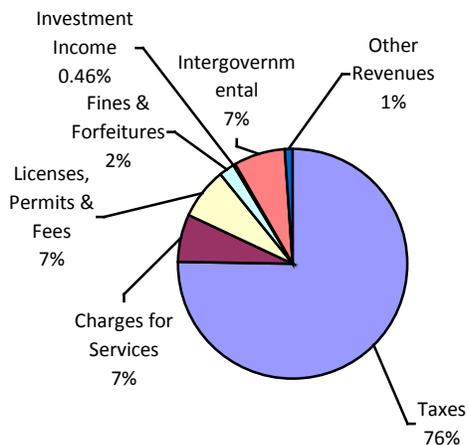
CITY OF GAHANNA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2013
(UNAUDITED)

	2013 Amount	2012 Amount	Percentage Change
General Fund Expenditures			
General Government	\$ 3,736,596	\$ 3,381,520	10.50 %
Security of Persons & Property	7,823,560	8,036,363	(2.65) %
Public Health & Welfare	216,427	206,424	4.85 %
Transportation	980,092	1,514,498	(35.29) %
Community Environment	3,039,052	3,093,373	(1.76) %
Leisure Time Activity	3,193,947	2,911,693	9.69 %
Utility Services	548,339	491,095	11.66 %
Capital Outlay	1,372,324	2,523,910	(45.63) %
Principal Retirement	1,060	-	100.00 %
Total	\$ 20,911,397	\$ 22,158,876	(5.63) %

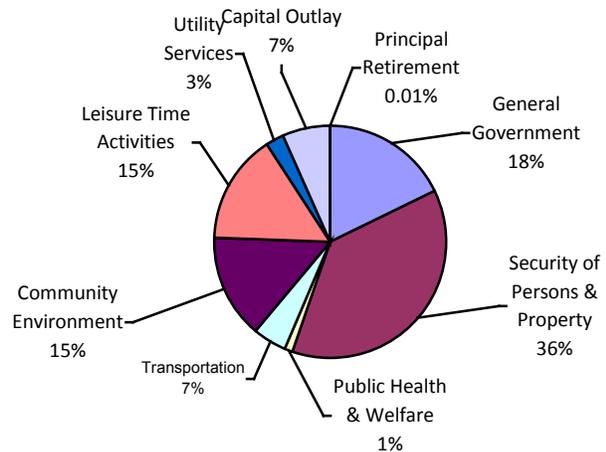
General government expenditures increased mainly as a result of expenditure refunds associated with real estate taxes received in 2012 that were not received in 2013 in the amount of \$304,553. The decrease in transportation and capital outlay are the result of planned decreases to the City's strategic capital improvement and maintenance plan in 2013. During 2012 the plan was implemented after years of deferred funding due to the recession causing a spike to these types of expenditures during 2012. In addition the City re-evaluated the plan for 2013 and reductions were made to various projects or projects were deferred until a later time.

The charts below illustrate the breakdown of revenues and expenditures of the General Fund for 2013.

General Fund Revenues – Fiscal Year 2013



General Fund Expenditures – Fiscal Year 2013



Tax Increment Equivalent Fund

The Tax Increment Equivalent Fund had \$1,459,187 in revenues during 2013, experiencing a decrease in payments in lieu of taxes. The decrease is mainly due to a one-time settlement of back payments in the amount of \$595,292 for the Creekside TIF during 2012. The expenditures and other financing uses of the Tax Increment Equivalent Fund were \$2,077,157 during 2013. Other Financing uses in this fund increased due to an increase in transfers to the Debt Service Fund. A portion of the General Obligation Bonds issued in 2005 and 2007 were used for TIF District improvements. During previous years the TIF

CITY OF GAHANNA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2013
(UNAUDITED)

Districts improved on were not performing at a level to meet their portion of the debt obligation. An analysis performed in 2013 resulted in a determination that the revenue in lieu of taxes generated by the TIF Districts was sufficient to pay these obligations resulting in a larger transfer to the Debt Service Fund. This in turn reduced the transfer needed from the General Fund to the Debt Service Fund to cover the portion of the debt obligation associated with the TIF Districts. The net decrease in fund balance for the Tax Increment Equivalent Fund was \$617,970 or 21%.

Capital Improvement Fund

The Capital Improvement Fund had revenues and other financing sources of \$2,878,272 in 2013. Revenues increased \$870,973 due mainly to an increase in intergovernmental revenue related to pledged revenue received from MORPC for repayment of the City's SIB loan, as well as, a refund from the Ohio Department of Transportation for matching project funds paid by the City in previous years for a State administered project. The full amount of matching funds paid by the City were not needed as the project was completed under budget by the State. Other Financing Sources decreased \$1,688,089 as a result of a planned decrease to the City's Capital Needs Assessment. With less capital expenditures planned less funding was required to be transferred from the General Fund. The expenditures of the Capital Improvement Fund totaled \$3,501,062 in 2013. Expenditures in this fund increased due to the addition of single and multi-year projects which began in 2012 and were completed or continued into 2013, as well as, the addition of new projects beginning in 2013. The net decrease in fund balance for the Capital Improvement Fund was \$622,790 or 13%.

Budgeting Highlights – General Fund

The key components of the City's budgeting process are prescribed by the Ohio Revised Code (ORC) section 5705. The outcome of the budget process is the City's appropriation ordinance which is restricted by the amounts of anticipated revenues and other resources certified by the Budget Commission in accordance with the ORC. As necessary, appropriations are amended throughout the year but must remain within the Budget Commission's certificate of estimated resources. Requests to amend the certificate of estimated resources are submitted once certainty to additional resources is identified by the City.

In the General Fund, actual revenues and other financing sources exceeded budgeted revenues and other financing sources of \$24,501,089 by \$1,142,249. Actual expenditures and other financing uses were \$3,231,536 less than the final budgeted expenditures and other financing uses of \$29,642,016. These variances are the result of the City's conservative budgeting. Budgeted revenues were increased by \$1,128,049 based upon a mid-year evaluation resulting in a determination that multiple revenue streams were performing higher than anticipated, mainly income tax, intergovernmental and license permits and fees. Budgeted expenditures and other financing uses decreased slightly by \$627,911 from the original budget to the final budget. Planned expenditures increased slightly by \$364,407 while other financing uses decreased significantly by \$992,318. The decrease to other financing uses is the result of a planned reduction to transfers out to the Debt Service Fund. When the determination was made that TIF Districts were performing at a level to repay their associated debt obligation the planned General Fund operating transfers to the Debt Service Fund were reduced.

Proprietary Funds

The City's Proprietary Funds provide the same type of information found in the Government-wide Financial Statements for Business-type Activities, except in more detail. The only difference between the amounts reported as Business-type Activities and the amounts reported in the Proprietary Fund Statements are interfund eliminations between Proprietary Funds and internal balances due to Business-type Activities for internal service transactions and utility services provided to Governmental Activities in the amount of \$13,443. On the Government-wide statements the only interfund activity reported is between the Governmental and Business-type Activities.

CITY OF GAHANNA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2013
(UNAUDITED)

Capital Assets and Debt Administration

Capital Assets

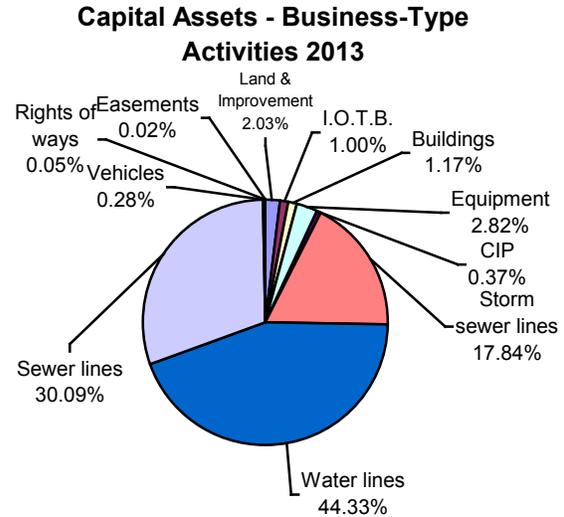
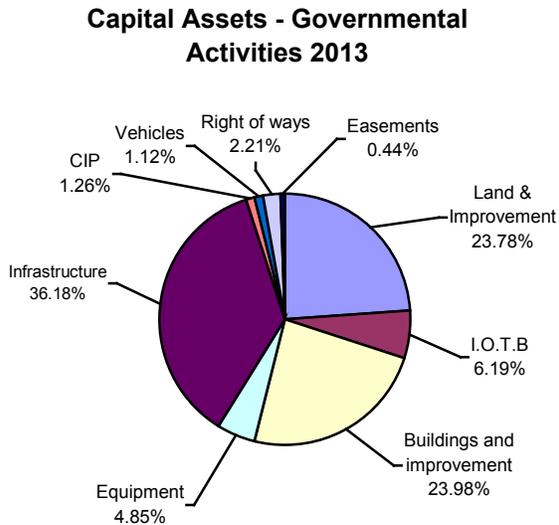
At the end of fiscal year 2013, the City had \$138,410,364 (net of accumulated depreciation) invested in land and land improvements, right of ways, easements, buildings, improvements other than buildings, machinery and equipment, vehicles, infrastructure and construction in progress (CIP). Of this total, \$87,628,347 was reported in governmental activities and \$50,782,017 was reported in business-type activities. The following table shows fiscal 2013 balances compared to 2012:

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Land & Land Improvements	\$ 20,840,924	\$ 20,834,424	\$ 1,029,059	\$ 880,400	\$ 21,869,983	\$ 21,714,824
Right of ways	1,939,543	1,939,543	22,886	22,886	1,962,429	1,962,429
Easements	384,155	384,155	9,350	9,350	393,505	393,505
Buildings	21,012,155	21,539,994	595,083	617,407	21,607,238	22,157,401
I.O.T.B.	5,420,130	5,038,346	509,995	542,787	5,930,125	5,581,133
Machinery and equipment	4,248,212	4,254,532	1,433,749	1,479,932	5,681,961	5,734,464
Vehicles	980,985	922,341	143,842	233,862	1,124,827	1,156,203
Storm sewer lines	-	-	9,059,481	9,323,883	9,059,481	9,323,883
Water lines	-	-	22,509,300	23,009,442	22,509,300	23,009,442
Sewer lines	-	-	15,280,641	15,368,802	15,280,641	15,368,802
Infrastructure	31,700,838	32,814,780	-	-	31,700,838	32,814,780
Construction in progress	<u>1,101,405</u>	<u>1,061,446</u>	<u>188,631</u>	<u>55,704</u>	<u>1,290,036</u>	<u>1,117,150</u>
Totals	<u>\$ 87,628,347</u>	<u>\$ 88,789,561</u>	<u>\$ 50,782,017</u>	<u>\$ 51,544,455</u>	<u>\$ 138,410,364</u>	<u>\$ 140,334,016</u>

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

CITY OF GAHANNA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2013
(UNAUDITED)



The City's largest capital asset category is infrastructure which includes roads, bridges, culverts, sidewalks, street lighting and curbs for Governmental Activities and Sewer, Water and Storm Water Lines for Business-type Activities which play a vital role in the income producing ability of the Business-type activities. These items are immovable and of value only to the City, however, the annual cost of purchasing these items is quite significant. The net book value of the City's infrastructure (cost less accumulated depreciation) represents approximately 36% and 92% of the City's total Governmental and Business-type capital assets respectively. See Note 8 for detail on the City's capital assets.

Debt Administration

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

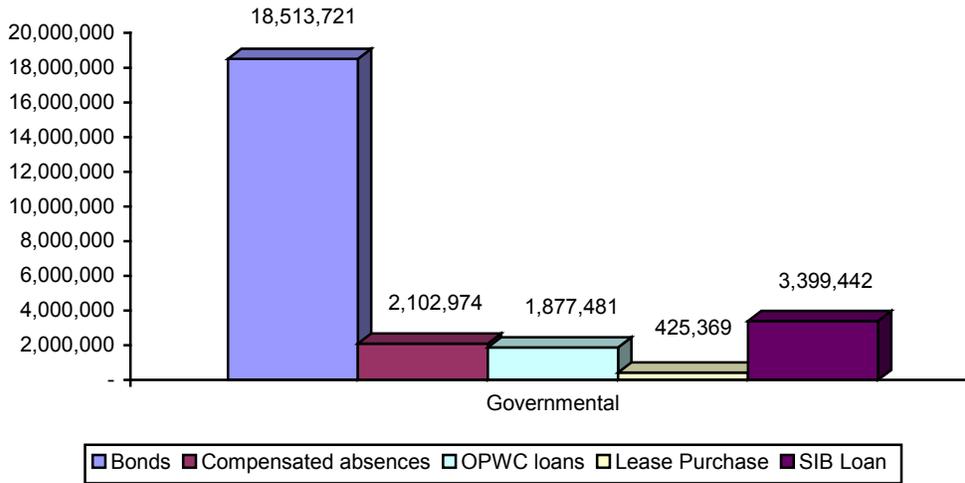
	Governmental Activities	
	<u>2013</u>	<u>2012</u>
Compensated Absences	\$ 2,102,974	\$ 2,203,468
General Obligation Bonds	18,513,721	18,346,606
OPWC Loans	1,877,481	2,061,767
Lease Purchase Agreement	425,369	521,428
SIB Loan	<u>3,399,442</u>	<u>4,404,269</u>
Total Long-term Obligations	<u>\$ 26,318,987</u>	<u>\$ 27,537,538</u>

	Business-type Activities	
	<u>2013</u>	<u>2012</u>
General Obligation Bonds	\$ 2,385,321	\$ 2,463,953
OPWC Loans	-	12,349
Compensated Absences	<u>67,749</u>	<u>56,085</u>
Total Long-term Obligations	<u>\$ 2,453,070</u>	<u>\$ 2,532,387</u>

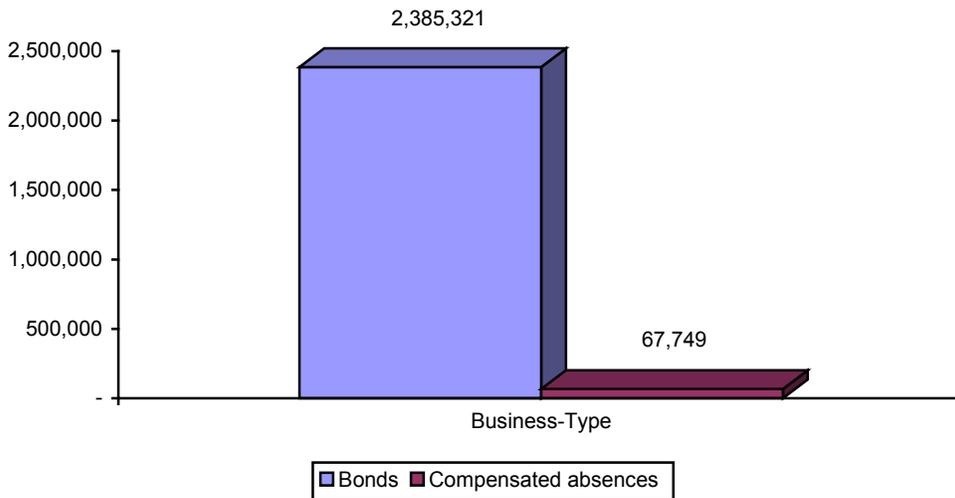
A comparison of the 2013 long-term obligations by category is depicted in the charts below.

CITY OF GAHANNA
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 FOR THE YEAR ENDED DECEMBER 31, 2013
 (UNAUDITED)

Governmental Activities Long-term Obligations 2013



Business-type Activities Long-term Obligations 2013



See Note 13 for detail on the City's long-term obligations.

CITY OF GAHANNA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2013
(UNAUDITED)

Economic Conditions and Outlook

The City experienced higher than anticipated revenues during 2013 and actual expenditures were below the planned appropriations for the year resulting in a positive impact on the City's year-end financials. Although this signifies growth for 2013, the City still faces on-going financial challenges. State reductions to multiple revenue sources, the slow economic recovery impacting investment earnings and increasing cost to maintain the City's aging assets and infrastructure will continue to impact the City's ability to maintain services and operations at past levels. To alleviate projected funding deficits, an income tax reform levy was proposed to the voters during 2013 but the issue failed.

In response to the continued financial challenges faced by the City, the administration and elected leaders of the City continued to commit to an unprecedented level of planning, transparency and accountability in 2013. Strategic planning sessions, citizen input on priorities and desired city services and participation in the ICMA Center for Comparative Performance Measurement were continued from 2012. The comprehensive and prioritized five-year capital needs assessment as well as the five-year economic forecast were evaluated and amended during 2013 based on current economic conditions.

Beyond 2013 the City will continue with the above processes to develop a sustainability plan ultimately determining what services will no longer be provided by the City in order to maintain assets and infrastructure and provide core services necessary for the public safety of citizens.

Contacting the City's Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information contact: Ms. Jennifer Teal, Director of Finance, City of Gahanna, 200 South Hamilton Road, Gahanna, Ohio 43230.

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BASIC FINANCIAL STATEMENTS

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CITY OF GAHANNA
STATEMENT OF NET POSITION
DECEMBER 31, 2013

	Governmental <u>Activities</u>	Business-type <u>Activities</u>	<u>Total</u>
Assets			
Equity in Pooled Cash & Investments	\$31,364,586	\$17,107,610	\$48,472,196
Cash with Fiscal Agents	443,319	-	443,319
Receivables			
Income Taxes	4,503,736	-	4,503,736
Property Taxes	2,009,060	-	2,009,060
Other Local Taxes	25,267	-	25,267
Revenue In Lieu of Taxes	786,205	-	786,205
Accounts	1,238,342	3,364,355	4,602,697
Accrued Interest	89,479	-	89,479
Capital Leases	2,394	-	2,394
Intergovernmental	1,321,875	-	1,321,875
Prepayments	111,584	21,604	133,188
Materials & Supplies Inventory	220,407	86,224	306,631
Internal Balance	(13,443)	13,443	-
Non-depreciable Capital Assets	24,266,027	1,249,926	25,515,953
Depreciable Capital Assets, Net	63,362,320	49,532,091	112,894,411
Total Assets	<u>129,731,158</u>	<u>71,375,253</u>	<u>201,106,411</u>
Deferred Outflows of Resources			
Deferred Charge On Refunding	1,080,596	20,636	1,101,232
Liabilities			
Accounts Payable	183,910	48,271	232,181
Contracts Payable	306,454	79,971	386,425
Accrued Wages and Benefits	261,297	22,667	283,964
Compensated Absences Payable	56,102	-	56,102
Intergovernmental Payable	224,311	2,515,838	2,740,149
Interest Payable	100,960	17,597	118,557
Long-Term Liabilities			
Due within One Year	3,262,847	188,333	3,451,180
Due in More Than One Year	23,056,140	2,264,737	25,320,877
Total Liabilities	<u>27,452,021</u>	<u>5,137,414</u>	<u>32,589,435</u>
Deferred Inflows of Resources			
Property Taxes Levied for the Subsequent Year	1,923,918	-	1,923,918
Revenue in Lieu of Taxes for the Subsequent Year	786,205	-	786,205
Unearned Capital Lease Revenue	2,394	-	2,394
Total Deferred Inflows of Resources	<u>2,712,517</u>	<u>-</u>	<u>2,712,517</u>
Net Position			
Net Investment in Capital Assets	63,412,334	48,396,696	111,809,030
Restricted for			
Debt Service	1,266,046	-	1,266,046
Capital Projects	4,151,768	-	4,151,768
General Government	1,324,924	-	1,324,924
Security of Persons & Property	1,240,983	-	1,240,983
Community Environment	2,356,944	-	2,356,944
Transportation	2,105,222	-	2,105,222
Unrestricted	24,788,995	17,861,779	42,650,774
Total Net Position	<u>100,647,216</u>	<u>\$66,258,475</u>	<u>\$166,905,691</u>

The notes to the basic financial statements are an integral part of this statement.

CITY OF GAHANNA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013

	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services & Sales	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities							
General Government	\$ 4,538,713	\$ 1,944,536	\$ 3,181	\$ -	\$ (2,590,996)	\$ -	\$ (2,590,996)
Security of Persons & Property	8,994,894	207,783	32,782	-	(8,754,329)	-	(8,754,329)
Public Health & Welfare	216,427	-	-	-	(216,427)	-	(216,427)
Transportation	4,659,802	11,389	1,866,112	1,481,363	(1,300,938)	-	(1,300,938)
Community Environment	4,224,762	750,802	-	-	(3,473,960)	-	(3,473,960)
Leisure Time Activities	3,949,682	1,338,484	-	50,000	(2,561,198)	-	(2,561,198)
Utility Services	562,939	-	-	-	(562,939)	-	(562,939)
Interest & Fiscal Charges	761,277	-	-	-	(761,277)	-	(761,277)
Total Governmental Activities	27,908,496	4,252,994	1,902,075	1,531,363	(20,222,064)	-	(20,222,064)
Business-type Activities							
Water	6,403,114	7,189,091	-	-	-	785,977	785,977
Sewer	7,337,381	5,548,467	-	-	-	(1,788,914)	(1,788,914)
Storm Water	886,458	1,088,246	-	60,000	-	261,788	261,788
Total Business-type Activities	14,626,953	13,825,804	-	60,000	-	(741,149)	(741,149)
Total Primary Government	\$ 42,535,449	\$ 18,078,798	\$ 1,902,075	\$ 1,591,363	\$ (20,222,064)	\$ (741,149)	\$(20,963,213)
General Revenues							
Income Taxes Levied For							
General Purposes					16,798,204	-	16,798,204
Property Taxes Levied For							
General Purposes					1,415,106	-	1,415,106
Debt Service					237,652	-	237,652
Police					236,561	-	236,561
Revenue in Lieu of Taxes					1,435,780	-	1,435,780
Other Local Taxes					408,373	-	408,373
Grants & Entitlements not Restricted to Specific Programs					1,453,288	-	1,453,288
Investment Earnings					115,597	-	115,597
Decrease in Fair Market Value of Investments					-	-	-
Miscellaneous					535,882	42,728	578,610
Transfers					(145,754)	145,754	-
Total General Revenues & Transfers					22,490,689	188,482	22,679,171
Change in Net Position					2,268,625	(552,667)	1,715,958
Net Position Beginning of Year (Restated)					98,378,591	66,811,142	165,189,733
Net Position End of Year					100,647,216	\$66,258,475	\$166,905,691

The notes to the basic financial statements are an integral part of this statement.

CITY OF GAHANNA
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2013

	<u>General</u>	<u>Tax Increment Equivalent</u>	<u>Capital Improvement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets					
Equity in Pooled Cash & Investments	\$ 19,083,211	\$ 2,339,507	\$ 4,263,777	\$ 5,517,536	\$ 31,204,031
Cash with Fiscal Agents	-	-	-	443,319	443,319
Receivables:					
Income Taxes	4,503,736	-	-	-	4,503,736
Property Taxes	1,514,281	-	-	494,779	2,009,060
Other Local Taxes	25,267	-	-	-	25,267
Revenue in Lieu of Taxes	-	786,205	-	-	786,205
Accounts	1,238,342	-	-	-	1,238,342
Accrued Interest	89,479	-	-	-	89,479
Capital Leases	-	-	-	2,394	2,394
Intergovernmental	533,474	19,107	-	769,294	1,321,875
Prepayments	100,389	-	-	2,164	102,553
Materials & Supplies Inventory	220,407	-	-	-	220,407
Total Assets	<u>27,308,586</u>	<u>3,144,819</u>	<u>4,263,777</u>	<u>7,229,486</u>	<u>41,946,668</u>
Liabilities					
Accounts Payable	180,584	-	-	3,326	183,910
Contracts Payable	178,006	1,670	112,009	14,769	306,454
Accrued Wages & Benefits	247,967	-	-	13,330	261,297
Compensated Absences	56,102	-	-	-	56,102
Intergovernmental Payable	76,786	-	-	147,525	224,311
Due to Other Funds	7,349	-	-	381	7,730
Total Liabilities	<u>746,794</u>	<u>1,670</u>	<u>112,009</u>	<u>179,331</u>	<u>1,039,804</u>
Deferred Inflows of Resources					
Property Taxes Levied for Subsequent Year	1,450,424	-	-	473,494	1,923,918
Revenue in Lieu of Taxes for the Subsequent Year	-	786,205	-	-	786,205
Unearned Capital Lease Revenue	-	-	-	2,394	2,394
Unavailable Property Tax Revenue	63,857	-	-	21,285	85,142
Unavailable Income Tax Revenue	3,355,514	-	-	-	3,355,514
Unavailable Intergovernmental Revenue	431,157	19,107	-	619,095	1,069,359
Unavailable Interest Revenue	61,179	-	-	-	61,179
Unavailable License, Permits & Fees	1,124,123	-	-	-	1,124,123
Unavailable Other Revenue	14,344	-	-	-	14,344
Unavailable Charges for Services	1,229	-	-	-	1,229
Total Deferred Inflow of Resources	<u>6,501,827</u>	<u>805,312</u>	<u>-</u>	<u>1,116,268</u>	<u>8,423,407</u>
Fund Balances					
Nonspendable	351,145	-	-	2,164	353,309
Restricted	-	2,337,837	4,151,768	5,294,631	11,784,236
Committed	1,190,692	-	-	636,846	1,827,538
Assigned	3,314,438	-	-	246	3,314,684
Unassigned	15,203,690	-	-	-	15,203,690
Total Fund Balances	<u>20,059,965</u>	<u>2,337,837</u>	<u>4,151,768</u>	<u>5,933,887</u>	<u>32,483,457</u>
Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 27,308,586</u>	<u>\$ 3,144,819</u>	<u>\$ 4,263,777</u>	<u>\$ 7,229,486</u>	<u>\$ 41,946,668</u>

The notes to the basic financial statements are an integral part of this statement.

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

Total Governmental Fund Balances \$32,483,457

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. 87,628,347

Other assets are not available to pay for current period expenditures and therefore are deferred in the funds. 5,710,890

An internal service fund is used by management to charge the cost of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of position. 163,873

Long-Term liabilities, including bonds and loans payable, are not due and payable in the current period and therefore are not reported in the funds.

Compensated Absences	(2,102,974)
General Obligation Debt	(18,513,721)
Accrued Interest	(100,960)
Loans Payable	(5,694,065)
Capital Lease Obligations	(8,227)
	(26,419,947)

Deferred outflows of resources consist of deferred charges on refunding. In the funds, the difference between the proceeds received from the issuance of the refunding bonds, and the amount placed into escrow to pay the old bonds is reported when the debt is issued. This amount is deferred and amortized as a component of interest expense in the governmental activities 1,080,596

Net Position of Governmental Activities \$100,647,216

The notes to the basic financial statements are an integral part of this statement.

CITY OF GAHANNA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013

	General	Tax Increment Equivalent	Capital Improvement	Other Governmental Funds	Total Governmental Funds
Revenues					
Income Taxes	\$ 16,540,915	\$ -	\$ -	\$ -	\$ 16,540,915
Property Taxes	1,421,628	-	-	476,388	1,898,016
Other Local Taxes	408,373	-	-	-	408,373
Revenue in Lieu of Taxes	-	1,435,780	-	-	1,435,780
Charges for Services	1,604,154	-	-	-	1,604,154
Licenses, Permits & Fees	1,785,446	-	-	90,999	1,876,445
Fines & Forfeitures	484,655	-	-	69,127	553,782
Intergovernmental	1,746,805	23,407	1,423,818	2,022,835	5,216,865
Investment Income	111,342	-	-	1,126	112,468
Rental Income	39,949	-	-	9,914	49,863
Contributions & Donations	10	-	-	-	10
Other	230,124	-	243,685	36,098	509,907
Total Revenues	<u>24,373,401</u>	<u>1,459,187</u>	<u>1,667,503</u>	<u>2,706,487</u>	<u>30,206,578</u>
Expenditures					
Current					
General Government	3,736,596	-	300	88,575	3,825,471
Security of Persons & Property	7,823,560	-	22,091	909,541	8,755,192
Public Health & Welfare	216,427	-	-	-	216,427
Transportation	980,092	-	848,193	1,300,473	3,128,758
Community Environment	3,039,052	790,081	-	-	3,829,133
Leisure Time Activity	3,193,947	-	50,256	-	3,244,203
Utility Services	548,339	-	-	14,600	562,939
Capital Outlay	1,372,324	18,352	1,270,382	105,802	2,766,860
Debt Service					
Principal Retirement	1,060	104,286	1,211,360	1,178,716	2,495,422
Interest & Fiscal Charges	-	-	98,480	740,280	838,760
Total Expenditures	<u>20,911,397</u>	<u>912,719</u>	<u>3,501,062</u>	<u>4,337,987</u>	<u>29,663,165</u>
Excess (Deficiency) of Revenue Over Expenditures	3,462,004	546,468	(1,833,559)	(1,631,500)	543,413
Other Financing Sources (Uses)					
Transfers In	110,891	-	1,004,000	2,206,260	3,321,151
Transfers Out	(1,653,200)	(1,164,438)	-	(509,884)	(3,327,522)
Proceeds from sale of capital assets	27,686	-	-	9,607	37,293
Refunding Bonds Issued	-	-	-	8,795,300	8,795,300
Premium on Refunding Bonds Issued	-	-	-	772,683	772,683
Insurance Proceeds	49,090	-	-	146	49,236
Issuance of Loans	-	-	206,769	-	206,769
Issuance of Capital Lease	9,287	-	-	-	9,287
Payment to Refunding Bond Escrow Agent	-	-	-	(9,438,378)	(9,438,378)
Total Other Financing Sources (Uses)	<u>(1,456,246)</u>	<u>(1,164,438)</u>	<u>1,210,769</u>	<u>1,835,734</u>	<u>425,819</u>
Net Change in Fund Balances	2,005,758	(617,970)	(622,790)	204,234	969,232
Fund Balances, January 1	18,054,207	2,955,807	4,774,558	5,729,653	31,514,225
Fund Balances, December 31	<u>\$ 20,059,965</u>	<u>\$ 2,337,837</u>	<u>\$ 4,151,768</u>	<u>\$ 5,933,887</u>	<u>\$ 32,483,457</u>

The notes to the basic financial statements are an integral part of this statement.

CITY OF GAHANNA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013

Net Change in Fund Balances - Total Governmental Funds \$ 969,232

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. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital Outlay	2,766,860
Depreciation	(3,783,364)

The sale, trade in, transfer or donation of capital assets is to increase/(decrease) net position as follows:

Sale or Trade-in of Capital Assets	(5,327)
Transfer of Capital Assets	(139,383)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Income Taxes	257,289
Property Taxes	(8,697)
Charges for Services	1,229
License Permits & Fees	167,511
Intergovernmental	(330,139)
Investment Income	3,129
Other	(23,261)

long-term bonds and bond anticipation notes were issued after the statement date to retire the notes.

Repayment of bond and loan principal and leases payable are an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and does not result in an expense in the statement of activities. 11,933,800

Debt proceeds are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities. (9,784,039)

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. The amortization of the deferred charge on refunding is also amortized over the life of the bonds but is recognized at the time the debt is issued in the funds. 77,483

An internal service fund is used by management to charge the costs of insurance to individual funds. The net revenue (expense) of the internal service fund is reported with governmental activities. 65,808

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Compensated Absences	100,494
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Change in Net Position of Governmental Activities \$ 2,268,625

The notes to the basic financial statements are an integral part of this statement.

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive/(Negative)
	Original	Final		
Revenues				
Income Tax	15,266,839	16,000,000	16,627,553	627,553
Property Taxes	1,459,200	1,447,760	1,421,628	(26,132)
Other Local Taxes	404,940	404,940	408,265	3,325
Charges for Services	1,463,315	1,463,315	1,543,133	79,818
Licenses Permits & Fees	1,126,501	1,225,389	1,752,703	527,314
Fines & Forfeitures	460,100	460,100	480,307	20,207
Intergovernmental	1,468,321	1,873,666	1,761,255	(112,411)
Investment Income	604,000	450,000	418,928	(31,072)
Rent	42,000	42,000	39,949	(2,051)
Contributions & Donations	10,000	5,000	10	(4,990)
Other	100,000	161,095	228,596	67,501
Total Revenues	22,405,216	23,533,265	24,682,327	1,149,062
Expenditures				
General Government	5,400,252	5,431,130	4,608,313	822,817
Security of Persons & Property	8,745,211	8,725,253	8,093,286	631,967
Public Health & Welfare	220,453	220,453	217,244	3,209
Transportation	1,508,212	1,507,712	1,181,426	326,286
Community Environment	4,168,677	4,500,853	3,705,871	794,982
Leisure Time Activities	3,854,094	3,826,694	3,427,525	399,169
Utility Services	793,609	781,715	628,324	153,391
Capital Outlay	2,863,359	2,924,464	2,895,291	29,173
Total Expenditures	27,553,867	27,918,274	24,757,280	3,160,994
Excess of Expenditures over Revenues	(5,148,651)	(4,385,009)	(74,953)	4,310,056
Other Financing Sources (uses)				
Sale of Assets	20,000	20,000	38,973	18,973
Insurance Proceeds	5,000	17,500	49,090	31,590
Transfer In	930,324	930,324	872,948	(57,376)
Transfer Out	(2,716,060)	(1,723,742)	(1,653,200)	70,542
Total Other Financing Sources (uses)	(1,760,736)	(755,918)	(692,189)	63,729
Net Change in Fund Balance	(6,909,387)	(5,140,927)	(767,142)	4,373,785
Fund balance at beginning of year	12,625,014	12,625,014	12,625,014	-
Prior Year Encumbrance Appropriated	3,950,844	3,950,844	3,950,844	-
Fund balance at end of year	9,666,471	11,434,931	15,808,716	4,373,785

The notes to the basic financial statements are an integral part of this statement

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive/(Negative)
	Original	Final		
Revenues				
Revenue in Lieu of Taxes	1,273,420	1,273,420	1,435,780	162,360
Intergovernmental	9,785	9,785	23,407	13,622
Total Revenues	<u>1,283,205</u>	<u>1,283,205</u>	<u>1,459,187</u>	<u>175,982</u>
Expenditures				
Community Environment	586,423	885,998	805,374	80,624
Capital Outlay	122,388	149,265	148,322	943
Total Expenditures	<u>708,811</u>	<u>1,035,263</u>	<u>953,696</u>	<u>81,567</u>
Excess of Expenditures over Revenues	<u>574,394</u>	<u>247,942</u>	<u>505,491</u>	<u>257,549</u>
Other Financing Sources (uses)				
Transfer Out	(550,770)	(1,164,438)	(1,164,438)	-
Total Other Financing Sources (uses)	<u>(550,770)</u>	<u>(1,164,438)</u>	<u>(1,164,438)</u>	<u>-</u>
Net Change in Fund Balance	23,624	(916,496)	(658,947)	257,549
Fund balance at beginning of year	2,937,246	2,937,246	2,937,246	-
Prior Year Encumbrance Appropriated	<u>23,341</u>	<u>23,341</u>	<u>23,341</u>	<u>-</u>
Fund balance at end of year	<u><u>2,984,211</u></u>	<u><u>2,044,091</u></u>	<u><u>2,301,640</u></u>	<u><u>257,549</u></u>

The notes to the basic financial statements are an integral part of this statement

CITY OF GAHANNA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2013

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water	Sewer	Storm Water	Total	
Assets					
Current Assets					
Equity in Pooled Cash & Investments	\$ 6,242,696	\$ 8,820,821	\$ 2,044,093	\$ 17,107,610	160,555
Accounts Receivable	1,719,756	1,384,441	260,158	3,364,355	-
Due From Other Funds	335	-	-	335	8,043
Prepayments	17,514	2,259	1,831	21,604	9,031
Materials & Supplies Inventory	43,112	43,112	-	86,224	-
Total Current Assets	<u>8,023,413</u>	<u>10,250,633</u>	<u>2,306,082</u>	<u>20,580,128</u>	<u>177,629</u>
Non-current Assets					
Capital Assets					
Non-depreciable Capital Assets	124,285	26,968	1,098,673	1,249,926	-
Depreciable Capital Assets, Net	24,108,601	15,605,039	9,818,451	49,532,091	-
Total non-current assets	<u>24,232,886</u>	<u>15,632,007</u>	<u>10,917,124</u>	<u>50,782,017</u>	<u>-</u>
Total Assets	<u>32,256,299</u>	<u>25,882,640</u>	<u>13,223,206</u>	<u>71,362,145</u>	<u>177,629</u>
Deferred Outflows of Resources					
Deferred Charge on Refunding	-	-	20,636	20,636	-
Liabilities					
Current Liabilities					
Accounts Payable	9,800	37,872	599	48,271	-
Contracts Payable	75,353	2,569	2,049	79,971	-
Accrued Wages & Benefits	8,671	8,684	5,312	22,667	-
Intergovernmental Payable	1,076,210	1,438,807	821	2,515,838	-
Due to Other Funds	248	248	152	648	-
Accrued Interest Payable	1,079	2,199	14,319	17,597	-
Current Portion of Compensated Absences Payable	24,523	24,556	13,680	62,759	-
Current Portion of General Obligation Bonds Payable	14,612	14,612	96,350	125,574	-
Total Current Liabilities	<u>1,210,496</u>	<u>1,529,547</u>	<u>133,282</u>	<u>2,873,325</u>	<u>-</u>
Long-term Liabilities					
Compensated Absences Payable	1,922	1,924	1,144	4,990	-
General Obligation Bonds Payable	263,305	263,304	1,733,138	2,259,747	-
Total Long-term Liabilities	<u>265,227</u>	<u>265,228</u>	<u>1,734,282</u>	<u>2,264,737</u>	<u>-</u>
Total Liabilities	<u>1,475,723</u>	<u>1,794,775</u>	<u>1,867,564</u>	<u>5,138,062</u>	<u>-</u>
Net Position					
Net Investment in Capital Assets	23,954,969	15,354,091	9,087,636	48,396,696	-
Unrestricted	6,825,607	8,733,774	2,288,642	17,848,023	177,629
Total Net Position	<u>30,780,576</u>	<u>24,087,865</u>	<u>11,376,278</u>	<u>66,244,719</u>	<u>177,629</u>
Adjustment to reflect the consolidation of the internal service funds activities related to enterprise funds				<u>13,756</u>	
Net Position of Business type Activities				<u>66,258,475</u>	

The notes to the basic financial statements are an integral part of this statement

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

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund	
	Water	Sewer	Storm Water		Total
Operating Revenues					
Charges for Services	\$ 7,189,426	\$ 5,548,467	\$ 1,088,246	\$ 13,826,139	\$ 233,183
Other	35,450	6,595	683	42,728	-
Total Operating Revenues	<u>7,224,876</u>	<u>5,555,062</u>	<u>1,088,929</u>	<u>13,868,867</u>	<u>233,183</u>
Operating Expenses					
Personal Services	467,367	467,976	286,678	1,222,021	-
Contract Services	4,492,431	5,621,099	36,147	10,149,677	109,662
Materials & Supplies	81,445	26,988	2,309	110,742	-
Claims Expense	-	-	-	-	52,403
Depreciation	750,186	491,823	257,894	1,499,903	-
Other	600,964	716,997	201,824	1,519,785	-
Total Operating Expenses	<u>6,392,393</u>	<u>7,324,883</u>	<u>784,852</u>	<u>14,502,128</u>	<u>162,065</u>
Operating Income/(Loss)	<u>832,483</u>	<u>(1,769,821)</u>	<u>304,077</u>	<u>(633,261)</u>	<u>71,118</u>
Nonoperating Revenues/(Expenses)					
Interest & Fiscal Charges	(13,086)	(14,531)	(102,853)	(130,470)	-
Intergovernmental	-	-	60,000	60,000	-
Total Nonoperating Revenues/(Expenses)	<u>(13,086)</u>	<u>(14,531)</u>	<u>(42,853)</u>	<u>(70,470)</u>	<u>-</u>
Income/(loss) before transfers	819,397	(1,784,352)	261,224	(703,731)	71,118
Contributed Capital	-	-	139,383	139,383	-
Transfer in	-	-	20,000	20,000	-
Transfer (out)	<u>(1,998)</u>	<u>(1,997)</u>	<u>(9,634)</u>	<u>(13,629)</u>	<u>-</u>
Change in Net Position	817,399	(1,786,349)	410,973	(557,977)	71,118
Net Position, January 1	<u>29,963,177</u>	<u>25,874,214</u>	<u>10,965,305</u>	<u>66,802,696</u>	<u>106,511</u>
Net Position, December 31	<u>\$ 30,780,576</u>	<u>\$ 24,087,865</u>	<u>\$ 11,376,278</u>		<u>\$ 177,629</u>
Adjustment to reflect the consolidation of the internal service funds activities related to enterprise funds				<u>5,310</u>	
Change in Net Position Business-type Activities				<u>(552,667)</u>	

The notes to the basic financial statements are an integral part of this statement

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

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water	Sewer	Storm Water	Total	
Cash flows from operating activities					
Cash Received From Customers	6,949,051	5,437,206	1,065,463	13,451,720	232,006
Other Operating Cash Receipts	34,901	7,090	533	42,524	-
Cash Payments for Personal Services	(461,875)	(462,452)	(283,384)	(1,207,711)	-
Cash Payments for Contractual Services	(4,506,234)	(5,484,072)	(51,806)	(10,042,112)	(136,579)
Cash Payments for Materials & Supplies	(98,898)	(27,383)	(2,207)	(128,488)	-
Cash Payments for Claims	-	-	-	-	(52,403)
Cash Payments for Other Operating Expenses	(576,416)	(715,975)	(223,738)	(1,516,129)	-
Net Cash Provided/(Used) by Operating Activities	<u>1,340,529</u>	<u>(1,245,586)</u>	<u>504,861</u>	<u>599,804</u>	<u>43,024</u>
Cash Flows From Capital and Related Financing Activities					
Capital Grants Received	-	-	60,000	60,000	-
Cash Payments for the Acquisition of Capital Assets	(226,364)	(147,050)	(181,269)	(554,683)	-
Principal Payments on OPWC Loans	-	(12,349)	-	(12,349)	-
Interest Payments on OPWC Loans	-	(325)	-	(325)	-
Principal Payments on Bonds	(11,754)	(11,755)	(87,297)	(110,806)	-
Interest Payments on Bonds	(13,531)	(13,531)	(83,483)	(110,545)	-
Net Cash Provided/(Used) by Capital & Related Financing Activities	<u>(251,649)</u>	<u>(185,010)</u>	<u>(292,049)</u>	<u>(728,708)</u>	<u>-</u>
Cash Flows From Noncapital Financing Activities:					
Transfers In	-	-	20,000	20,000	-
Transfers Out	(1,998)	(1,997)	(9,634)	(13,629)	-
Net Cash Provided/(Used) Noncapital Financing Activities	<u>(1,998)</u>	<u>(1,997)</u>	<u>10,366</u>	<u>6,371</u>	<u>-</u>
Net Increase/(Decrease) in Cash & Cash Equivalents	1,086,882	(1,432,593)	223,178	(122,533)	43,024
Cash & Cash Equivalents January 1, 2013	5,155,814	10,253,414	1,820,915	17,230,143	117,531
Cash & Cash Equivalents December 31, 2013	<u>6,242,696</u>	<u>8,820,821</u>	<u>2,044,093</u>	<u>17,107,610</u>	<u>160,555</u>
Reconciliation of Operating Income/(Loss) to Net Cash Provided by Operating Activities					
Operating Income/(Loss)	832,483	(1,769,821)	304,077	(633,261)	71,118
Adjustments					
Depreciation	750,186	491,823	257,894	1,499,903	-
Change in assets and liabilities					
(Increase)/Decrease in Materials & Supplies Inventory	(423)	(423)	-	(846)	-
(Increase)/Decrease in Accounts Receivable	(242,992)	(113,355)	(23,663)	(380,010)	-
(Increase)/Decrease in Due from Other Funds	2,068	2,589	730	5,387	(1,177)
(Increase)/Decrease in Prepayments	(14,838)	(54)	319	(14,573)	(9,031)
Increase/(Decrease) in Accounts Payable	4,702	31,369	(5,360)	30,711	-
Increase/(Decrease) in Contracts Payable	17,362	(44,012)	(32,410)	(59,060)	-
Increase/(Decrease) in Accrued Wages & Benefits	839	837	447	2,123	-
Increase/(Decrease) in Due to Other Governments	(13,361)	150,923	70	137,632	(17,886)
Increase/(Decrease) in Due to Other Funds	52	52	30	134	-
Increase/(Decrease) in Compensated Absences Payable	4,451	4,486	2,727	11,664	-
Net cash provided/(used) by operating activities	<u>1,340,529</u>	<u>(1,245,586)</u>	<u>504,861</u>	<u>599,804</u>	<u>43,024</u>

Non-cash transactions

At December 31, 2013 and 2012, the Water fund purchased \$48,696 and \$107,803 respectively, in capital assets on account
At December 31, 2013 and 2012, the Sewer fund purchased/(disposed of) \$1,500 and (\$151,281) respectively, in capital assets on account
At December 31, 2013 and 2012, the Storm Water fund purchased \$0 and \$297,372, respectively, in capital assets on account
At December 31, 2013 and 2012, the Storm Water fund received contributed capital of \$139,383 and \$0 in capital assets on account

The notes to the basic financial statements are an integral part of this statement

CITY OF GAHANNA
 STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
 DECEMBER 31, 2013

	<u>Agency</u>
Assets:	
Equity in Pooled Cash & Investments	\$ 877,597
Cash in Segregated Accounts	62,570
Accounts Receivable	489,185
Total assets	<u>\$ 1,429,352</u>
 Liabilities:	
Accounts Payable	162,245
Due to Other Governments	41,506
Deposits Held & Due to Others	1,225,601
Total Liabilities	<u>\$ 1,429,352</u>

The notes to the basic financial statements are an integral part of this statement

CITY OF GAHANNA

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

NOTE 1 – DESCRIPTION OF THE CITY AND REPORTING ENTITY

The City of Gahanna (the “City”) is a home rule municipal corporation established under the laws of the State of Ohio which operates under its own Charter. The current Charter, which provides for a Mayor-Council form of government, was adopted by the electorate June 27, 1961, was completely renumbered by the Clerk of Council in January, 1992 and was amended as part of the Charter review process in 2011.

Reporting Entity

The reporting entity has been defined in accordance with GASB Statement No. 14, “The Financial Reporting Entity” as amended by GASB Statement No. 39, “Determining Whether Certain Organizations Are Component Units” and GASB Statement No. 61 “The Financial Reporting Entity: Omnibus”. 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, departments and activities which are not legally separate from the City. They comprise the City’s legal entity which provides various services including public safety, street maintenance, parks and recreation, senior services, and engineering. The City of Gahanna is also responsible for the construction, maintenance, and repairs associated with the water and sewer lines. The City purchases water and sewer treatment services from the City of Columbus. Council and the Mayor have direct responsibility for these activities.

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; or (3) the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or (4) the City is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the City in that the City approves the organization’s budget, the issuance of its debt or the levying of its taxes. Certain organizations are also included as component units if the nature and significance of the relationship between the City and the organization is such that exclusion by the City would render the City’s financial statements incomplete or misleading. Based upon these criteria, the City has no component units.

The City appoints the Board members of the Community Improvement Corporation (CIC) of Gahanna, but the City’s accountability for the CIC does not extend beyond making the appointments. The CIC of Gahanna was formed in 1965 to advance, encourage and promote the industrial, economic, commercial and civic development of Gahanna and the territory surrounding Gahanna.

The City in conjunction with the Gahanna Area Chamber of Commerce, Olde Gahanna Community Partnership, Gahanna Jefferson Public Schools, Hospitality Advisory Committee and general managers or owner designees of all hotels/motels operating within the City of Gahanna have created the Gahanna Convention and Visitors Bureau (CVB). The Board of Directors is composed of four City representatives, one representative from each of the other groups and eight additional at large members elected by the preceding for a total of seventeen members on the Board of Directors. The Gahanna CVB was formed in 2008 for the purpose of marketing Gahanna as a visitor destination; planning promoting and executing public events; preparing and distributing promotional items about Gahanna’s public activities and spaces. The City has no equity interest in the Gahanna CVB.

The City is a member of the Central Ohio Health Care Consortium (the “Pool”), a risk sharing pool which provides health insurance (See Note 17). The City participates in a joint operation with the Gahanna Jefferson Public School District. These organizations jointly operate a maintenance facility (See Note 18). The City is a member of the Regional Income Tax Agency (RITA) a jointly governed organization established to administer and collect municipal income taxes (See Note 19).

CITY OF GAHANNA

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

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 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.

A. Basis of Presentation

The City's Basic Financial Statements consist of Government-wide Statements, including a Statement of Net Position, 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 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.

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. Fiduciary Funds are reported by type.

B. Fund Accounting

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

Governmental Funds

Governmental Funds are those through which most governmental functions are financed. Governmental Fund reporting focuses on the sources, uses and balances of current financial resources. Expendable

CITY OF GAHANNA

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

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

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 plus Deferred Outflows of Resources and Liabilities plus Deferred Inflows of Resources is reported as Fund Balance. The following are the City's major Governmental Funds:

General Fund – The General Fund is used to account for and report all financial resources not accounted for and reported in another fund. The General Fund Balance is available for any purpose provided it is expended or transferred according to the general laws of Ohio.

Tax Increment Equivalent Fund – This fund accounts for annual service payments in lieu of taxes related to Tax Increment Financing (TIF) projects within the City. The payments are distributed to the City by the County Treasurer. The payments are restricted for infrastructure in the City and other activities set forth in the individual TIF agreements.

Capital Improvement Fund – This fund accounts for resources and expenditures restricted for acquiring, purchasing, improving and/or constructing permanent improvements within the City.

Other Governmental Funds of the City are used to account for (a) financial resources that are restricted, committed, or assigned to expenditures for capital outlays including the acquisition or construction of capital facilities and other capital assets; (b) specific revenue sources that are restricted, committed or assigned to an expenditure for specific purposes other than debt service or capital projects; and (c) financial resources that are restricted, committed or assigned to expenditures for principal and interest.

Proprietary Funds

Proprietary Funds focus on the determination of operating income, changes in net position, and cash flows. The City's Proprietary Funds are Enterprise Funds and the Internal Service Fund.

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

Water Fund – This fund is used to account for the provision of water service to the residents and businesses within the City including capital maintenance and improvements.

Sewer Fund – This fund is used to account for the provision of sanitary sewer service to the residents and businesses within the City including capital maintenance and improvements.

Storm Water Fund – This fund is used to account for charges assessed to residents and businesses of the City for the improvement of the storm water system.

Internal Service Fund – The Internal Service Fund is used to account for the financing of goods or services provided by one department or agency or other departments or agencies of the City, or to other governments, on a cost-reimbursement basis. The only Internal Service Fund of the City accounts for interfund charges and claims payments applicable to the City's self-insurance program for workers' compensation.

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

CITY OF GAHANNA

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

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

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. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The City has six Agency Funds which are used to account for money held for other governments, compliance with building codes, senior center programs, veterans' memorial, refuse collection and the distribution of mayor's court fines.

C. Measurement Focus

Government-wide Financial Statements

The Government-wide Financial Statements are prepared using the economic resources measurement focus. All assets, deferred outflows of resources, liabilities and deferred inflows of resources 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, deferred outflows of resources, current liabilities and deferred inflows of resources 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 reconciliations with brief explanations to better identify the relationship between the Government-wide Statements and the Statements for Governmental Funds.

Like the Government-wide Statements, all Enterprise Funds are accounted for using a flow of economic resources measurement focus. All assets, all deferred outflows of resources, all liabilities and all deferred inflows of resources 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 Enterprise Activities.

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide Financial Statements are prepared using the accrual basis of accounting; Enterprise and Agency Funds also use the accrual basis of accounting. Governmental Funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred inflows and outflows 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 thirty-one days of year end.

CITY OF GAHANNA

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

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

Non-exchange transactions, in which the City receives value without directly giving equal value in return, includes income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income tax is recognized in the year in which the income is earned. Revenue from property taxes is recognized in the year for which the taxes are levied (See Note 6). Revenue from grants, entitlements and donations are 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.

Deferred Inflows and Outflows of Resources

Deferred inflows and outflows of resources are defined by GASB Concepts Statement No. 4 and GASB Statements No. 63 and 65 requiring a reclassification of items previously reported as assets and liabilities as deferred outflows or inflows of resources. A deferred outflow of resources represents a consumption of net position that applies to future periods and will not be recognized as an expense/expenditure until then. The deferred charge on refunding, which results from the difference in the carrying value of the refunded debt and its reacquisition price, has been recorded as a deferred outflow of resources.

A deferred inflow of resources represents an acquisition of net position that applies to future periods and will not be recognized as revenue until that time. Property taxes and revenue in lieu of taxes for which there is an enforceable legal claim as of December 31, 2013, but which were levied to finance year 2014 operations, and lease revenues received in advance of the fiscal year for which they were intended to finance, have been recorded as a deferred inflow of resources on the Governmental-wide Statement of Net Position and Governmental Funds Balance Sheet. In addition, the Governmental Funds Balance Sheet also includes receivables not collected within the available period as deferred inflows of resources, such as, income taxes, delinquent property taxes, grants and entitlements and other accounts receivable.

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.

E. Budgets And Budgetary Accounting

All funds, other than 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 Appropriation 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 Appropriation 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 fund, function and object level for all funds.

The Certificate of Estimated Resources may be amended during the year if projected increases or decreases in revenue are identified by the City. 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 effect at the time final appropriations were passed by Council.

CITY OF GAHANNA

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

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

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

F. Cash And Cash Equivalents

To improve cash management, cash received by the City is pooled. Individual fund integrity is maintained through the City's records. Interest in the pool is presented as "Equity in Pooled Cash & Investments" on the Financial Statements. The City has permissive motor vehicle license monies which are held by the Franklin County Engineer and are distributed to the City for approved projects. The balance in this account is presented as "Cash with Fiscal Agent". The Mayor's Court has its own checking account for the collection and distribution of court fines and forfeitures and is presented on the Fiduciary Statement of Assets and Liabilities – Agency Funds as "Cash in Segregated Accounts".

During the year, investments were limited to government and government sponsored entity bonds such as Federal Farm Credit Bank (FFCB) bonds, Federal Home Loan Bank (FHLB) bonds, Federal National Mortgage Association (FNMA) and Federal Home Loan Mortgage Credit (FHLMC) bonds. The City also invested in U.S. government money market mutual funds, negotiable certificates of deposit, STAR Ohio and STAR Plus. All investments are reported at fair value which is based on quoted market prices. Mutual funds are reported at fair value which is determined by the mutual fund's current shares price.

The City has invested funds in the State Treasury Asset Reserve of Ohio (STAR Ohio) during 2013. STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's shares price which is the price the investment could be sold on December 31, 2013.

The City had also deposited funds in STAR Plus, a federally insured cash account powered by the Federally Insured Cash Account (FICA) program. STAR Plus enables political subdivisions to generate a competitive yield on cash deposits in a network of FDIC-insured banks via a single account. All deposits with STAR Plus have full FDIC insurance, with no term commitment on deposits. As of December 31, 2013 the Net Annual Percentage Yield (APY) for STAR Plus was .20%.

Investment income is distributed to the funds according to Ohio constitutional and statutory requirements. Investment income credited to the general fund during 2013 amounted to \$111,342.

For purposes of the Statement of Cash Flows, investments with an original maturity of three months or less are considered to be cash equivalents. In addition, all cash and investments of the cash management pool are considered to be cash equivalents because they are sufficiently liquid to permit withdrawal by the Proprietary Funds on demand. Investments with maturities greater than three months that are not part of the cash management pool are not considered to be cash equivalents.

G. Materials And Supplies Inventory

Inventories are presented at cost on a first-in, first-out basis and are expended/expensed when used. Inventory consists of expendable supplies held for consumption. On the Fund Financial Statements, reported materials and supplies inventory is equally offset by a nonspendable fund balance which indicates that it does not constitute available spendable resources even though it is a component of net current assets.

CITY OF GAHANNA

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2013, 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 is reported in the year in which services are consumed. At year end, because payments are not available to finance future Governmental Fund expenditures, a nonspendable fund balance is recorded by an amount equal to the carrying value of the asset on the Fund Financial Statements.

I. Capital Assets

General capital assets are those capital assets that are associated with Governmental Activities. These assets 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.

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

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

<u>Descriptions</u>	<u>Estimated Life</u>
Buildings	50 years
Improvements other than buildings	20 years
Machinery and equipment	
Machinery and equipment	5-30 years
Furniture and fixtures	20 years
Computers	5 years
Vehicles	5-8 years
Infrastructure	
Bridges and culverts	50 years
Sidewalks	20 years
Streets and curbs	20-30 years
Street lighting	15 years
Traffic control lighting	10 years
Alleys, fiber optics, etc.	20-65 years
Storm sewer lines	65 years
Sewer and water lines	65 years
Miscellaneous water and sewer infrastructure	25-65 years

CITY OF GAHANNA

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

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

J. Compensated Absences

Vacation benefits and compensatory time 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 and compensatory time when earned for all employees after six months of service. Compensatory time is accumulated by employees at the applicable overtime rate for each hour of overtime worked. City employees may carry over vacation and compensatory time in accordance with employment contracts or ordinances.

Sick leave benefits are accrued as a liability using the termination method. An accrual for earned sick leave is made to the extent it is probable that benefits will result in termination payments. The liability is an estimate based on the City's past experience of making termination payments.

K. 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 Enterprise Funds are reported on the Enterprise Funds Financial Statements.

In general, Governmental Fund payables and accrued liabilities are reported, once incurred, as obligations of the funds, if they are paid in a timely manner and in full from current financial resources. 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 capital leases are recognized on the Governmental Fund Financial Statements when due.

L. Unamortized Bond Premiums

Premiums for Government-wide Statements and Enterprise 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 premiums are presented as an increase to the face amount of the bonds payable.

M. Deferred Charge on Refunding

On the Government-wide Financial Statements and Enterprise Fund Statements, the difference between the reacquisition price (funds required to refund the old debt) and the net carrying amount of the old debt is the deferred charge on refunding and is reported as a deferred outflow. The amount is amortized as a component of interest expense on a straight line basis, since the results are not significantly different from the effective interest rate method, over the shorter life of the new debt or old debt.

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

CITY OF GAHANNA

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Restricted - Fund balance is reported as restricted when constraints are placed on the use of resources that are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

Committed - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (ordinance) of City Council (the highest level of decision making authority). 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. 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. In the General Fund, assigned amounts represent intended uses established by policies of City Council, which includes giving the Finance Director the authority to constrain monies for intended purposes.

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 only used to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The City applies restricted resources first when expenditures are incurred for purposes for which restricted and unrestricted (committed, assigned, and unassigned) fund balance is 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.

O. Budget Stabilization/General Fund Balance Reserve

The General Fund is required to maintain a fund balance reserve of 25% of planned General Fund revenues for the subsequent year as passed by motion resolution of City Council. Any additions to the reserve or conditions under which the reserve amount may be spent would require formal action from City Council. As of December 31, 2013, the amount of the reserve was \$6,125,272. This amount is included in the unassigned fund balance of the General Fund.

P. Internal Activity

Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the Statement of Activities.

Transfers between Governmental and Business-type Activities on the Government-wide Financial Statements are reported in the same manner as general revenues.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in Governmental Funds and after nonoperating revenues/expenses in Enterprise Funds. Interfund transfers are eliminated on the Entity-wide Statement of Activities.

CITY OF GAHANNA

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

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

Q. Due to/from other funds & Interfund Loans Payable/Receivable

On Fund Financial Statements, outstanding interfund loans are reported as “Interfund Loans Receivable” and “Interfund Loans Payable.” Unpaid amounts for interfund services are reported as “Due to Other Funds” and “Due from Other Funds”. Interfund balances are eliminated on the Government-wide Statement of Net Position except for any net residual amounts due between Governmental and Business-type Activities, which are presented as “Internal Balances.” The City had no interfund loans at December 31, 2013.

R. Net Position

Net position represents the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources. 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 use either through enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The City applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available. The Government-wide Statement of Net Position reports \$12,445,887 of restricted net position, none of which is restricted by enabling legislation.

S. Operating Revenues And Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the Enterprise Funds. For the City, these revenues are charges for services for water, sewer and storm water utility 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.

T. Contributions of Capital

Contributions of capital in Governmental Activities and Proprietary Fund Financial Statements arise from outside contributions of capital assets, transfers of capital assets between Governmental and Proprietary Funds, or from grants or outside contributions of resources restricted to capital acquisition and construction.

U. Estimates

The preparation of Financial Statements in conformity with Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

NOTE 3 – 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 and disbursements.

The Statement of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual (non-GAAP Budgetary Basis) presented for the General Fund and the Tax Increment Equivalent Fund are presented 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:

CITY OF GAHANNA

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

NOTE 3 – BUDGETARY BASIS OF ACCOUNTING *(continued)*

- (a) Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- (b) Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);
- (c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to assigned or committed fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis);
- (d) Advances-in and advances-out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis);
- (e) Investments are reported at fair value (GAAP basis) rather than cost (budget basis); and,
- (f) Some funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget basis).

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements (as reported in the Fund Financial Statements) to the Budgetary Basis Statements for all Governmental Funds for which a Budgetary Basis Statement is presented:

Net Change in Fund Balance

	General	Tax Incremental Equivalent
Budget basis	\$ (767,142)	\$ (658,947)
Net adjustment for revenue accruals	(326,709)	-
Net adjustment for expenditure accruals	638,208	3,108
Net adjustment for other sources/(uses)	9,287	-
Funds budgeted elsewhere	(320,871)	-
Adjustment for Encumbrances	2,772,985	37,869
GAAP basis	<u>\$ 2,005,758</u>	<u>\$ (617,970)</u>

Certain funds that are legally budgeted in separate Special Revenue Funds are considered part of the General Fund on a GAAP basis. This includes the Law Enforcement Trust Fund, the Police Duty Weapon Fund, the Vending Machine Fund, Reserve for Sick/Vacation Fund and Unclaimed Monies Fund.

NOTE 4 - DEPOSITS AND INVESTMENTS

State statutes classify monies held by the City into three categories:

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

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

CITY OF GAHANNA

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

NOTE 4 – DEPOSITS AND INVESTMENTS *(continued)*

Interim deposits are deposits in 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 and inactive 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 or interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. The State Treasurer's investment pool (STAR Ohio and STAR Plus). Any other investment pools operating in Ohio and available exclusively to public fund agencies of Ohio. The instruments of these pools must have the full faith and credit backing of the United States or be fully collateralized or insured;
6. Bonds and other obligations of any legally constituted taxing subdivision of the State of Ohio, such as but not limited to, counties, municipal corporations and school districts. At the time of investment the entity must not be in default of payment for any outstanding obligations and the securities must be general obligation backed by the full faith and credit of the government entity issuing the bonds rated at least second highest by any nationally recognized rating agency;
7. Commercial paper issued by companies incorporated under the laws of the United States and which are rated at the time of purchase in the single highest classification by two nationally recognized rating agencies;
8. Bankers acceptances which are eligible for purchase by the Federal Reserve System which are issued by institutions ranked nationally as one of the top fifty in asset and deposit size within the industry;
9. Corporate bonds or medium term notes issued by corporations incorporated under the laws of the United States and operating within the United States with assets in excess of \$500 million and rated at least second highest by at least two nationally recognized rating agencies at the time of purchase.
10. Money market funds consisting of investments described herein;
11. Any other investments not listed herein but that are otherwise eligible under Chapter 135 of the Ohio Revised Code.

CITY OF GAHANNA

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

NOTE 4 – DEPOSITS AND INVESTMENTS *(continued)*

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

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. In accordance with Ohio Revised Code, an investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the City, and must be purchased with the expectation that it will be held to maturity. The City’s investment policy limits security purchases to those that mature within five years of the settlement date. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Director of Finance or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Cash with Fiscal Agent: At year end, the City had \$443,319 on deposit with the Franklin County Treasurer. The data regarding insurance and collateralization can be obtained from the Franklin County Comprehensive Annual Financial Report for the year ended December 31, 2013. This amount is not included in the City’s depository balance below.

Cash in Segregated Accounts: At year end, the City had \$62,570 deposited with a financial institution for monies related to the Mayor’s Court Agency Fund. This amount is included in the City’s depository balance below.

Deposits with Financial Institutions

At December 31, 2013, the carrying amount of all City deposits was \$219,055, which excludes \$3,274 of petty cash on hand. The bank balance of all City deposits was \$895,622 of which \$394,237 was covered by FDIC insurance and \$501,385 was uninsured. Of the remaining uninsured bank balance, all was collateralized with securities held by the pledging institution’s trust department, not in the City’s name.

Investments

As of December 31, 2013, the City had the following investments and maturities:

<u>Investment type</u>	<u>Fair Value</u>	<u>Investment Maturities</u>			
		<u>1 Year or Less</u>	<u>1 to 2 Years</u>	<u>2 to 3 Years</u>	<u>Greater Than 3 Years</u>
Government & Government Sponsored					
Entity Bonds					
FFCB	\$ 7,662,723	\$ 2,001,340	\$ -	\$ 2,980,910	\$ 2,680,473
FHLB	8,816,223	-	500,115	1,115,600	7,200,508
FHLMC	9,667,453	-	-	2,242,193	7,425,260
FNMA	7,972,025	501,765	500,665	993,960	5,975,635
Other Investments					
Negotiable CD's	12,668,632	3,644,428	3,421,969	3,512,292	2,089,943
U.S. Government money market					
mutual fund	2,179,724	2,179,724	-	-	-
STAR Ohio	223,254	223,254	-	-	-
Total	<u>\$ 49,190,034</u>	<u>\$ 8,550,511</u>	<u>\$ 4,422,749</u>	<u>\$ 10,844,955</u>	<u>\$ 25,371,819</u>

CITY OF GAHANNA

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

NOTE 4 – DEPOSITS AND INVESTMENTS (continued)

The weighted average length to maturity of the investments is 2.88 years.

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. No investment shall be made unless the Director of Finance, at the time of making the investment, reasonably expects it can be held to its maturity. Unless matched to a specific obligation or debt of the City, the City will not directly invest in securities maturing more than five years from the date of investment.

Credit Risk: The City's investments in government and government sponsored entity bonds carry a rating of Aaa by Moody's and AA+ by Standard and Poor's. STAROhio and the U.S. government money market mutual funds carry a rating of AAAM by Standard and Poor's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service.

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's investment policy requires all security transactions, including collateral for repurchase agreements, are entered into on a delivery-versus-payment basis. Should an independent third party custodian be used to hold securities the City's investment policy requires security transactions be evidenced by safekeeping receipts and that there be a written custodial agreement. Currently the City is not exposed to custodial credit risk as all investments are purchased on a delivery versus payment basis and are in the City's name.

Concentration of Credit Risk: The City's investment policy addresses concentration of credit risk by requiring investments to be diversified to reduce the risk of loss resulting from over concentration of assets in a specific issue or specific class of securities. 100% may be invested in US Treasury Obligations, US Agency Securities, STAR Ohio or Other Ohio Investment Pools; up to 40% in Certificates of Deposit; up to 25% in Commercial Paper, Bankers Acceptance, Repurchase Agreements or State and Local Government Securities; up to 15% in Corporate Bonds or Money Market Funds. In regard to Local Government Securities and Corporate Bonds no more than 5% of the City's investment portfolio may be invested in any one single issuer.

The following table includes the percentage of each investment type held by the City at December 31, 2013:

<u>Investment type</u>	<u>Fair Value</u>	<u>% of Total</u>
Government & Government Sponsored Entity Bonds		
FFCB	\$ 7,662,723	15.58%
FHLB	8,816,223	17.92%
FHLMC	9,667,453	19.65%
FNMA	7,972,025	16.21%
Total US Securities & Obligations	<u>34,118,424</u>	<u>69.36%</u>
Other Investments		
Negotiable CD's	12,668,632	25.76%
U.S. Government money market mutual fund	2,179,724	4.43%
STAR Ohio	<u>223,254</u>	<u>0.45%</u>
Total	<u>\$ 49,190,034</u>	<u>100%</u>

CITY OF GAHANNA

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

NOTE 5 – MUNICIPAL INCOME TAX

The City levies and collects an income tax of one and one-half percent on all income earned within the City as well as on incomes of residents earned outside the City. In the latter case, the City allows a credit of eighty-three and one-third percent of the tax paid to another municipality up to one and one half percent. In no instance shall the credit exceed the amount levied by the City. Employers within the City are required to withhold income tax on employee earnings and remit the tax to the City monthly. Corporations and other individual taxpayers are also required to pay their estimated tax at least quarterly and file a final return annually. All proceeds go to the General Fund. The City has entered into an agreement with the Regional Income Tax Authority (RITA) for income tax administration (see Note 19)

NOTE 6 – PROPERTY TAX

Property taxes include amounts levied against all real and public utility property located in the City. Taxes collected from real property taxes (other than public utility) in one calendar year are levied in the preceding calendar year on the assessed value as of January 1 of that preceding year, the lien date. Assessed values are established by the County Auditor at 35% of appraised market value. All property is required to be revaluated every six years. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

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

The County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City of Gahanna. The County Treasurer periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real property taxes, public utility taxes, and outstanding delinquencies which are measurable as of December 31, 2013 and for which there is an enforceable legal claim. In the Governmental Funds and Governmental Activities, the current portion receivable has been offset by a deferred inflow of resources since current taxes were not levied to finance 2013 operations. The collection of delinquent taxes has been recorded as a receivable and revenue on the accrual basis and a deferred inflow of resources on the modified basis.

The full tax rate for all City operations for the year ended December 31, 2013 was \$2.40 per \$1,000 of assessed value. The assessed values of real and public utility upon which 2013 property tax receipts were based are as follows:

Real property

Residential/agricultural	\$ 712,845,650
Commercial/industrial	177,919,340

Public utility

Real	73,110
Personal	9,768,120

Total assessed value	<u><u>\$ 900,606,220</u></u>
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CITY OF GAHANNA

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

NOTE 7 – RECEIVABLES

Receivables at December 31, 2013, are considered fully collectible and will be received within one year with the exception of property taxes and income taxes. Property and income taxes, although ultimately collectible, include some portion of delinquents that will not be collected within one year. Water, sewer, and storm water charges receivable which, if delinquent, may be certified and collected as a special assessment, are subject to foreclosure for nonpayment.

NOTE 8 – CAPITAL ASSETS

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

	Balance 12/31/2012	Additions	Deletions	Balance 12/31/2013
<u>Governmental Activities</u>				
Non-depreciable Capital Assets				
Land & Land Improvements	\$ 20,834,424	\$ 6,500	\$ -	\$ 20,840,924
Right of Ways	1,939,543	-	-	1,939,543
Easements	384,155	-	-	384,155
Construction in Progress	1,061,446	814,949	(774,990)	1,101,405
Total Non-depreciable Capital Assets	24,219,568	821,449	(774,990)	24,266,027
Depreciable Capital Assets				
Buildings	26,369,244	-	-	26,369,244
Improvements Other Than Buildings	9,218,612	774,990	(56,100)	9,937,502
Machinery & Equipment	9,748,966	390,332	(14,771)	10,124,527
Vehicles	3,939,880	373,571	(216,698)	4,096,753
Infrastructure	84,596,086	1,042,125	-	85,638,211
Total Depreciable Capital Assets	133,872,788	2,581,018	(287,569)	136,166,237
Less: Accumulated Depreciation				
Buildings	(4,829,250)	(527,839)	-	(5,357,089)
Improvements Other Than Buildings	(4,180,266)	(393,206)	56,100	(4,517,372)
Machinery & Equipment	(5,494,434)	(391,325)	9,444	(5,876,315)
Vehicles	(3,017,539)	(314,927)	216,698	(3,115,768)
Infrastructure:	(51,781,306)	(2,156,067)	-	(53,937,373)
Total Accumulated Depreciation	(69,302,795)	(3,783,364)	282,242	(72,803,917)
Governmental Activities Capital Assets, Net	\$ 88,789,561	\$ (380,897)	\$ (780,317)	\$ 87,628,347

CITY OF GAHANNA

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

NOTE 8 – CAPITAL ASSETS *(continued)*

Depreciation expense was charged to governmental programs as follows:

General Government	\$ 817,680
Security of Persons & Property	349,409
Community Environment	380,198
Leisure Time Activities	716,696
Transportation	1,519,381
Total Depreciation Expense	<u>\$ 3,783,364</u>

	<u>Balance</u> <u>12/31/2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/2013</u>
<u>Business-type Activities</u>				
Non-depreciable Capital Assets				
Land & Land Improvements	\$ 880,400	\$ 148,659	\$ -	\$ 1,029,059
Right of Ways	22,886	-	-	22,886
Easements	9,350	-	-	9,350
Construction in Progress	55,704	132,927	-	188,631
Total Non-depreciable Capital Assets	<u>968,340</u>	<u>281,586</u>	<u>-</u>	<u>1,249,926</u>
Depreciable Capital Assets				
Buildings	1,113,757	-	-	1,113,757
Improvements Other Than Buildings	658,274	-	-	658,274
Machinery & Equipment	2,126,130	24,500	-	2,150,630
Vehicles	737,143	-	-	737,143
Infrastructure				
Storm Sewer Lines	13,621,575	139,383	-	13,760,958
Water Lines & Other	41,822,963	170,938	-	41,993,901
Sewer Lines & Other	26,134,400	121,058	-	26,255,458
Total Depreciable Capital Assets	<u>86,214,242</u>	<u>455,879</u>	<u>-</u>	<u>86,670,121</u>
Less: Accumulated Depreciation				
Buildings	(496,350)	(22,324)	-	(518,674)
Improvements Other Than Buildings	(115,487)	(32,792)	-	(148,279)
Machinery & Equipment	(646,198)	(70,683)	-	(716,881)
Vehicles	(503,281)	(90,020)	-	(593,301)
Infrastructure				
Storm Sewer Lines	(4,297,692)	(403,785)	-	(4,701,477)
Water Lines & Other	(18,813,521)	(671,080)	-	(19,484,601)
Sewer Lines & Other	(10,765,598)	(209,219)	-	(10,974,817)
Total Accumulated Depreciation	<u>(35,638,127)</u>	<u>(1,499,903)</u>	<u>-</u>	<u>(37,138,030)</u>
Business-type Activities Capital Assets, Net	<u>\$ 51,544,455</u>	<u>\$ (762,438)</u>	<u>\$ -</u>	<u>\$ 50,782,017</u>

CITY OF GAHANNA

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

NOTE 8 – CAPITAL ASSETS *(continued)*

Depreciation expense was charged to the enterprise funds as follows:

Water	\$ 750,186
Sewer	491,823
Storm Water	257,894
Total Depreciation Expense	<u>\$ 1,499,903</u>

NOTE 9 – DEFINED BENEFIT PENSION PLANS

A. Ohio Public Employees Retirement System

Plan Description - The City participates in the Ohio Public Employees Retirement System (OPERS) for all employees except those enrolled in the Ohio Police and Fire Pension Plan. OPERS administer three separate pension plans. The Traditional Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan. The Member-Directed Plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the Member-Directed Plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the Combined Plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the Traditional Pension Plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the Member-Directed Plan. While members in the State and local divisions may participate in all three plans, law enforcement (generally sheriffs, deputy sheriffs and township police) and public safety divisions exist only within the Traditional Pension Plan. The City does not currently have any employees enrolled in the law enforcement and public safety divisions.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report which may be obtained by visiting <https://www.opers.org/investments/cafr.shtml>, writing to OPERS, Attention: Finance Director, 277 E. Town St., Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

Funding Policy - The Ohio Revised Code provides statutory authority for member and employer contributions. For 2013, member contribution rates were consistent across all three plans. The 2013 member contribution rates were 10.00% for members in State and local classifications. The City's contribution rate for 2013 was 14.00% of covered payroll. If the City had employees in the law enforcement or public safety divisions, members would have contributed 12.00% and 12.60% for the public safety and law enforcement members respectively and the City's contribution rate would have been 18.10% of covered payroll for. Of the employer contribution rates, 1% for the Traditional Plan and Combined Plan were allocated to post employment health care benefits.

The City's contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2013, 2012, and 2011 were \$831,396, \$634,655, and \$645,967, respectively; which represent 100% of the required pension obligations for 2013, 2012 and 2011. Contributions to the Member-Directed Plan for 2013 were \$69,829 made by the City and \$49,878 made by the plan members.

CITY OF GAHANNA

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

NOTE 9 – DEFINED BENEFIT PENSION PLANS *(continued)*

B. Ohio Police and Fire Pension Fund

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

Funding Policy - Plan members were required to contribute 10.00% of their annual covered salary from January 1, 2013 to July 1, 2013 and 10.75% thereafter. The City is required to contribute 19.50% for police officers. If the City had firefighters, the member would contribute 10.00% from January 1, 2013 to July 1, 2013 and 10.75% thereafter, and the City would contribute 24.00%. Contribution rates are established by State statute. For 2013, the portion of the City's contributions to fund pension obligations was 14.81% for police officers from January 1, 2013 to May 31, 2013 and 16.65% thereafter. If the City had firefighters, 19.31% would be the portion of the City's contributions to fund pension obligations from January 1, 2013 to May 31, 2013 and 21.15% thereafter. The City's contributions for pension obligations to OP&F for police officers for December 31, 2013, 2012 and 2011 were \$728,583, \$597,951, and \$574,639, respectively; which represent 100% of the required pension obligations for 2013, 2012 and 2011.

NOTE 10 - POSTRETIREMENT BENEFIT PLANS

A. Ohio Public Employees Retirement System

Plan Description - OPERS maintains a cost-sharing multiple employer defined benefit post-employment healthcare plan, which includes a medical plan, prescription drug program and Medicare Part B premium reimbursement, to 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.

To qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have ten years or more 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 OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code. Disclosures for the healthcare plan are presented separately in the OPERS financial report which may be obtained by visiting www.opers.org/investments/cafr.shtml, writing to OPERS, Attention: Finance Director, 277 E. Town St., Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

Funding Policy - The post-employment healthcare plan was established under, and is administered in accordance with, Internal Revenue Code Section 401(h). State statute requires that public employers fund post-employment healthcare through contributions to OPERS. A portion of each employer's contribution to the Traditional or Combined Plans is set aside for the funding of post-employment health care. Active members do not make contributions to the post-employment healthcare plan. Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2013, local government employers contributed 14.00% of covered payroll (18.10% for public safety and law enforcement). Each year the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for the funding of the postemployment health care benefits. The portion of employer contributions allocated to fund post-employment healthcare for members in the Traditional and Combined Plans for 2013 was 1.00%.

CITY OF GAHANNA

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

NOTE 10 - POSTRETIREMENT BENEFIT PLANS *(continued)*

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.

The City's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2013, 2012, and 2011 were \$63,926, \$258,858, and \$263,707, respectively; which represent 100% of the required obligations for 2013, 2012 and 2011.

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

B. Ohio Police and Fire Pension Fund

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

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

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

OP&F issues a publicly available financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by writing to the OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy - The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F (defined benefit pension plan). Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.50% of covered payroll for police and 24 % if the City had firefighters. The Ohio Revised Code states that the employer contribution may not exceed these percentages for police and fire employer units. 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 Internal Revenue Code Section 115 trust and one for Medicare Part B reimbursements administered as an Internal Revenue Code Section 401(h) account, both of which are within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OP&F Board of Trustees.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan into the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. From January 1, 2013 to May31, 2013, 4.69% of the employer contributions were allocated to health care and 2.85% thereafter. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that the pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

CITY OF GAHANNA

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

NOTE 10 - POSTRETIREMENT BENEFIT PLANS *(continued)*

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

The City's contributions to OP&F which were allocated to fund post-employment healthcare benefits for police officers for December 31, 2013, 2012 and 2011 were \$165,918, \$316,347, and \$304,221; which represent 100% of the required obligations for 2013, 2012 and 2011.

NOTE 11 – EMPLOYEE BENEFITS

A. Compensated Absences

Vacation leave is earned bi-weekly at a rate which varies depending upon negotiated agreements or employment ordinances, length of service and standard work week. Current policy allows the unused balance to be accumulated at levels which depend upon negotiated agreements and employment ordinances. City employees are paid for earned, unused vacation leave at the time of termination of employment.

Sick leave is earned bi-weekly at variable rates based on negotiated agreements or employment ordinances based on years of service worked and can be accumulated without limit. Each employee with the City is paid, according to contract or ordinance, a portion of their earned unused sick leave upon termination from the City. In lieu of payment, an employee may elect to transfer the full balance or a portion of earned unused sick leave to another governmental agency. In the event that an employee dies as the result of injuries sustained on the job, his or her estate will be paid the total allowable amount of all earned unused sick leave.

City employees working in excess of designated work hours are entitled to either overtime pay or compensatory time according to the Fair Labor Standards Act. Employees may elect to receive compensatory time in lieu of overtime pay. Current policy allows accumulation of compensatory time to levels established by negotiated agreements or employment ordinances and there are no timing restrictions on when accumulated compensatory time must be used. City employees are paid for earned, unused compensatory leave at the time of termination of employment.

All termination benefits are paid from the General Fund. Leave usage is paid from the same fund as the employee's regular wages.

B. Deferred Compensation Plan

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

C. Health Care Benefits

The City provides health care benefits through the Central Ohio Health Care Consortium (the "Pool"), a risk-sharing pool that provides basic hospital, surgical and prescription drug coverage. See Note 17 for further information. Dental, vision, and life insurance coverage is provided by Delta Dental, Vision Service Plan, and Cigna Insurance Company, respectively. For those employees covered under the labor contract with United Steel, Paper, Forestry, Rubber, Manufacturing, Energy, Allied Industrial and

CITY OF GAHANNA

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

NOTE 11 – EMPLOYEE BENEFITS *(continued)*

Service Workers International (USW), the City provides health care, dental, and vision insurance coverage through the Steelworker Health and Welfare Plan. Life insurance for employees covered under the labor contract with USW is provided by the Cigna Insurance Company.

NOTE 12 – LEASE RECEIVABLE

City-owned land is leased to Emerald Light. The lease period is for twenty-eight years. At the conclusion of the lease period, the company may purchase the leased properties for \$100. The City has classified these agreements as capital leases. The lease payments to the City are paid into a Special Revenue Fund rent receipts. On a full accrual basis, the amount of the receivable that has been earned is recorded as rental revenue and the unearned portion has been recorded as a deferred inflow of resources.

The following is a schedule of the future long-term lease receivable as of December 31, 2013.

<u>Year Ending December 31,</u>	<u>Amount</u>
2014	<u>2,394</u>
Total Lease Receivable	<u><u>\$2,394</u></u>

CITY OF GAHANNA

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

NOTE 13 – OUTSTANDING DEBT AND OTHER LONG-TERM OBLIGATIONS

A. Bonded Debt And Other Long-Term Obligations

Bonded debt and other long-term obligations payable activity for fiscal year 2013 follows:

Types / Issues	Balance 12/31/2012	Issued	Retired	Balance 12/31/2013	Due Within One Year
<u>Governmental activities:</u>					
<u>General obligation bonds</u>					
2005 - Creekside Phase II and Morrison Road					
Serial Bonds 3.25% to 5.0%	\$ 7,524,852	\$ -	\$ (5,594,552)	\$ 1,930,300	\$ 455,900
Term Bonds 4.25%	3,185,000	-	(3,185,000)	-	-
Premium on Bonds Issued	239,194	-	(47,839)	191,355	-
2007 - Various Purpose					
Serial Bonds 3.76% to 4.6%	7,241,568	-	(351,492)	6,890,076	365,777
Premium on Bonds Issued	155,992	-	(10,758)	145,234	-
2013 - Refunding Bonds					
Serial Bonds 2% to 3%	-	4,295,700	(189,150)	4,106,550	72,750
Term Bonds 3.5% to 4%	-	4,499,600	-	4,499,600	-
Premium on Bonds Issued	-	772,683	(22,077)	750,606	-
Total general obligations bonds	<u>18,346,606</u>	<u>9,567,983</u>	<u>(9,400,868)</u>	<u>18,513,721</u>	<u>894,427</u>
<u>Other long-term obligations</u>					
2006 - OPWC Loan 0% (CC13G)	430,711	-	(95,714)	334,997	95,714
2009 - OPWC Loan 0% (CC02L)	932,688	-	(51,816)	880,872	51,816
2011 - OPWC Loan 0% (CC16M)	698,368	-	(36,756)	661,612	36,756
Lease Purchase Agreement	521,428	-	(104,286)	417,142	104,286
SIB Loan 3%	4,404,269	206,769	(1,211,596)	3,399,442	1,329,261
Capital Lease	-	9,287	(1,060)	8,227	3,095
Compensated absences payable	2,203,468	1,112,131	(1,212,625)	2,102,974	747,492
Total other long-term obligations	<u>9,190,932</u>	<u>1,328,187</u>	<u>(2,713,853)</u>	<u>7,805,266</u>	<u>2,368,420</u>
Total governmental activities	<u>\$ 27,537,538</u>	<u>\$ 10,896,170</u>	<u>\$ (12,114,721)</u>	<u>\$ 26,318,987</u>	<u>\$ 3,262,847</u>

CITY OF GAHANNA

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

NOTE 13 – OUTSTANDING DEBT AND OTHER LONG-TERM OBLIGATIONS *(continued)*

Types / Issues	Balance 12/31/2012	Issued	Retired	Balance 12/31/2013	Due Within One Year
<u>Business-type activities:</u>					
<u>General obligation bonds</u>					
Water fund					
2007 - Various Purpose					
Serial Bonds 3.76% to 4.6%	\$ 284,216	\$ -	\$ (11,754)	\$ 272,462	\$ 14,612
Premium on Bonds Issued	5,859	-	(404)	5,455	-
Sewer fund					
2007 - Various Purpose					
Serial Bonds 3.76% to 4.6%	284,217	-	(11,755)	272,462	14,612
Premium on Bonds Issued	5,858	-	(404)	5,454	-
Storm water fund					
2005 - Creekside Phase II and Morrison Road					
Serial Bonds 3.25% to 5.0%	220,147	-	(160,447)	59,700	14,100
2007 - Various Purpose					
Serial Bonds 3.76% to 4.6%	1,630,000	-	(80,000)	1,550,000	80,000
Premium on Bonds Issued	33,656	-	(2,321)	31,335	-
2013 - Refunding Bonds					
Serial Bonds 2% to 3%	-	114,300	(5,850)	108,450	2,250
Term Bonds 3.5% to 4%	-	65,400	-	65,400	-
Premium on Bonds Issued	-	15,033	(430)	14,603	-
Total General Obligations Bonds	<u>2,463,953</u>	<u>194,733</u>	<u>(273,365)</u>	<u>2,385,321</u>	<u>125,574</u>
<u>Other long-term obligations</u>					
1996 - OPWC Loan 3.5 %	12,349	-	(12,349)	-	-
Compensated absences payable	56,085	184,750	(173,086)	67,749	62,759
Total other long-term obligations	<u>68,434</u>	<u>184,750</u>	<u>(185,435)</u>	<u>67,749</u>	<u>62,759</u>
Total business-type activities	<u>\$ 2,532,387</u>	<u>\$ 379,483</u>	<u>\$ (458,800)</u>	<u>\$ 2,453,070</u>	<u>\$ 188,333</u>

The City's overall voted legal debt margin (the ability to issue additional amounts of general obligation debt) was \$78,371,122, with an unvoted debt margin of \$49,533,342 at December 31, 2013.

CITY OF GAHANNA

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

NOTE 13 – OUTSTANDING DEBT AND OTHER LONG-TERM OBLIGATIONS *(continued)*

Annual debt service requirements to maturity for Governmental Activities long-term obligations are:

Year Ending December 31,	Government-Type Activities							
	Serial Bonds		Term Bonds		OPWC Loan	Lease Purchase	SIB Loan	
	Principal	Interest	Principal	Interest	Principal	Principal	Principal	Interest
2014	\$ 894,427	\$ 670,982	\$ -	\$ -	\$ 184,286	\$ 104,286	\$ 1,329,262	\$ 98,279
2015	918,977	636,885	-	-	184,286	104,286	1,369,469	59,931
2016	951,658	601,818	-	-	184,286	104,286	700,443	18,781
2017	1,004,039	559,335	-	-	136,429	104,284	268	2,101
2018	1,051,570	514,554	-	-	88,572	-	-	-
2019-2023	5,058,784	1,875,908	674,150	188,495	442,861	-	-	-
2024-2028	3,047,471	375,257	2,570,450	486,979	442,861	-	-	-
2029-2031	-	-	1,255,000	66,150	213,900	-	-	-
Totals	\$ 12,926,926	\$ 5,234,739	\$ 4,499,600	\$ 741,624	\$ 1,877,481	\$ 417,142	\$ 3,399,442	\$ 179,092

Annual debt service requirements to maturity for Business-type Activities long term obligations are:

Year Ending December 31,	Business-Type Activities					
	Water General Obligation Bonds		Sewer General Obligation Bonds		Stormwater General Obligation Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2014	\$ 14,612	\$ 12,946	\$ 14,612	\$ 12,946	\$ 96,350	\$ 84,288
2015	14,611	12,325	14,611	12,325	101,800	80,314
2016	15,471	11,704	15,471	11,704	107,400	76,111
2017	16,331	11,047	16,331	11,047	113,300	71,484
2018	17,190	10,353	17,190	10,353	114,050	66,603
2019-2023	97,983	39,146	97,983	39,146	651,100	256,455
2024-2028	96,264	12,334	96,264	12,334	599,550	80,122
Totals	\$ 272,462	\$ 109,855	\$ 272,462	\$ 109,855	\$ 1,783,550	\$ 715,377

The 2013 term bonds maturing on December 1, 2027 in the amount of \$3,310,000 are subject to mandatory sinking fund redemption at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the date of redemption, on December 1 of the years and in the respective principal amounts as follows:

Year Ending December 31,	Amount
2023	\$695,000
2024	725,000
2025	760,000
2026	555,000
Total	\$2,735,000

The remaining principal amount of \$575,000 will mature at stated maturity of December 1, 2027.

CITY OF GAHANNA

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

NOTE 13 – OUTSTANDING DEBT AND OTHER LONG-TERM OBLIGATIONS *(continued)*

The 2013 term bonds maturing on December 1, 2030 in the amount of \$1,255,000 are subject to mandatory sinking fund redemption at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the date of redemption, on December 1 of the years and in the respective principal amounts as follows:

Year Ending December 31,	Amount
2029	\$620,000

The remaining principal amount of \$635,000 will mature at stated maturity of December 1, 2030.

B. General Obligation Bonds

During 2005, the City issued \$13,700,000 in general obligation bonds to provide funds for the infrastructure improvements of Morrison Road and the construction and improvements of Creekside. \$13,401,397 was issued as Governmental Activities general obligation bonds and \$298,603 was issued as Enterprise obligation bonds. All are direct obligations and pledge the full faith and credit of the City for repayment. The City obtained a financial guarantee insurance policy from Ambac Assurance Corporation (Ambac) to insure the payment of the principal and interest on the bonds when due. These bonds are 20 year serial bonds with varying amounts of principal maturing each year and a 25 year term bond. Bond payments relating to the Governmental Activities general obligation bonds are paid with property taxes from the Debt Service Fund as well as other non-income tax revenues. Bond payments relating to the Enterprise general obligation bonds are paid from revenues from the operations of the Storm Water system. The 2005 bonds maturing December 1, 2018 through December 31, 2030 were refunded during 2013.

During 2007, the City issued \$11,350,000 in general obligation bonds for various purposes including park improvements, street improvements, broadband strategic plan development, infrastructure improvements, and storm water system improvements. \$8,683,665 was issued as Governmental Activities general obligation bonds and \$2,666,335 was issued as Enterprise obligation bonds. All are direct obligations and pledge the full faith and credit of the City for repayment. The City obtained a financial guarantee insurance policy from MBIA Insurance Corporation (MBIA) to insure the payment of the principal and interest on the bonds when due. These bonds are 20 year serial bonds with varying amounts of principal maturing each year. Bond payments relating to the Governmental Activities general obligation bonds are paid with property taxes from the Debt Service Fund as well as other non-income tax revenues. Bond payments relating to the Enterprise general obligation bonds are paid from revenues from the operations of the Water, Sewer, and Storm Water systems.

During 2013, the City issued \$8,975,000 of various purpose refunding bonds to advance refund a portion of the bonds issued during 2005. The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old bonds of \$1,133,621. This is reported as a deferred outflow on the Entity-wide and Proprietary Statement of Net Position and is being amortized as interest and fiscal charges on a straight line basis through 2030. The bond proceeds were deposited in an irrevocable trust with an escrow agent and invested in obligations guaranteed as to both principal and interest by the United States Government. The principal and interest earned by the trust will be used to pay the principal and interest of the refunded bonds. The City completed the advance refunding to reduce debt service payments by \$1,059,470 over the life of the bonds and to obtain an economic gain of \$889,496. As of December 31, 2013 the refunded bonds have an outstanding balance of \$8,485,000, not included in the City's outstanding debt since the City has in-substance satisfied its obligations through the advance refunding.

CITY OF GAHANNA

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

NOTE 13 – OUTSTANDING DEBT AND OTHER LONG-TERM OBLIGATIONS *(continued)*

C. Ohio Public Works Commission (OPWC) Loans

The 1996 OPWC loan consists of \$181,202 borrowed from the Ohio Public Works Commission for various construction projects within the City. The 20 year loan is payable from gross revenues of the Sewer Enterprise Fund.

The 2006 OPWC Loan consists of \$957,137 borrowed from the Ohio Public Works Commission for the widening of Hamilton Road. The 10 year loan is payable with property taxes from the Debt Service Fund and transfers from the General Fund.

The 2009 OPWC Loan consists of \$1,036,320 borrowed from the Ohio Public Works Commission for U.S. Route 62 roadway improvements. The 20 year loan will be paid with property taxes from the Debt Service Fund and transfers from the General Fund.

The 2012 OPWC loan consists of \$735,124 borrowed from the Ohio Public Works Commission for U.S. 62 and Stygler Road improvements. The 20 year loan will be paid with property taxes from the Debt Service Fund and transfers from the General Fund.

D. Lease Purchase Agreement

During 2011, the City entered into a lease purchase agreement with the Gahanna Community Improvement Corporation (the CIC) to acquire land. The lease is interest free and the City agrees to make annual payments of \$104,286 for a period of seven years to the CIC beginning March 27, 2011. The CIC shall sell and convey the land on or before the eighth year anniversary and shall deliver said deed to the City at the time of closing. The lease will be paid with payments in lieu of taxes from the Tax Increment Equivalent Fund.

E. State Infrastructure Bank (SIB) Loan

During 2011, the City entered into a State Infrastructure Bank (SIB) Loan to assist with the construction of an overpass related to Tech Center Drive. The overpass is owned by the State of Ohio as it passes over Interstate 270. The proceeds of the loan totaled \$5,021,248 with an additional \$206,769 in proceeds for 2013 with an annual interest rate of 3% and final maturity of January 15, 2016. The City has received a pledge of Federal Surface Transportation Program grant funds from the Mid Ohio Regional Planning Commission (MORPC) to pay a significant portion of the loan. MORPC has pledged \$5,226,017 for payment of loan principal and \$252,469 for payment of 80% of the interest. The amount pledged represents approximately 6.3% of MORPC Federal Surface Transportation projected grant revenues from State Fiscal Year 2013 to 2016 projected to be \$86,216,049. During 2013 the City received \$1,309,840 from MORPC, \$1,211,360 and \$98,480 was used to pay the SIB loan principal and interest due respectively.

F. Capital Lease

During 2013, the City entered into a capital lease for a microfilm reader. The lease meets the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, *Accounting for Leases*, which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee.

The microfilm reader has been capitalized in the amount of \$9,287 on the Statement of Net Position which represents the present value of minimum lease payments at the time of acquisition. A corresponding long term liability was reported on the Statement of Net Position. The following is a schedule of future minimum lease payments which are equivalent to the present value of minimum lease payments:

CITY OF GAHANNA

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

NOTE 13 – OUTSTANDING DEBT AND OTHER LONG-TERM OBLIGATIONS *(continued)*

Fiscal Year Ending December 31,	Capital Lease Obligation
2014	\$ 3,095
2015	3,095
2016	<u>2,037</u>
Present Value of Minimum Lease Payments	<u>\$ 8,227</u>

NOTE 14 – CONSTRUCTION COMMITMENTS

The City has entered into various contracts for the construction and acquisition of capital assets. At December 31, 2013, the significant outstanding construction commitments were:

Project	Contract Amount	Amount Completed	Balance 12/31/2013
Trails Projects	\$ 62,077	\$ 20,900	\$ 41,177
Creekside Improvements	105,000	74,043	30,957
Hamilton Road Central Local	924,071	807,392	116,679
Truck Wash Facility	48,725	14,593	34,132
Manhole Sewer Relining	100,000	22,750	77,250
Fiber Extension	169,818	130,348	39,470
Flyght Pump Farmcreek	55,000	-	55,000
Taylor Rd Booster Station	165,195	8,260	156,935
	<u>\$ 1,629,886</u>	<u>\$ 1,078,286</u>	<u>\$ 551,600</u>

NOTE 15 – RISK MANAGEMENT

A. Property and Liability

The City maintains comprehensive insurance coverage with private carriers for real property, building contents, vehicles, general liability insurance and police professional liability insurance. The City also carries public official's liability insurance. Settlements have not exceeded coverage in any of the last three years. There has not been a significant reduction in coverage from the prior year.

B. Workers' Compensation

During 2011, the City was approved for self-insured status by the Ohio Bureau of Workers' Compensation and administers its own worker's compensation program. The City has established an employee benefits self-insurance internal service fund to account for assets set aside for claim settlements and related liabilities associated with the program. Liabilities of the fund are reported when an employee injury has occurred, it is probably that a claim will be filed under the program and the amount of the claim can be reasonably estimated. For 2012 and 2013 there were no transactions that met this criteria as a result the beginning and ending liability amount for both years is \$0. The City utilizes the services of a third party administrator to review, process, and pay employee claims.

CITY OF GAHANNA

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

NOTE 16 – INTERFUND TRANSFERS

Transfers made during the year ended December 31, 2013, were as follows:

		Transfers To				
		General	Capital Improvement	Nonmajor Governmental	Storm Water	Total
Transfers From	General	\$ -	\$ 1,004,000	\$ 629,200	\$ 20,000	\$ 1,653,200
	Tax Increment Equivalent	110,891	-	1,053,547	-	1,164,438
	Nonmajor Governmental	-	-	509,884	-	509,884
	Water	-	-	1,998	-	1,998
	Sewer	-	-	1,997	-	1,997
	Storm Water	-	-	9,634	-	9,634
	Total	\$ 110,891	\$ 1,004,000	\$ 2,206,260	\$ 20,000	\$ 3,341,151

Transfers were made to move unrestricted balances to support programs and projects accounted for in other funds. The transfers from the General and Nonmajor Governmental Funds to the Bond Retirement Fund (a Nonmajor Governmental Fund) were made to service annual debt payments.

NOTE 17 – SHARED RISK POOL

On January 1, 1992, the City joined the Central Ohio Health Care Consortium (the "Pool"), a risk-sharing pool, which provides employee health care benefits for all full-time employees who wish to participate in the Pool. The Pool, which commenced business on January 1, 1992, has ten members consisting of various cities, villages and townships who pool risk for basic hospital, surgical and prescription drug coverage. The members originally entered into an irrevocable agreement to remain members of the Pool for a minimum of three years. This agreement was renewed for an additional three years on January 1, 2013. The Pool is governed by a Board of Directors consisting of one director appointed by each member. The Board elects a Chairman, a Vice Chairman, a Treasurer and a Secretary. The Board is responsible for its own financial matters and the Pool maintains its own books of account. Budgeting and financing of the Pool is subject to the approval of the Board. The City has no explicit and measurable equity interest in the Pool. The City has no ongoing financial responsibility other than the three year minimum membership. The City pays monthly contributions to the Pool, which are used to cover claims and administrative costs, purchase excess loss insurance for the Pool and establish adequate reserves.

Each member's contribution rate is established based on the number of employees and officers enrolled in the plan and the prior loss experience of the respective member group. In total, the members' contributions represent 110% of the projected pool costs to allow for adequate funding to establish and maintain an excess reserve for future operational needs. The Pool also entered into an agreement with an independent plan supervisor to oversee the day to day operations of the Pool, such as administration and approval of submitted claims, the payment of operating expenses incurred by the Pool and the preparation of a monthly activity report which is presented to the Board. The funds held by the Pool are maintained in a bank trust account established for the sole purpose and benefit of the Pool operations. Financial information for the Pool can be obtained from Jennifer Teal, Treasurer of the Central Ohio Health Care Consortium, 200 South Hamilton Rd, Gahanna, Ohio 43230. The City's payment to the Pool for insurance coverage was \$1,723,905 during 2013.

CITY OF GAHANNA

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

NOTE 17 – SHARED RISK POOL *(continued)*

The Pool has entered into an agreement for individual and aggregate excess loss coverage with a commercial insurance carrier. The individual excess loss coverage has been structured to indemnify the Pool for medical claims paid for an individual in excess of \$175,000 with an unlimited individual lifetime maximum. The aggregate excess loss coverage has been structured to indemnify the Pool for aggregate claims paid in excess of \$12,000,255 to a maximum of \$1,000,000 annually. In the event that the losses of the Pool in any year exceeds amounts paid to the Pool, together with all stop-loss, reinsurance and other coverage then in effect, then the payment of all uncovered losses shall revert to and be the sole obligation of the political subdivision against which the claim was made. No such loss has occurred in the past five years. In the event that an entity should withdraw from the plan, the withdrawing member is required to either reimburse the Pool for claims paid on its behalf or the member must pay the claims directly.

NOTE 18 – UNDIVIDED INTEREST

On February 21, 1996, a contract was entered into between the Gahanna Jefferson Public School District (the "District") and the City of Gahanna to construct and operate a vehicle maintenance facility and fueling station. During 2012, the City completed the demolition of the fuel station. Based on the terms of the agreement, the entities equally bear the cost related to the construction and maintenance of the facility. In addition, the City received a credit of \$93,980 on the construction and maintenance of this facility, representing the fair value of the 4.699 acres of land that the City deeded to the District for this project. The City's undivided interest in this facility is being shown as a capital asset in the Government-wide Financial Statements.

NOTE 19 – JOINTLY GOVERNED ORGANIZATIONS

In 1971, 38 municipalities joined together to organize a Regional Council of Governments (RCOG) under the authority of Chapter 167 of the Ohio Revised Code to administer tax collection and enforcement concerns facing the Cities and Villages. The purpose of the RCOG is to foster cooperation between the municipalities through sharing facilities for their common benefit. This includes the establishment of a central collection facility for the purpose of administering the income tax laws of the various municipal corporations who are members of the RCOG and for the purpose of collecting income taxes on behalf of each member municipality, doing all things allowed by law to accomplish such purpose. The first official act of the RCOG was to form the Regional Income Tax Agency (RITA). Today RITA serves as the income tax collection agency for 214 municipalities throughout the State of Ohio. During 2013, the City paid \$362,845, in income tax collection fees to RITA.

NOTE 20 – CONTINGENT LIABILITIES

A. Litigation

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

B. Federal And State Grants

For the period January 1, 2013 to December 31, 2013, the City received Federal and State grants for specific purposes that are subject to review and audit by the grantor agencies or their designees. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the City believes such disallowance, if any, would be immaterial.

CITY OF GAHANNA

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

NOTE 21 – FUND BALANCE

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 resources in the Governmental Funds. The constraints placed on fund balance for the Major Governmental Funds and all Other Governmental Funds are presented below:

Fund balance	General	Tax Increment Equivalent	Capital Improvement	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable					
Materials & Supplies Inventory	\$ 220,407	\$ -	\$ -	\$ -	\$ 220,407
Prepays	100,389	-	-	2,164	102,553
Unclaimed Monies	<u>30,349</u>	-	-	-	<u>30,349</u>
Total Nonspendable	<u>351,145</u>	<u>-</u>	<u>-</u>	<u>2,164</u>	<u>353,309</u>
Restricted					
Debt Service	-	-	-	1,240,353	1,240,353
Capital Improvements	-	-	4,151,768	-	4,151,768
General Government	-	-	-	1,324,924	1,324,924
Security of Persons & Property	-	-	-	1,213,905	1,213,905
Community Environment	-	2,337,837	-	-	2,337,837
Transportation	-	-	-	<u>1,515,449</u>	<u>1,515,449</u>
Total Restricted	<u>-</u>	<u>2,337,837</u>	<u>4,151,768</u>	<u>5,294,631</u>	<u>11,784,236</u>
Committed					
Capital Improvements	-	-	-	308,421	308,421
General Government	3,266	-	-	294,102	297,368
Sick/Vacation Leave	1,187,426	-	-	-	1,187,426
Leisure Time Activities	-	-	-	10,796	10,796
Transportation	-	-	-	<u>23,527</u>	<u>23,527</u>
Total Committed	<u>1,190,692</u>	<u>-</u>	<u>-</u>	<u>636,846</u>	<u>1,827,538</u>
Assigned					
Capital Improvements	1,093,807	-	-	246	1,094,053
Subsequent Year Appropriations	810,800	-	-	-	810,800
General Government	303,261	-	-	-	303,261
Security of Persons & Property	206,894	-	-	-	206,894
Community Environment	549,122	-	-	-	549,122
Leisure Time Activities	214,683	-	-	-	214,683
Transportation	<u>135,871</u>	-	-	-	<u>135,871</u>
Total Assigned	<u>3,314,438</u>	<u>-</u>	<u>-</u>	<u>246</u>	<u>3,314,684</u>
Unassigned	<u>15,203,690</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,203,690</u>
Total Fund Balances	<u>\$ 20,059,965</u>	<u>\$ 2,337,837</u>	<u>\$ 4,151,768</u>	<u>\$ 5,933,887</u>	<u>\$ 32,483,457</u>

CITY OF GAHANNA

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

NOTE 22 – OTHER COMMITMENTS

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

<u>Fund</u>	<u>Year-End Encumbrances</u>
General Fund	\$ 2,503,638
Tax Increment Equivalent	36,199
Capital Improvement	1,875,600
Other Governmental	<u>477,924</u>
Total	<u>\$ 4,893,361</u>

NOTE 23 – CORRECTION OF A MISSTATEMENT

During 2011, the City entered into a State Infrastructure Bank (SIB) loan with the State of Ohio. MORPC pledged future revenues for the purpose of paying the principal and 80% of the interest on the City's loan (see Note 13E for more details). In 2012, it was determined the full amount pledged was appropriated by the State and there were no associated timing or eligibility restrictions and as such the amount was reported in accordance with GASB 33 as a receivable. In 2013 it was determined that GASB 48 was the appropriate GASB standard to apply and as such the amount should not have been reported as a receivable rather revenue should be recognized when MORPC is obligated to make the debt payments. This has resulted in a restatement for the Governmental-type Activities as follows:

	<u>Governmental Activities</u>
Net position, as previously reported	102,846,260
Effect of change in accounting related to pledged revenue	(4,467,669)
Net position, as restated	<u><u>98,378,591</u></u>



SUPPLEMENTAL DATA

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CITY OF GAHANNA

NONMAJOR GOVERNMENTAL FUND DESCRIPTIONS

SPECIAL REVENUE FUNDS

Special revenue funds are maintained to account for resources that are restricted or committed to expenditure for specific purposes other than debt service or capital projects. The following describes the City's nonmajor special revenue funds.

Street Fund

The Street Fund receives a proportionate share of the State's Motor Vehicle Fuel Tax and the City's Permissive Motor Vehicle License Tax revenues restricted to expenditures for constructing, improving and maintaining public roads, highways, streets and maintenance and repair of bridges under Ohio Revised Code Chapter 5735 and 4504.

State Highway Fund

The State Highway Fund receives a portion of Franklin County's proportionate share of the State's Motor Vehicle Fuel Tax revenues and these funds are restricted to expenditures for constructing, improving and maintaining state highways and maintenance and repair of bridges within the City under Ohio Revised Code Chapter 5735.

Law Enforcement Trust Fund

The Law Enforcement Trust Fund receives a proportionate share of cash or proceeds resulting from the sale of contraband property seized or forfeited under the Contraband Seizure Forfeiture Act. Resources received by the fund are restricted for law enforcement purposes as defined by Ohio Revised Code Section 2981.13.

Enforcement & Education

The Enforcement & Education Fund receives a proportionate share of fines collected for motor vehicle infractions within the City of Gahanna. Resources received by the fund are restricted for law enforcement and law enforcement educational purposes as defined by City of Gahanna Code, section 133.092.

Parks & Recreation Donation

The Parks & Recreation Donation Fund receives cash and donations for use in programs for special needs of children in the community and is committed for this purpose under City of Gahanna Code, section 133.095.

Permanent Improvement

In 1978 the City established the Industrial Zone (TIZ) by purchasing 103 acres of land in the southwest area of town to spur business development and job creation in the community. Developable lots were leased through the City's Community Urban Redevelopment Corporation to individual businesses for a term of 30 years. Lease payments received are restricted under City of Gahanna Code, section 133.04 for permanent improvements, including debt payments for such improvements and maintenance and operating costs for public property not included within the TIZ.

Court

The Court Fund receives a proportionate share of cash or proceeds from cases heard in the Municipal Mayors Court and is restricted for court computer expenditures under City of Gahanna Code, section 133.093 and Auditor of State Bulletin 97-019.

CITY OF GAHANNA

NONMAJOR GOVERNMENTAL FUND DESCRIPTIONS

County Permissive

The County Permissive Fund receives a proportionate share of the County's Permissive Motor Vehicle License Tax revenues restricted to expenditures for planning, constructing, improving maintaining and repairing public roads, highways, streets, and for the maintaining and repair of bridges and viaducts under Ohio Revised Code Chapter 4504.

Cul-De-Sac Maintenance

The Cul-De-Sac Maintenance Fund receives fees from developers who plan to install cul-de-sac streets in their developments. The funds received are committed for equipment capable of repairing cul-de-sacs under City of Gahanna code section 905.03.

Federal Law Enforcement Seizure

The Federal Law Enforcement Seizure Fund receives a proportionate share of cash or proceeds from property seized or forfeited under the United States Department of Justice Asset Forfeiture Program and is restricted for law enforcement expenditures defined under CFDA (Catalog of Federal Domestic Assistance) 16.922.

Right of Way

The Right of Way Fund receives permit fee payments from citizens or businesses to construct and/or complete minor maintenance in the rights of way, as well as, annual maintenance fee payments based on miles of right of way being utilized. Revenues received are committed by City of Gahanna Code, section 931 for costs associated with the administration of said code.

FEMA

The FEMA fund receives reimbursement from the Federal Emergency Management Agency for costs incurred by the City for a declared emergency. The type of cost reimbursable is restricted under CFDA 97.036.

Police Pension Fund

The Police Pension Fund receives property tax revenue from a police pension property tax levy and is restricted for paying a share of the City's police pension obligation under Ohio Revised Code Chapter 5705.

Public Landscape Trust

The Public Landscape Trust fund receives donations, bequests and other funds for the specific purpose of constructing or materially improving public landscape areas and is committed for this purpose under City of Gahanna Code, section 133.098.

CAPITAL PROJECTS FUNDS

Capital Projects funds are maintained to account for resources that are restricted, committed or assigned for capital outlays, which includes the acquisition, construction or improvement of City capital assets. The following describes the City's nonmajor capital projects funds.

Park Improvement & Acquisition

The Park Improvement & Acquisition Fund was created for the improvement or acquisition of land for parks, recreational facilities, playgrounds, trails wetlands or development of existing park and playground sites.

CITY OF GAHANNA

NONMAJOR GOVERNMENTAL FUND DESCRIPTIONS

Park

The Park Fund receives fees from developers of platted residential subdivisions prior to the issuance of building permits pursuant to City of Gahanna Code, section 1109.08(k). Payments are committed for cost associated with improvement of recreational facilities within existing publicly owned and operated park facilities and the purchase of recreational equipment.

Park In-Lieu of Fees

The Park In-Lieu of Fees Fund receives fees from developers in-lieu of mandatory land dedication provisions per the City's Subdivision Regulations when it is determined that such dedication is inappropriate or unacceptable. The funds are committed under City of Gahanna Code, section 1109.08(b)(2) for the acquisition of land for parks, recreational facilities, playgrounds, trails wetlands or development of existing park and playground sites.

Court Building Fund

The Court Building Fund receives a proportionate share of cash or proceeds from cases heard in the Gahanna Municipal Mayor's Court and is committed to expenditures for acquisition of land and/or construction or renovation of a facility to house the Mayor's Court under City of Gahanna Code, section 133.099.

DEBT SERVICE FUNDS

Debt Service funds are maintained to account for resources that are restricted for repayment of the City's debt obligations and for costs associated with the issuance of new debt. The following describes the City's nonmajor debt service funds.

General Bond Retirement Fund

The General Bond Retirement Fund receives property tax revenue from a general bond retirement property tax levy and is restricted for the repayment of principal and interest of the City's general obligation debt in accordance with Ohio Revised Code Chapter 5705. The fund also receives proceeds from the issuance of new debt a portion of which is restricted for the cost of the issuance of the debt.

Special Assessment Fund

The Special Assessment Fund was established for the purpose of receiving special assessment payments from property owners for repayment of principal and interest on special assessment debt obligations of the City and is restricted for such purpose under Ohio Revised Code Chapter 5705.

CITY OF GAHANNA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 DECEMBER 31, 2013

	SPECIAL REVENUE FUNDS					
	Street Fund	State Highway	Law Enforcement Trust	Enforcement & Education	Parks & Recreation Donation	Permanent Improvement
Assets:						
Equity in pooled cash and investments	\$ 738,293	\$ 202,975	\$ 104,720	\$ 42,118	\$ 2,980	\$ 1,127,741
Cash with fiscal agents	-	-	-	-	-	-
Receivables						
Property taxes	-	-	-	-	-	-
Capital leases	-	-	-	-	-	2,394
Due from other governments	679,175	53,342	-	125	-	-
Prepayments	2,164	-	-	-	-	-
Total assets	<u>1,419,632</u>	<u>256,317</u>	<u>104,720</u>	<u>42,243</u>	<u>2,980</u>	<u>1,130,135</u>
Liabilities:						
Accounts payable	1,915	1,411	-	-	-	-
Contracts payable	12,267	2,502	-	-	-	-
Accrued wages and benefits	13,330	-	-	-	-	-
Due to other governments	2,464	-	-	-	-	-
Due to other funds	381	-	-	-	-	-
Total Liabilities	<u>30,357</u>	<u>3,913</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources						
Property Taxes Levied for Subsequent Year	-	-	-	-	-	-
Unearned Capital Lease Revenue	-	-	-	-	-	2,394
Unavailable Property Tax Revenue	-	-	-	-	-	-
Unavailable Intergovernmental Revenue	543,539	44,070	-	-	-	-
Total Deferred Inflow of Resources	<u>543,539</u>	<u>44,070</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,394</u>
Fund Balances						
Nonspendable	2,164	-	-	-	-	-
Restricted	843,572	208,334	104,720	42,243	-	1,127,741
Committed	-	-	-	-	2,980	-
Assigned	-	-	-	-	-	-
Total fund balances	<u>845,736</u>	<u>208,334</u>	<u>104,720</u>	<u>42,243</u>	<u>2,980</u>	<u>1,127,741</u>
Total liabilities, Deferred Inflows & fund balances	<u>\$ 1,419,632</u>	<u>\$ 256,317</u>	<u>\$ 104,720</u>	<u>\$ 42,243</u>	<u>\$ 2,980</u>	<u>\$ 1,130,135</u>

CITY OF GAHANNA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 DECEMBER 31, 2013

SPECIAL REVENUE FUNDS

	<u>Court</u>	<u>County Permissive</u>	<u>Cul-De-Sac Maintenance</u>	<u>Federal Law Enforcement Seizure</u>	<u>Right Of Way</u>	<u>FEMA</u>
Assets:						
Equity in pooled cash and investments	\$ 194,002	\$ 165,285	\$ 23,527	\$ 181,296	\$ 294,102	\$ -
Cash with fiscal agents	-	443,319	-	-	-	-
Receivables						
Property taxes	-	-	-	-	-	-
Capital leases	-	-	-	-	-	-
Due from other governments	3,181	-	-	-	-	-
Prepayments	-	-	-	-	-	-
Total assets	<u>197,183</u>	<u>608,604</u>	<u>23,527</u>	<u>181,296</u>	<u>294,102</u>	<u>-</u>
Liabilities:						
Accounts payable	-	-	-	-	-	-
Contracts payable	-	-	-	-	-	-
Accrued wages and benefits	-	-	-	-	-	-
Due to other governments	-	145,061	-	-	-	-
Due to other funds	-	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>145,061</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources						
Property Taxes Levied for Subsequent Year	-	-	-	-	-	-
Unearned Capital Lease Revenue	-	-	-	-	-	-
Unavailable Property Tax Revenue	-	-	-	-	-	-
Unavailable Intergovernmental Revenue	-	-	-	-	-	-
Total Deferred Inflow of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances						
Nonspendable	-	-	-	-	-	-
Restricted	197,183	463,543	-	181,296	-	-
Committed	-	-	23,527	-	294,102	-
Assigned	-	-	-	-	-	-
Total fund balances	<u>197,183</u>	<u>463,543</u>	<u>23,527</u>	<u>181,296</u>	<u>294,102</u>	<u>-</u>
Total liabilities, Deferred Inflows & fund balances	<u>\$ 197,183</u>	<u>\$ 608,604</u>	<u>\$ 23,527</u>	<u>\$ 181,296</u>	<u>\$ 294,102</u>	<u>\$ -</u>

CITY OF GAHANNA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 DECEMBER 31, 2013

	SPECIAL REVENUE FUNDS		TOTAL NONMAJOR SPECIAL REVENUE
	Police	Public Landscape	
	<u>Pension</u>	<u>Trust</u>	
Assets:			
Equity in pooled cash and investments	\$ 885,646	\$ 7,816	3,970,501
Cash with fiscal agents	-	-	443,319
Receivables			
Property taxes	251,828	-	251,828
Capital leases	-	-	2,394
Due from other governments	16,010	-	751,833
Prepayments	-	-	2,164
Total assets	<u>1,153,484</u>	<u>7,816</u>	<u>5,422,039</u>
Liabilities:			
Accounts payable	-	-	3,326
Contracts payable	-	-	14,769
Accrued wages and benefits	-	-	13,330
Due to other governments	-	-	147,525
Due to other funds	-	-	381
Total Liabilities	<u>-</u>	<u>-</u>	<u>179,331</u>
Deferred Inflows of Resources			
Property Taxes Levied for Subsequent Year	240,760	-	240,760
Unearned Capital Lease Revenue	-	-	2,394
Unavailable Property Tax Revenue	11,068	-	11,068
Unavailable Intergovernmental Revenue	16,010	-	603,619
Total Deferred Inflow of Resources	<u>267,838</u>	<u>-</u>	<u>857,841</u>
Fund Balances			
Nonspendable	-	-	2,164
Restricted	885,646	-	4,054,278
Committed	-	7,816	328,425
Assigned	-	-	-
Total fund balances	<u>885,646</u>	<u>7,816</u>	<u>4,384,867</u>
Total liabilities, Deferred Inflows & fund balances	<u>\$ 1,153,484</u>	<u>\$ 7,816</u>	<u>\$ 5,422,039</u>

CITY OF GAHANNA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 DECEMBER 31, 2013

	CAPITAL PROJECTS FUNDS				
	Park Improvement & Acquisition	Park	Park In-Lieu Of Fees	Court Building	TOTAL NONMAJOR CAPITAL PROJECTS
Assets:					
Equity in pooled cash and investments	\$ 246	\$ 62,791	\$ 68,477	\$ 175,168	306,682
Cash with fiscal agents	-	-	-	-	-
Receivables					
Property taxes	-	-	-	-	-
Capital leases	-	-	-	-	-
Due from other governments	-	-	-	1,985	1,985
Prepayments	-	-	-	-	-
Total assets	<u>246</u>	<u>62,791</u>	<u>68,477</u>	<u>177,153</u>	<u>308,667</u>
Liabilities:					
Accounts payable	-	-	-	-	-
Contracts payable	-	-	-	-	-
Accrued wages and benefits	-	-	-	-	-
Due to other governments	-	-	-	-	-
Due to other funds	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources					
Property Taxes Levied for Subsequent Year	-	-	-	-	-
Unearned Capital Lease Revenue	-	-	-	-	-
Unavailable Property Tax Revenue	-	-	-	-	-
Unavailable Intergovernmental Revenue	-	-	-	-	-
Total Deferred Inflow of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	62,791	68,477	177,153	308,421
Assigned	246	-	-	-	246
Total fund balances	<u>246</u>	<u>62,791</u>	<u>68,477</u>	<u>177,153</u>	<u>308,667</u>
Total liabilities, Deferred Inflows & fund balances	<u>\$ 246</u>	<u>\$ 62,791</u>	<u>\$ 68,477</u>	<u>\$ 177,153</u>	<u>\$ 308,667</u>

CITY OF GAHANNA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 DECEMBER 31, 2013

	DEBT SERVICE FUNDS		TOTAL NONMAJOR DEBT SERVICE	TOTAL NONMAJOR GOVERNMENTAL FUNDS
	General Bond Retirement	Special Assessment		
Assets:				
Equity in pooled cash and investments	\$ 1,240,331	\$ 22	1,240,353	5,517,536
Cash with fiscal agents	-	-	-	443,319
Receivables				
Property taxes	242,951	-	242,951	494,779
Capital leases	-	-	-	2,394
Due from other governments	15,476	-	15,476	769,294
Prepayments	-	-	-	2,164
Total assets	1,498,758	22	1,498,780	7,229,486
Liabilities:				
Accounts payable	-	-	-	3,326
Contracts payable	-	-	-	14,769
Accrued wages and benefits	-	-	-	13,330
Due to other governments	-	-	-	147,525
Due to other funds	-	-	-	381
Total Liabilities	-	-	-	179,331
Deferred Inflows of Resources				
Property Taxes Levied for Subsequent Year	232,734	-	232,734	473,494
Unearned Capital Lease Revenue	-	-	-	2,394
Unavailable Property Tax Revenue	10,217	-	10,217	21,285
Unavailable Intergovernmental Revenue	15,476	-	15,476	619,095
Total Deferred Inflow of Resources	258,427	-	258,427	1,116,268
Fund Balances				
Nonspendable	-	-	-	2,164
Restricted	1,240,331	22	1,240,353	5,294,631
Committed	-	-	-	636,846
Assigned	-	-	-	246
Total fund balances	1,240,331	22	1,240,353	5,933,887
Total liabilities, Deferred Inflows & fund balances	\$ 1,498,758	\$ 22	\$ 1,498,780	\$ 7,229,486

CITY OF GAHANNA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013

SPECIAL REVENUE FUNDS

	Street Fund	State Highway	Law Enforcement Trust	Enforcement & Education	Parks & Recreation Donation	Permanent Improvement
Revenues:						
Property taxes	-	-	-	-	-	-
Licenses, permits and fees	-	-	-	-	-	-
Fines and forfeitures	-	-	3,688	2,113	-	-
Intergovernmental	1,619,991	110,685	-	-	-	-
Investment income	-	-	-	-	-	-
Rental income	-	-	-	-	-	9,914
Other	32,501	55	-	-	-	-
Total Revenues	1,652,492	110,740	3,688	2,113	-	9,914
Expenditures:						
Current:						
General government	-	-	-	-	-	-
Security of persons and property	-	-	11,165	-	-	-
Transportation	1,023,224	83,176	-	-	-	-
Utility services	7,595	7,005	-	-	-	-
Capital outlay	30,307	-	46,460	-	-	-
Debt service:						
Principal retirement	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total Expenditures	1,061,126	90,181	57,625	-	-	-
Excess (deficiency) of revenue over expenditures	591,366	20,559	(53,937)	2,113	-	9,914
Other Financing Sources (Uses)						
Transfers in	-	-	-	-	-	-
Transfers out	(509,884)	-	-	-	-	-
Proceeds from sale of capital assets	9,607	-	-	-	-	-
Refunding Bonds Issued	-	-	-	-	-	-
Premium on Refunding Bonds Issued	-	-	-	-	-	-
Insurance Proceeds	146	-	-	-	-	-
Payment to Refunding Bond Escrow Agent	-	-	-	-	-	-
Total other financing sources (uses)	(500,131)	-	-	-	-	-
Net Change in Fund Balance	91,235	20,559	(53,937)	2,113	-	9,914
Fund balances, January 1	754,501	187,775	158,657	40,130	2,980	1,117,827
Fund balances, December 31	<u>\$ 845,736</u>	<u>\$ 208,334</u>	<u>\$ 104,720</u>	<u>\$ 42,243</u>	<u>\$ 2,980</u>	<u>\$ 1,127,741</u>

CITY OF GAHANNA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013

SPECIAL REVENUE FUNDS

	<u>Court</u>	<u>County Permissive</u>	<u>Cul-De-Sac Maintenance</u>	<u>Federal Law Enforcement Seizure</u>	<u>Right Of Way</u>	<u>FEMA</u>
Revenues:						
Property taxes	-	-	-	-	-	-
Licenses, permits and fees	-	-	-	-	49,002	-
Fines and forfeitures	40,127	-	-	-	-	-
Intergovernmental	3,181	141,653	-	32,782	-	52,625
Investment income	-	-	-	1,126	-	-
Rental income	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total Revenues	<u>43,308</u>	<u>141,653</u>	<u>-</u>	<u>33,908</u>	<u>49,002</u>	<u>52,625</u>
Expenditures:						
Current:						
General government	15,736	-	-	-	-	69,093
Security of persons and property	-	-	-	-	-	-
Transportation	-	194,073	-	-	-	-
Utility services	-	-	-	-	-	-
Capital outlay	-	-	-	29,035	-	-
Debt service:						
Principal retirement	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total Expenditures	<u>15,736</u>	<u>194,073</u>	<u>-</u>	<u>29,035</u>	<u>-</u>	<u>69,093</u>
Excess (deficiency) of revenue over expenditures	27,572	(52,420)	-	4,873	49,002	(16,468)
Other Financing Sources (Uses)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-
Refunding Bonds Issued	-	-	-	-	-	-
Premium on Refunding Bonds Issued	-	-	-	-	-	-
Insurance Proceeds	-	-	-	-	-	-
Payment to Refunding Bond Escrow Agent	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	27,572	(52,420)	-	4,873	49,002	(16,468)
Fund balances, January 1	169,611	515,963	23,527	176,423	245,100	16,468
Fund balances, December 31	<u><u>\$ 197,183</u></u>	<u><u>\$ 463,543</u></u>	<u><u>\$ 23,527</u></u>	<u><u>\$ 181,296</u></u>	<u><u>\$ 294,102</u></u>	<u><u>\$ -</u></u>

CITY OF GAHANNA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013

	SPECIAL REVENUE FUNDS		TOTAL NONMAJOR SPECIAL REVENUE
	Police Pension	Public Landscape Trust	
Revenues:			
Property taxes	237,692	-	237,692
Licenses, permits and fees	-	-	49,002
Fines and forfeitures	-	-	45,928
Intergovernmental	31,484	-	1,992,401
Investment income	-	-	1,126
Rental income	-	-	9,914
Other	-	-	32,556
Total Revenues	<u>269,176</u>	<u>-</u>	<u>2,368,619</u>
Expenditures:			
Current:			
General government	-	-	84,829
Security of persons and property	898,376	-	909,541
Transportation	-	-	1,300,473
Utility services	-	-	14,600
Capital outlay	-	-	105,802
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Total Expenditures	<u>898,376</u>	<u>-</u>	<u>2,415,245</u>
Excess (deficiency) of revenue over expenditures	(629,200)	-	(46,626)
Other Financing Sources (Uses)			
Transfers in	629,200	-	629,200
Transfers out	-	-	(509,884)
Proceeds from sale of capital assets	-	-	9,607
Refunding Bonds Issued	-	-	-
Premium on Refunding Bonds Issued	-	-	-
Insurance Proceeds	-	-	146
Payment to Refunding Bond Escrow Agent	-	-	-
Total other financing sources (uses)	<u>629,200</u>	<u>-</u>	<u>129,069</u>
Net Change in Fund Balance	-	-	82,443
Fund balances, January 1	885,646	7,816	4,302,424
Fund balances, December 31	<u>\$ 885,646</u>	<u>\$ 7,816</u>	<u>4,384,867</u>

CITY OF GAHANNA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013

	CAPITAL PROJECTS FUNDS				TOTAL NONMAJOR CAPITAL PROJECTS
	Park Improvement & Acquisition	Park	Park In-Lieu Of Fees	Court Building	
Revenues:					
Property taxes	-	-	-	-	-
Licenses, permits and fees	-	23,500	18,497	-	41,997
Fines and forfeitures	-	-	-	23,199	23,199
Intergovernmental	-	-	-	-	-
Investment income	-	-	-	-	-
Rental income	-	-	-	-	-
Other	-	-	-	-	-
Total Revenues	-	23,500	18,497	23,199	65,196
Expenditures:					
Current:					
General government	-	-	-	-	-
Security of persons and property	-	-	-	-	-
Transportation	-	-	-	-	-
Utility services	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total Expenditures	-	-	-	-	-
Excess (deficiency) of revenue over expenditures	-	23,500	18,497	23,199	65,196
Other Financing Sources (Uses)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-
Refunding Bonds Issued	-	-	-	-	-
Premium on Refunding Bonds Issued	-	-	-	-	-
Insurance Proceeds	-	-	-	-	-
Payment to Refunding Bond Escrow Agent	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Net Change in Fund Balance	-	23,500	18,497	23,199	65,196
Fund balances, January 1	246	39,291	49,980	153,954	243,471
Fund balances, December 31	<u>\$ 246</u>	<u>\$ 62,791</u>	<u>\$ 68,477</u>	<u>\$ 177,153</u>	<u>\$ 308,667</u>

CITY OF GAHANNA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013

	DEBT SERVICE FUNDS		TOTAL NONMAJOR DEBT SERVICE	TOTAL NONMAJOR GOVERNMENTAL FUNDS
	General Bond Retirement	Special Assessment		
Revenues:				
Property taxes	238,696	-	238,696	476,388
Licenses, permits and fees	-	-	-	90,999
Fines and forfeitures	-	-	-	69,127
Intergovernmental	30,434	-	30,434	2,022,835
Investment income	-	-	-	1,126
Rental income	-	-	-	9,914
Other	3,542	-	3,542	36,098
Total Revenues	<u>272,672</u>	<u>-</u>	<u>\$ 272,672</u>	<u>2,706,487</u>
Expenditures:				
Current:				
General government	3,746	-	3,746	88,575
Security of persons and property	-	-	-	909,541
Transportation	-	-	-	1,300,473
Utility services	-	-	-	14,600
Capital outlay	-	-	-	105,802
Debt service:				
Principal retirement	1,178,716	-	1,178,716	1,178,716
Interest and fiscal charges	740,280	-	740,280	740,280
Total Expenditures	<u>1,922,742</u>	<u>-</u>	<u>1,922,742</u>	<u>4,337,987</u>
Excess (deficiency) of revenue over expenditures	(1,650,070)	-	(1,650,070)	(1,631,500)
Other Financing Sources (Uses)				
Transfers in	1,577,060	-	1,577,060	2,206,260
Transfers out	-	-	-	(509,884)
Proceeds from sale of capital assets	-	-	-	9,607
Refunding Bonds Issued	8,795,300	-	8,795,300	8,795,300
Premium on Refunding Bonds Issued	772,683	-	772,683	772,683
Insurance Proceeds	-	-	-	146
Payment to Refunding Bond Escrow Agent	(9,438,378)	-	(9,438,378)	(9,438,378)
Total other financing sources (uses)	<u>1,706,665</u>	<u>-</u>	<u>1,706,665</u>	<u>1,835,734</u>
Net Change in Fund Balance	56,595	-	56,595	204,234
Fund balances, January 1	1,183,736	22	1,183,758	5,729,653
Fund balances, December 31	<u>\$ 1,240,331</u>	<u>\$ 22</u>	<u>1,240,353</u>	<u>\$ 5,933,887</u>

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CITY OF GAHANNA

AGENCY FUND DESCRIPTIONS

AGENCY FUNDS

Agency funds are maintained by the City in a fiduciary capacity on behalf of an outside third party. The following describes the City's agency funds.

Senior Escrow

The Senior Escrow Fund accounts for payments and donations made by citizens or other third parties expended by the Senior Center for activities or programs such as, memorial plaques, craft supplies, new appliances or other items for use by the members of the Senior Center.

Veterans Memorial

The Veterans Memorial Fund accounts for donations made by citizens or other third parties to purchase engraved bricks to be placed at the Veterans Memorial Park to honor veterans.

Refuse Escrow

The City belongs to a refuse consortium agreement with other Central Ohio municipalities to provide refuse collection services to its citizens. The cost of the refuse service is collected from the citizens as a component of their water/sewage utility bill. Amounts received from the collection of utility bills are held in the refuse escrow until payment is due to the service provider.

Developers Escrow

The Developers Escrow Fund accounts for payments made by real estate developers to be held by the City Engineer to cover the cost of inspections and potential site work related to private real estate development projects in the City. Cash received by the City for these purposes is held in the escrow fund until actual inspection and/or site work is completed.

TIZ Real Estate Escrow

In 1978 the City established the Industrial Zone (TIZ) by purchasing 103 acres of land in the southwest area of town to spur business development and job creation in the community. Developable lots were leased through the City's Community Urban Redevelopment Corporation to individual businesses for a term of 30 years. The City retains ownership of the property until the lease is paid in full and the property is transferred to the business, as a result, the City is responsible for payment of the property taxes. The City invoices the lease holders for the costs of the property taxes. Payments made by the businesses are placed in the TIZ Real Estate Escrow Fund until the taxes are due.

Mayor's Court

The Gahanna Mayor's Court provides judicial services for the City of Gahanna. This fund receives and disburses all fines and fees collected. The Mayor has fiduciary responsibility for the collection and distribution of court fines and fees.

CITY OF GAHANNA
 COMBINING STATEMENT OF ASSETS LIABILITIES - AGENCY FUNDS
 DECEMBER 31, 2013

	Senior Escrow Fund	Vets Memorial Fund	Refuse Escrow Fund	Developers Escrow Fund	TIZ Real Estate Escrow Fund
Assets:					
Equity in pooled cash and investments	\$ 5,767	\$ 8,387	\$ 424,960	\$ 438,483	\$ -
Cash in segregated accounts	-	-	-	-	-
Accounts Receivable	-	-	489,185	-	-
Total assets	<u>\$ 5,767</u>	<u>\$ 8,387</u>	<u>\$ 914,145</u>	<u>\$ 438,483</u>	<u>\$ -</u>
Liabilities:					
Accounts payable	-	-	162,245	-	-
Due to other governments	-	-	-	-	-
Deposits held and due to others	5,767	8,387	751,900	438,483	-
Total Liabilities	<u>\$ 5,767</u>	<u>\$ 8,387</u>	<u>\$ 914,145</u>	<u>\$ 438,483</u>	<u>\$ -</u>

CITY OF GAHANNA
 COMBINING STATEMENT OF ASSETS LIABILITIES - AGENCY FUNDS
 DECEMBER 31, 2013

	Mayors Court Fund	Total Agency Funds
Assets:		
Equity in pooled cash and investments	\$ -	\$ 877,597
Cash in segregated accounts	62,570	62,570
Accounts Receivable	-	489,185
Total assets	\$ 62,570	\$ 1,429,352
Liabilities:		
Accounts payable	-	162,245
Due to other governments	41,506	41,506
Deposits held and due to others	21,064	1,225,601
Total Liabilities	\$ 62,570	\$ 1,429,352

CITY OF GAHANNA
 COMBINING STATEMENT OF CHANGES IN ASSETS LIABILITIES
 AGENCY FUNDS
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013

	Beginning Balance <u>January 1, 2013</u>	Additions	Deductions	Ending Balance <u>December 31, 2013</u>
Senior Escrow Fund				
Assets				
Cash and Cash Equivalents	\$ 5,820	\$ -	\$ 53	\$ 5,767
Cash in Segregated Accounts	-	-	-	-
Accounts Receivable	-	-	-	-
Total Assets	<u>\$ 5,820</u>	<u>\$ -</u>	<u>\$ 53</u>	<u>\$ 5,767</u>
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to Other Governments	-	-	-	-
Deposits Held & Due to Others	\$ 5,820	\$ -	\$ 53	\$ 5,767
Total Liabilities	<u>\$ 5,820</u>	<u>\$ -</u>	<u>\$ 53</u>	<u>\$ 5,767</u>
Vets memorial Fund				
Assets				
Cash and Cash Equivalents	\$ 9,059	\$ -	\$ 672	\$ 8,387
Cash in Segregated Accounts	-	-	-	-
Accounts Receivable	-	-	-	-
Total Assets	<u>\$ 9,059</u>	<u>\$ -</u>	<u>\$ 672</u>	<u>\$ 8,387</u>
Liabilities				
Accounts payable	\$ 368	\$ -	\$ 368	\$ -
Due to Other Governments	-	-	-	-
Deposits Held & Due to Others	8,691	-	304	8,387
Total Liabilities	<u>\$ 9,059</u>	<u>\$ -</u>	<u>\$ 672</u>	<u>\$ 8,387</u>
Refuse Escrow Fund				
Assets				
Cash and Cash Equivalents	\$ 422,990	\$ 1,970	\$ -	\$ 424,960
Cash in Segregated Accounts	-	-	-	-
Accounts Receivable	483,681	489,185	483,681	489,185
Total Assets	<u>\$ 906,671</u>	<u>\$ 491,155</u>	<u>\$ 483,681</u>	<u>\$ 914,145</u>
Liabilities				
Accounts payable	\$ 161,804	\$ 162,245	\$ 161,804	\$ 162,245
Due to Other Governments	-	-	-	-
Deposits Held & Due to Others	744,867	7,033	-	751,900
Total Liabilities	<u>\$ 906,671</u>	<u>\$ 169,278</u>	<u>\$ 161,804</u>	<u>\$ 914,145</u>

CITY OF GAHANNA
 COMBINING STATEMENT OF CHANGES IN ASSETS LIABILITIES
 AGENCY FUNDS
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013

	Beginning Balance <u>January 1, 2013</u>	Additions	Deductions	Ending Balance <u>December 31, 2013</u>
Developers Escrow Fund				
Assets				
Cash and Cash Equivalents	\$ 443,187	\$ -	\$ 4,704	\$ 438,483
Cash in Segregated Accounts	-			
Accounts Receivable	-			-
Total Assets	<u>\$ 443,187</u>	<u>\$ -</u>	<u>\$ 4,704</u>	<u>\$ 438,483</u>
Liabilities				
Accounts payable	\$ 950	\$ -	\$ 950	\$ -
Due to Other Governments	-			-
Deposits Held & Due to Others	442,237	-	3,754	438,483
Total Liabilities	<u>\$ 443,187</u>	<u>\$ -</u>	<u>\$ 4,704</u>	<u>\$ 438,483</u>
TIZ Real Estate Escrow Fund				
Assets				
Cash and Cash Equivalents	\$ 29,840	\$ 62,600	\$ 92,440	\$ -
Total Assets	<u>\$ 29,840</u>	<u>\$ 62,600</u>	<u>\$ 92,440</u>	<u>\$ -</u>
Liabilities				
Accounts payable	\$ -			\$ -
Due to Other Governments	\$ 29,840	\$ -	\$ 29,840	\$ -
Deposits Held & Due to Others	-			-
Total Liabilities	<u>\$ 29,840</u>	<u>\$ -</u>	<u>\$ 29,840</u>	<u>\$ -</u>
Mayors Court Fund				
Assets				
Cash and Cash Equivalents	\$ -			\$ -
Cash in Segregated Accounts	\$ 54,066	\$ 8,504	\$ -	\$ 62,570
Accounts Receivable	-			-
Total Assets	<u>\$ 54,066</u>	<u>\$ 8,504</u>	<u>\$ -</u>	<u>\$ 62,570</u>
Liabilities				
Accounts payable	\$ -			\$ -
Due to Other Governments	35,792	41,506	35,792	41,506
Deposits Held & Due to Others	18,274	2,790	-	21,064
Total Liabilities	<u>\$ 54,066</u>	<u>\$ 44,296</u>	<u>\$ 35,792</u>	<u>\$ 62,570</u>
Total Agency Funds				
Assets				
Cash and Cash Equivalents	\$ 910,896	\$ 64,570	\$ 97,869	\$ 877,597
Cash in Segregated Accounts	54,066	8,504	-	62,570
Accounts Receivable	483,681	489,185	483,681	489,185
Total Assets	<u>\$ 1,448,643</u>	<u>\$ 562,259</u>	<u>\$ 581,550</u>	<u>\$ 1,429,352</u>
Liabilities				
Accounts payable	\$ 163,122	\$ 162,245	\$ 163,122	\$ 162,245
Due to Other Governments	65,632	41,506	65,632	41,506
Deposits Held & Due to Others	1,219,889	9,823	4,111	1,225,601
Total Liabilities	<u>\$ 1,448,643</u>	<u>\$ 213,574</u>	<u>\$ 232,865</u>	<u>\$ 1,429,352</u>

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

	Final Budget	Actual	Variance with Final Budget Positive/(Negative)
Revenues			
Income Tax	16,000,000	16,627,553	627,553
Property Taxes	1,447,760	1,421,628	(26,132)
Other Local Taxes	404,940	408,265	3,325
Charges for Services	1,463,315	1,543,133	79,818
Licenses Permits & Fees	1,225,389	1,752,703	527,314
Fines & Forfeitures	460,100	480,307	20,207
Intergovernmental	1,873,666	1,761,255	(112,411)
Investment Income	450,000	418,928	(31,072)
Rent	42,000	39,949	(2,051)
Contributions & Donations	5,000	10	(4,990)
Other	161,095	228,596	67,501
Total Revenues	23,533,265	24,682,327	1,149,062
Expenditures			
General Government			
Council Office			
Salaries & Benefits	352,333	321,344	30,989
Contractual Services	33,016	22,412	10,604
Supplies & Materials	55,375	43,508	11,867
Capital Outlay	27,300	23,134	4,166
Total Council Office	468,024	410,398	57,626
Finance			
Salaries & Benefits	542,433	436,128	106,305
Contractual Services	882,985	763,619	119,366
Supplies & Materials	100,193	51,676	48,517
Capital Outlay	37,050	37,050	-
Total Finance	1,562,661	1,288,473	274,188
Human Resources			
Salaries & Benefits	271,265	261,574	9,691
Contractual Services	95,431	51,949	43,482
Supplies & Materials	42,519	28,452	14,067
Total Human Resources	409,215	341,975	67,240
Office of the Mayor			
Salaries & Benefits	652,142	572,743	79,399
Contractual Services	275,953	212,265	63,688
Supplies & Materials	27,767	18,621	9,146
Total Office of the Mayor	955,862	803,629	152,233
Public Service			
Salaries & Benefits	712,673	667,777	44,896
Contractual Services	639,470	541,726	97,744
Supplies & Materials	876,464	703,962	172,502
Capital Outlay	69,117	66,289	2,828
Total Public Service	2,297,724	1,979,754	317,970

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

Department of Law			
Salaries & Benefits	149,594	131,047	18,547
Contractual Services	314,686	270,338	44,348
Supplies & Materials	16,458	13,384	3,074
Total Public Service	<u>480,738</u>	<u>414,769</u>	<u>65,969</u>
Total General Government	<u>6,174,224</u>	<u>5,238,998</u>	<u>935,226</u>
Security of Persons & Property			
Office of the Mayor			
Salaries & Benefits	42,727	42,096	631
Contractual Services	51,975	46,717	5,258
Supplies & Materials	102	96	6
Total Office of the Mayor	<u>94,804</u>	<u>88,909</u>	<u>5,895</u>
Public Safety			
Salaries & Benefits	7,779,222	7,229,515	549,707
Contractual Services	428,805	389,208	39,597
Supplies & Materials	423,234	386,458	36,776
Capital Outlay	326,772	326,523	249
Total Public Safety	<u>8,958,033</u>	<u>8,331,704</u>	<u>626,329</u>
Total Security of Persons & Property	<u>9,052,837</u>	<u>8,420,613</u>	<u>632,224</u>
Public Health & Welfare			
Public Safety			
Contractual Services	220,353	217,244	3,109
Supplies & Materials	100	-	100
Total Public Safety	<u>220,453</u>	<u>217,244</u>	<u>3,209</u>
Total Public Health & Welfare	<u>220,453</u>	<u>217,244</u>	<u>3,209</u>
Transportation			
Public Service			
Salaries & Benefits	456,057	439,184	16,873
Contractual Services	19,128	11,244	7,884
Supplies & Materials	1,082,219	755,723	326,496
Capital Outlay	1,543,301	1,543,091	210
Total Public Service	<u>3,100,705</u>	<u>2,749,242</u>	<u>351,463</u>
Total Transportation	<u>3,100,705</u>	<u>2,749,242</u>	<u>351,463</u>
Community Environment			
Council Office			
Salaries & Benefits	80,412	72,251	8,161
Contractual Services	500	-	500
Supplies & Materials	6,440	4,409	2,031
Total Council Office	<u>87,352</u>	<u>76,660</u>	<u>10,692</u>
Finance			
Supplies & Materials	1,178,338	738,998	439,340
Total Finance	<u>1,178,338</u>	<u>738,998</u>	<u>439,340</u>
Information Technology			
Salaries & Benefits	467,140	358,396	108,744
Contractual Services	268,502	243,497	25,005
Supplies & Materials	357,969	273,615	84,354
Capital Outlay	66,946	65,256	1,690
Total Information Technology	<u>1,160,557</u>	<u>940,764</u>	<u>219,793</u>

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

Public Service			
Contractual Services	208,338	205,172	3,166
Supplies & Materials	108,968	88,318	20,650
Total Public Service	<u>317,306</u>	<u>293,490</u>	<u>23,816</u>
Planning & Development			
Salaries & Benefits	834,768	784,299	50,469
Contractual Services	355,466	324,904	30,562
Supplies & Materials	635,867	613,426	22,441
Capital Outlay	125,000	125,000	-
Total Planning & Development	<u>1,951,101</u>	<u>1,847,629</u>	<u>103,472</u>
Total Community Environment	<u>4,694,654</u>	<u>3,897,541</u>	<u>797,113</u>
Leisure Time Activities			
Parks & Recreation			
Salaries & Benefits	2,311,506	2,172,318	139,188
Contractual Services	492,637	443,813	48,824
Supplies & Materials	1,142,280	908,563	233,717
Capital Outlay	728,978	708,948	20,030
Total Parks & Recreation	<u>4,675,401</u>	<u>4,233,642</u>	<u>441,759</u>
Total Leisure Time Activities	<u>4,675,401</u>	<u>4,233,642</u>	<u>441,759</u>
Total Expenditures	<u>27,918,274</u>	<u>24,757,280</u>	<u>3,160,994</u>
Excess of Expenditures over Revenues	<u>(4,385,009)</u>	<u>(74,953)</u>	<u>4,310,056</u>
Other Financing Sources (uses)			
Sale of Assets	20,000	38,973	18,973
Insurance Proceeds	17,500	49,090	31,590
Transfer In	930,324	872,948	(57,376)
Transfer Out	<u>(1,723,742)</u>	<u>(1,653,200)</u>	<u>70,542</u>
Total Other Financing Sources (uses)	<u>(755,918)</u>	<u>(692,189)</u>	<u>63,729</u>
Net Change in Fund Balance	(5,140,927)	(767,142)	4,373,785
Fund balance at beginning of year	12,625,014	12,625,014	-
Prior Year Encumbrance Appropriated	<u>3,950,844</u>	<u>3,950,844</u>	<u>-</u>
Fund balance at end of year	<u><u>11,434,931</u></u>	<u><u>15,808,716</u></u>	<u><u>4,373,785</u></u>

CITY OF GAHANNA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
TAX INCREMENT EQUIVALENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

	Final Budget	Actual	Variance with Final Budget Positive/(Negative)
Revenues			
Revenue in Lieu of Taxes	1,273,420	1,435,780	162,360
Intergovernmental	9,785	23,407	13,622
Total Revenues	<u>1,283,205</u>	<u>1,459,187</u>	<u>175,982</u>
Expenditures			
Community Environment			
Finance			
Contractual Services	880,759	805,374	75,385
Supplies & Materials	5,239	-	5,239
Capital Outlay	149,265	148,322	943
Total Expenditures	<u>1,035,263</u>	<u>953,696</u>	<u>81,567</u>
Excess of Expenditures over Revenues	<u>247,942</u>	<u>505,491</u>	<u>257,549</u>
Other Financing Sources (uses)			
Transfer Out	(1,164,438)	(1,164,438)	-
Total Other Financing Sources (uses)	<u>(1,164,438)</u>	<u>(1,164,438)</u>	<u>-</u>
Net Change in Fund Balance	(916,496)	(658,947)	257,549
Fund balance at beginning of year	2,937,246	2,937,246	-
Prior Year Encumbrance Appropriated	23,341	23,341	-
Fund balance at end of year	<u><u>2,044,091</u></u>	<u><u>2,301,640</u></u>	<u><u>257,549</u></u>

CITY OF GAHANNA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL IMPROVEMENT CAPITAL PROJECTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

	Final Budget	Actual	Variance with Final Budget Positive/(Negative)
Revenues			
Other	-	243,685	243,685
Total Revenues	<u>-</u>	<u>243,685</u>	<u>243,685</u>
Expenditures			
Capital Improvement			
Finance			
Capital Outlay	4,267,652	3,596,935	670,717
Total Expenditures	<u>4,267,652</u>	<u>3,596,935</u>	<u>670,717</u>
Excess of Expenditures over Revenues	<u>(4,267,652)</u>	<u>(3,353,250)</u>	<u>914,402</u>
Other Financing Sources (uses)			
Transfer In	1,004,000	1,004,000	-
Total Other Financing Sources (uses)	<u>1,004,000</u>	<u>1,004,000</u>	<u>-</u>
Net Change in Fund Balance	(3,263,652)	(2,349,250)	914,402
Fund balance at beginning of year	3,893,968	3,893,968	-
Prior Year Encumbrance Appropriated	731,450	731,450	-
Fund balance at end of year	<u><u>1,361,766</u></u>	<u><u>2,276,168</u></u>	<u><u>914,402</u></u>

CITY OF GAHANNA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
STREET SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

	Final Budget	Actual	Variance with Final Budget Positive/(Negative)
Revenues			
Intergovernmental	1,572,000	1,579,774	7,774
Other	1,000	32,501	31,501
Total Revenues	<u>1,573,000</u>	<u>1,612,275</u>	<u>39,275</u>
Expenditures			
Transportation			
Public Service			
Salaries & Benefits	612,815	594,487	18,328
Contractual Services	146,526	141,766	4,760
Supplies & Materials	337,745	317,792	19,953
Capital Outlay	634,480	440,787	193,693
Total Expenditures	<u>1,731,566</u>	<u>1,494,832</u>	<u>236,734</u>
Excess of Expenditures over Revenues	<u>(158,566)</u>	<u>117,443</u>	<u>276,009</u>
Other Financing Sources (uses)			
Sale of Assets	500	9,607	9,107
Insurance Proceeds	-	146	146
Transfer Out	(518,810)	(509,884)	8,926
Total Other Financing Sources (uses)	<u>(518,310)</u>	<u>(500,131)</u>	<u>18,179</u>
Net Change in Fund Balance	(676,876)	(382,688)	294,188
Fund balance at beginning of year	407,196	407,196	-
Prior Year Encumbrance Appropriated	<u>274,916</u>	<u>274,916</u>	-
Fund balance at end of year	<u><u>5,236</u></u>	<u><u>299,424</u></u>	<u><u>294,188</u></u>

CITY OF GAHANNA
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 STATE HIGHWAY SPECIAL REVENUE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2013

	Final Budget	Actual	Variance with Final Budget Positive/(Negative)
Revenues			
Intergovernmental	96,836	107,632	10,796
Other	-	55	55
Total Revenues	<u>96,836</u>	<u>107,687</u>	<u>10,851</u>
Expenditures			
Transportation			
Public Service			
Salaries & Benefits	23,390	22,427	963
Contractual Services	15,058	14,374	684
Supplies & Materials	30,906	30,696	210
Capital Outlay	36,800	36,152	648
Total Expenditures	<u>106,154</u>	<u>103,649</u>	<u>2,505</u>
Net Change in Fund Balance	(9,318)	4,038	13,356
Fund balance at beginning of year	169,790	169,790	-
Prior Year Encumbrance Appropriated	17,767	17,767	-
Fund balance at end of year	<u><u>178,239</u></u>	<u><u>191,595</u></u>	<u><u>13,356</u></u>

CITY OF GAHANNA
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 LAW ENFORCEMENT TRUST SPECIAL REVENUE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2013

	Final Budget	Actual	Variance with Final Budget Positive/(Negative)
Revenues			
Fines & Forfeitures	5,000	3,688	(1,312)
Total Revenues	<u>5,000</u>	<u>3,688</u>	<u>(1,312)</u>
Expenditures			
Security of Persons & Property			
Public Safety			
Supplies & Materials	11,573	11,166	407
Capital Outlay	80,987	79,460	1,527
Total Expenditures	<u>92,560</u>	<u>90,626</u>	<u>1,934</u>
Net Change in Fund Balance	(87,560)	(86,938)	622
Fund balance at beginning of year	150,670	150,670	-
Prior Year Encumbrance Appropriated	7,988	7,988	-
Fund balance at end of year	<u><u>71,098</u></u>	<u><u>71,720</u></u>	<u><u>622</u></u>

CITY OF GAHANNA
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 ENFORCEMENT AND EDUCATION SPECIAL REVENUE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2013

	Final Budget	Actual	Variance with Final Budget Positive/(Negative)
Revenues			
Fines & Forfeitures	3,700	2,038	(1,662)
Total Revenues	<u>3,700</u>	<u>2,038</u>	<u>(1,662)</u>
Expenditures	-	-	-
Net Change in Fund Balance	3,700	2,038	(1,662)
Fund balance at beginning of year	40,080	40,080	-
Prior Year Encumbrance Appropriated	-	-	-
Fund balance at end of year	<u><u>43,780</u></u>	<u><u>42,118</u></u>	<u><u>(1,662)</u></u>

CITY OF GAHANNA
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 PARKS AND RECREATION DONATION SPECIAL REVENUE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2013

	Final Budget	Actual	Variance with Final Budget Positive/(Negative)
Total Revenues	-	-	-
Expenditures	-	-	-
Net Change in Fund Balance	-	-	-
Fund balance at beginning of year	2,980	2,980	-
Prior Year Encumbrance Appropriated	-	-	-
Fund balance at end of year	<u>2,980</u>	<u>2,980</u>	<u>-</u>

CITY OF GAHANNA
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 PERMANENT IMPROVEMENT SPECIAL REVENUE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2013

	Final Budget	Actual	Variance with Final Budget Positive/(Negative)
Revenues			
Rent	13,641	9,914	(3,727)
Total Revenues	<u>13,641</u>	<u>9,914</u>	<u>(3,727)</u>
Expenditures	-	-	-
Net Change in Fund Balance	13,641	9,914	(3,727)
Fund balance at beginning of year	1,117,827	1,117,827	-
Prior Year Encumbrance Appropriated	-	-	-
Fund balance at end of year	<u>1,131,468</u>	<u>1,127,741</u>	<u>(3,727)</u>

CITY OF GAHANNA
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 COURT COMPUTER SPECIAL REVENUE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2013

	Final Budget	Actual	Variance with Final Budget Positive/(Negative)
Revenues			
Fines & Forfeitures	34,000	40,127	6,127
Total Revenues	<u>34,000</u>	<u>40,127</u>	<u>6,127</u>
Expenditures			
General Government			
Supplies & Materials	33,019	16,782	16,237
Total Expenditures	<u>33,019</u>	<u>16,782</u>	<u>16,237</u>
Net Change in Fund Balance	981	23,345	22,364
Fund balance at beginning of year	165,667	165,667	-
Prior Year Encumbrance Appropriated	2,619	2,619	-
Fund balance at end of year	<u><u>169,267</u></u>	<u><u>191,631</u></u>	<u><u>22,364</u></u>

CITY OF GAHANNA
 SCHEUDLE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 PERMISSIVE TAX SPECIAL REVENUE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2013

	Final Budget	Actual	Variance with Final Buget Positive/(Negative)
Revenues			
Intergovernmental	57,645	102,325	44,680
Total Revenues	<u>57,645</u>	<u>102,325</u>	<u>44,680</u>
Expenditures			
Transportation			
Public Service			
Capital Outlay	166,608	166,608	-
Total Expenditures	<u>166,608</u>	<u>166,608</u>	<u>-</u>
Net Change in Fund Balance	(108,963)	(64,283)	44,680
Fund balance at beginning of year	18,001	18,001	-
Prior Year Encumbrance Appropriated	100,381	100,381	-
Fund balance at end of year	<u>9,419</u>	<u>54,099</u>	<u>44,680</u>

CITY OF GAHANNA
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 CUL-DE-SAC MAINTENANCE SPECIAL REVENUE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2013

	Final Budget	Actual	Variance with Final Budget Positive/(Negative)
Total Revenues	-	-	-
Expenditures	-	-	-
Net Change in Fund Balance	-	-	-
Fund balance at beginning of year	23,527	23,527	-
Prior Year Encumbrance Appropriated	-	-	-
Fund balance at end of year	<u>23,527</u>	<u>23,527</u>	<u>-</u>

CITY OF GAHANNA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FEDERAL LAW ENFORCEMENT SEIZURE SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

	Final Budget	Actual	Variance with Final Budget Positive/(Negative)
Revenues			
Intergovernmental	25,000	32,782	7,782
Investment Income	-	1,126	1,126
Total Revenues	<u>25,000</u>	<u>33,908</u>	<u>8,908</u>
Expenditures			
Security of Persons & Property			
Public Safety			
Supplies & Materials	15,000	-	15,000
Capital Outlay	29,200	29,035	165
Total Expenditures	<u>44,200</u>	<u>29,035</u>	<u>15,165</u>
Net Change in Fund Balance	(19,200)	4,873	24,073
Fund balance at beginning of year	171,424	171,424	-
Prior Year Encumbrance Appropriated	5,000	5,000	-
Fund balance at end of year	<u>157,224</u>	<u>181,297</u>	<u>24,073</u>

CITY OF GAHANNA
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 LAW ENFORCEMENT TRUST SPECIAL REVENUE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2013

	Final Budget	Actual	Variance with Final Budget Positive/(Negative)
	<u> </u>	<u> </u>	<u> </u>
Total Revenues	-	-	-
Expenditures	-	-	-
Net Change in Fund Balance	-	-	-
Fund balance at beginning of year	4,733	4,733	-
Prior Year Encumbrance Appropriated	-	-	-
Fund balance at end of year	<u>4,733</u>	<u>4,733</u>	<u>-</u>

CITY OF GAHANNA
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 RIGHT OF WAY SPECIAL REVENUE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2013

	Final Budget	Actual	Variance with Final Budget Positive/(Negative)
Revenues			
License Permits & Fees	25,000	49,002	24,002
Total Revenues	<u>25,000</u>	<u>49,002</u>	<u>24,002</u>
Expenditures	-	-	-
Net Change in Fund Balance	25,000	49,002	24,002
Fund balance at beginning of year	245,100	245,100	-
Prior Year Encumbrance Appropriated	-	-	-
Fund balance at end of year	<u>270,100</u>	<u>294,102</u>	<u>24,002</u>

CITY OF GAHANNA
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 FEMA SPECIAL REVENUE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2013

	Final Budget	Actual	Variance with Final Budget Positive/(Negative)
Revenues			
Intergovernmental	69,093	52,625	(16,468)
Total Revenues	<u>69,093</u>	<u>52,625</u>	<u>(16,468)</u>
Expenditures			
General Government			
Finance			
Supplies & Materials	69,093	69,093	-
Total Expenditures	<u>69,093</u>	<u>69,093</u>	<u>-</u>
Net Change in Fund Balance	-	(16,468)	(16,468)
Fund balance at beginning of year	16,468	16,468	-
Prior Year Encumbrance Appropriated	-	-	-
Fund balance at end of year	<u>16,468</u>	<u>-</u>	<u>(16,468)</u>

CITY OF GAHANNA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
POLICE PENSION SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

	Final Budget	Actual	Variance with Final Budget Positive/(Negative)
Revenues			
Property Taxes	240,248	237,692	(2,556)
Intergovernmental	30,146	31,484	1,338
Total Revenues	<u>270,394</u>	<u>269,176</u>	<u>(1,218)</u>
Expenditures			
Security of Persons & Property			
Public Safety			
Salaries & Benefits	971,000	894,501	76,499
Contractual Services	3,880	3,875	5
Supplies & Materials	3,740	-	3,740
Total Expenditures	<u>978,620</u>	<u>898,376</u>	<u>80,244</u>
Excess of Expenditures over Revenues	<u>(708,226)</u>	<u>(629,200)</u>	<u>79,026</u>
Other Financing Sources (uses)			
Transfer In	721,805	629,200	(92,605)
Total Other Financing Sources (uses)	<u>721,805</u>	<u>629,200</u>	<u>(92,605)</u>
Net Change in Fund Balance	13,579	-	(13,579)
Fund balance at beginning of year	885,646	885,646	-
Prior Year Encumbrance Appropriated	-	-	-
Fund balance at end of year	<u><u>899,225</u></u>	<u><u>885,646</u></u>	<u><u>(13,579)</u></u>

CITY OF GAHANNA
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 POLICE DUTY WEAPONS SPECIAL REVENUE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2013

	Final Budget	Actual	Variance with Final Budget Positive/(Negative)
Revenues			
Other	20,200	6,427	(13,773)
Total Revenues	<u>20,200</u>	<u>6,427</u>	<u>(13,773)</u>
Expenditures			
Security of Persons & Property			
Public Safety			
Supplies & Materials	21,801	21,801	-
Total Expenditures	<u>21,801</u>	<u>21,801</u>	<u>-</u>
Net Change in Fund Balance	(1,601)	(15,374)	(13,773)
Fund balance at beginning of year	1,408	1,408	-
Prior Year Encumbrance Appropriated	681	681	-
Fund balance at end of year	<u>488</u>	<u>(13,285)</u>	<u>(13,773)</u>

CITY OF GAHANNA
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 PUBLIC LANDSCAPE TRUST SPECIAL REVENUE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2013

	Final Budget	Actual	Variance with Final Budget Positive/(Negative)
Total Revenues	-	-	-
Expenditures	-	-	-
Net Change in Fund Balance	-	-	-
Fund balance at beginning of year	7,816	7,816	-
Prior Year Encumbrance Appropriated	-	-	-
Fund balance at end of year	<u>7,816</u>	<u>7,816</u>	<u>-</u>

CITY OF GAHANNA
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 VENDING MACHINE SPECIAL REVENUE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2013

	Final Budget	Actual	Variance with Final Budget Positive/(Negative)
Revenues			
Charges for Services	50	21	(29)
Total Revenues	<u>50</u>	<u>21</u>	<u>(29)</u>
Expenditures			
General Government			
Office of the Mayor			
Supplies & Materials	1,800	1,800	-
Total Expenditures	<u>1,800</u>	<u>1,800</u>	<u>-</u>
Net Change in Fund Balance	(1,750)	(1,779)	(29)
Fund balance at beginning of year	1,467	1,467	-
Prior Year Encumbrance Appropriated	1,800	1,800	-
Fund balance at end of year	<u><u>1,517</u></u>	<u><u>1,488</u></u>	<u><u>(29)</u></u>

CITY OF GAHANNA
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 RESERVE FOR SICK AND VACATION SPECIAL REVENUE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2013

	Final Budget	Actual	Variance with Final Budget Positive/(Negative)
Total Revenues	-	-	-
Expenditures			
General Government			
Finance			
Salaries & Benefits	335,000	311,624	23,376
Total Expenditures	335,000	311,624	23,376
Net Change in Fund Balance	(335,000)	(311,624)	23,376
Fund balance at beginning of year	1,187,426	1,187,426	-
Prior Year Encumbrance Appropriated	-	-	-
Fund balance at end of year	852,426	875,802	23,376

CITY OF GAHANNA
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 PARK IMPROVEMENT AND ACQUISITION CAPITAL PROJECTS FUND
 FOR THE YEAR ENDED DECEMBER 31, 2013

	Final Budget	Actual	Variance with Final Budget Positive/(Negative)
Total Revenues	-	-	-
Expenditures	-	-	-
Net Change in Fund Balance	-	-	-
Fund balance at beginning of year	246	246	-
Prior Year Encumbrance Appropriated	-	-	-
Fund balance at end of year	<u>246</u>	<u>246</u>	<u>-</u>

CITY OF GAHANNA
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 PARK CAPITAL PROJECTS FUND
 FOR THE YEAR ENDED DECEMBER 31, 2013

	Final Budget	Actual	Variance with Final Budget Positive/(Negative)
Revenues			
License Permits & Fees	4,000	23,500	19,500
Total Revenues	<u>4,000</u>	<u>23,500</u>	<u>19,500</u>
Expenditures	-	-	-
Net Change in Fund Balance	4,000	23,500	19,500
Fund balance at beginning of year	39,291	39,291	-
Prior Year Encumbrance Appropriated	-	-	-
Fund balance at end of year	<u><u>43,291</u></u>	<u><u>62,791</u></u>	<u><u>19,500</u></u>

CITY OF GAHANNA
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 PARK IN-LIEU OF FEES CAPITAL PROJECTS FUND
 FOR THE YEAR ENDED DECEMBER 31, 2013

	Final Budget	Actual	Variance with Final Budget Positive/(Negative)
Revenues			
License Permits & Fees	-	18,497	18,497
Total Revenues	-	18,497	18,497
Expenditures	-	-	-
Net Change in Fund Balance	-	18,497	18,497
Fund balance at beginning of year	49,980	49,980	-
Prior Year Encumbrance Appropriated	-	-	-
Fund balance at end of year	49,980	68,477	18,497

CITY OF GAHANNA
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 COURT BUILDING CAPITAL PROJECTS FUND
 FOR THE YEAR ENDED DECEMBER 31, 2013

	Final Budget	Actual	Variance with Final Budget Positive/(Negative)
Revenues			
Fines & Forfeitures	23,000	25,089	2,089
Total Revenues	<u>23,000</u>	<u>25,089</u>	<u>2,089</u>
Expenditures	-	-	-
Net Change in Fund Balance	23,000	25,089	2,089
Fund balance at beginning of year	150,079	150,079	-
Prior Year Encumbrance Appropriated	-	-	-
Fund balance at end of year	<u><u>173,079</u></u>	<u><u>175,168</u></u>	<u><u>2,089</u></u>

CITY OF GAHANNA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL BOND RETIREMENT DEBT SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

	Final Budget	Actual	Variance with Final Budget Positive/(Negative)
Revenues			
Property Taxes	232,239	238,696	6,457
Intergovernmental	29,142	30,434	1,292
Total Revenues	<u>261,381</u>	<u>269,130</u>	<u>7,749</u>
Expenditures			
General Government			
Finance			
Contractual Services	145,684	144,298	1,386
Supplies & Materials	4,000	-	4,000
Debt Service	2,082,212	2,023,417	58,795
Total Expenditures	<u>2,231,896</u>	<u>2,167,715</u>	<u>64,181</u>
Excess of Expenditures over Revenues	<u>(1,970,515)</u>	<u>(1,898,585)</u>	<u>71,930</u>
Other Financing Sources (uses)			
Sale of Assets			-
Transfer In	1,826,559	1,804,748	(21,811)
Transfer Out			-
Refunding Bonds Issued	8,975,000	8,975,000	-
Premium on Refunding Bonds Issued	-	787,716	787,716
Payment to Refunding Bond Escrow Agent	(9,618,622)	(9,618,621)	1
Total Other Financing Sources (uses)	<u>1,182,937</u>	<u>1,948,843</u>	<u>765,906</u>
Net Change in Fund Balance	(787,578)	50,258	837,836
Fund balance at beginning of year	1,183,737	1,183,737	-
Prior Year Encumbrance Appropriated	-	-	-
Fund balance at end of year	<u><u>396,159</u></u>	<u><u>1,233,995</u></u>	<u><u>837,836</u></u>

CITY OF GAHANNA
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 SPECIAL ASSESSMENT DEBT SERVICE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2013

	Final Budget	Actual	Variance with Final Budget Positive/(Negative)
Total Revenues	-	-	-
Expenditures	-	-	-
Net Change in Fund Balance	-	-	-
Fund balance at beginning of year	22	22	-
Prior Year Encumbrance Appropriated	-	-	-
Fund balance at end of year	<u>22</u>	<u>22</u>	<u>-</u>

CITY OF GAHANNA
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 WORKERS COMPENSATION INTERNAL SERVICE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2013

	Final Budget	Actual	Variance with Final Budget Positive/(Negative)
Revenues			
Charges for Services	235,917	232,006	(3,911)
Total Revenues	<u>235,917</u>	<u>232,006</u>	<u>(3,911)</u>
Expenditures			
General Government			
Human Resources			
Contractual Services	206,500	193,903	12,597
Total Expenditures	<u>206,500</u>	<u>193,903</u>	<u>12,597</u>
Net Change in Fund Balance	29,417	38,103	8,686
Fund balance at beginning of year	117,531	117,531	-
Prior Year Encumbrance Appropriated	-	-	-
Fund balance at end of year	<u>146,948</u>	<u>155,634</u>	<u>8,686</u>

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STATISTICAL SECTION



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CITY OF GAHANNA
STATISTICAL SECTION

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

<u>Contents</u>	<u>Pages</u>
Financial Trends	120-124

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity	125-133
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These schedules contain information to help the reader assess the City's most significant local revenue sources, municipal income tax and property taxes.

Debt Capacity	134-137
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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.

Demographic and Economic Information	138-139
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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.

Operating Information	140-142
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These schedules contain service 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 and basic financial statements for the relevant year.

City of Gahanna
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	2013	Restated 2012	Restated 2011	Restated 2010	Restated 2009	2008	2007	Restated 2006	Restated 2005	Restated 2004
Governmental Activities										
Net Investment in Capital Assets	\$ 63,412,334	\$ 63,455,491	\$ 68,285,441	\$ 64,354,828	\$ 61,259,010	\$ 60,042,672	\$ 57,581,230	\$ 54,932,564	\$ 50,801,490	\$ 56,231,561
Restricted	12,445,887	13,687,434	11,049,344	13,723,679	14,162,242	11,935,778	10,330,264	10,994,792	9,118,068	9,131,409
Unrestricted	24,788,995	21,235,666	17,947,623	21,249,773	21,997,293	25,220,459	29,950,475	24,721,514	23,846,176	22,649,020
Total Governmental Activities										
Net Position	<u>\$ 100,647,216</u>	<u>\$ 98,378,591</u>	<u>\$ 97,282,408</u>	<u>\$ 99,328,280</u>	<u>\$ 97,418,545</u>	<u>\$ 97,198,909</u>	<u>\$ 97,861,969</u>	<u>\$ 90,648,870</u>	<u>\$ 83,765,734</u>	<u>\$ 88,011,990</u>
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Business-Type Activities										
Net Investment in Capital Assets	\$ 48,396,696	\$ 49,068,153	\$ 49,960,158	\$ 50,158,280	\$ 49,292,971	\$ 49,865,655	\$ 49,756,999	\$ 51,247,249	\$ 50,851,467	\$ 41,052,447
Unrestricted	17,861,779	17,742,989	18,568,401	19,766,123	23,292,753	22,516,890	19,557,483	15,793,921	16,703,286	14,642,182
Total Business-Type activities										
Net Position	<u>\$ 66,258,475</u>	<u>\$ 66,811,142</u>	<u>\$ 68,528,559</u>	<u>\$ 69,924,403</u>	<u>\$ 72,585,724</u>	<u>\$ 72,382,545</u>	<u>\$ 69,314,482</u>	<u>\$ 67,041,170</u>	<u>\$ 67,554,753</u>	<u>\$ 55,694,629</u>
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Primary Government										
Net Investment in Capital Assets	\$ 111,809,030	\$ 112,523,644	\$ 118,245,599	\$ 114,513,108	\$ 110,551,981	\$ 109,908,327	\$ 107,338,229	\$ 106,179,813	\$ 101,652,957	\$ 97,284,008
Restricted	12,445,887	13,687,434	11,049,344	13,723,679	14,162,242	11,935,778	10,330,264	10,994,792	9,118,068	9,131,409
Unrestricted	42,650,774	38,978,655	36,516,024	41,015,896	45,290,046	47,737,349	49,507,958	40,515,435	40,549,462	37,291,202
Total Primary Government										
Net Position	<u>\$ 166,905,691</u>	<u>\$ 165,189,733</u>	<u>\$ 165,810,967</u>	<u>\$ 169,252,683</u>	<u>\$ 170,004,269</u>	<u>\$ 169,581,454</u>	<u>\$ 167,176,451</u>	<u>\$ 157,690,040</u>	<u>\$ 151,320,487</u>	<u>\$ 143,706,619</u>

City of Gahanna
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2013	Restated 2012	Restated 2011	Restated 2010	Restated 2009	2008	2007	Restated 2006	Restated 2005	Restated 2004
Expenses										
Governmental Activities										
General Government	\$ 4,538,713	\$ 4,456,167	\$ 4,591,521	\$ 4,959,182	\$ 4,006,381	\$ 4,417,484	\$ 3,654,789	\$ 2,885,011	\$ 3,250,453	\$ 4,023,825
Security of Persons & Property	8,994,894	9,347,802	8,553,504	8,686,610	9,082,898	8,882,162	8,519,978	8,398,282	7,402,253	6,791,784
Public Health & Welfare	216,427	206,424	215,060	195,382	195,382	181,060	174,923	184,719	157,642	154,337
Transportation	4,659,802	4,059,871	5,610,420	3,571,469	4,198,845	5,402,208	4,880,366	4,533,474	5,033,462	4,517,481
Community Environment	4,224,762	4,517,023	5,790,535	4,376,125	5,168,287	5,574,128	5,597,590	4,873,258	3,349,270	3,335,156
Leisure Time Activities	3,949,682	3,591,675	2,643,767	3,285,193	3,238,751	3,004,206	2,564,826	2,384,657	2,692,861	1,826,911
Utility Services	562,939	504,919	474,867	2,253,385	2,295,336	1,691,119	1,468,793	16,946	224,602	836,037
Interest & Fiscal Charges	761,277	928,555	1,039,207	900,076	925,503	963,467	778,936	665,994	297,839	158,877
Total Governmental Activities Expenses	<u>27,908,496</u>	<u>27,612,436</u>	<u>28,918,881</u>	<u>28,227,422</u>	<u>29,111,383</u>	<u>30,115,834</u>	<u>27,640,201</u>	<u>23,942,341</u>	<u>22,408,382</u>	<u>21,644,408</u>
Business- Type Activities										
Water	6,403,114	6,748,836	5,903,450	6,385,501	5,080,513	4,293,663	4,186,573	4,409,294	4,164,243	3,698,541
Sewer	7,337,381	7,424,007	6,676,639	7,642,442	6,343,251	5,329,467	5,523,203	5,760,998	4,394,265	4,603,883
Storm Water	886,458	963,282	821,295	811,894	611,848	1,603,400	1,294,822	680,243	496,079	-
Total Business-Type Activities Expenses	<u>14,626,953</u>	<u>15,136,125</u>	<u>13,401,384</u>	<u>14,839,837</u>	<u>12,035,612</u>	<u>11,226,530</u>	<u>11,004,598</u>	<u>10,850,535</u>	<u>9,054,587</u>	<u>8,302,424</u>
Total Primary Government Expenses	<u>\$ 42,535,449</u>	<u>\$ 42,748,561</u>	<u>\$ 42,320,265</u>	<u>\$ 43,067,259</u>	<u>\$ 41,146,995</u>	<u>\$ 41,342,364</u>	<u>\$ 38,644,799</u>	<u>\$ 34,792,876</u>	<u>\$ 31,462,969</u>	<u>\$ 29,946,832</u>
Program Revenues										
Governmental Activities										
Charges for Services										
General Government	\$ 1,944,536	\$ 799,150	\$ 1,062,848	\$ 663,857	\$ 553,735	\$ 649,653	\$ 720,829	\$ 536,924	\$ 599,581	\$ 563,172
Security of Persons & Property	207,783	354,525	154,552	178,005	545,423	151,581	156,602	47,127	327,096	71,801
Public Health & Welfare	-	-	-	-	-	-	-	-	-	-
Transportation	11,389	39,100	46,786	390,699	362,326	433,508	353,846	60,388	32,250	230,354
Community Environment	750,802	506,381	304,844	267,750	242,223	407,771	449,657	303,563	366,909	532,931
Leisure Time Activities	1,338,484	1,511,989	981,039	1,054,016	1,031,125	730,881	725,808	563,900	627,440	668,736
Utility Services	-	-	159,432	1,960,712	1,867,026	1,863,163	1,666,698	165,147	303,670	243,107
Interest & Fiscal Charges	-	-	-	-	-	-	-	-	-	-
Operating Grants & Contributions	1,902,075	2,099,228	1,748,552	2,267,903	1,898,377	1,830,914	1,857,991	2,044,487	2,074,238	2,508,685
Capital Grants & Contributions	1,531,363	630,617	1,179,040	1,183,273	1,557,616	1,145,349	3,808,995	878,780	4,001,600	629,676
Total Governmental Activities Program Revenues	<u>7,686,432</u>	<u>5,940,990</u>	<u>5,637,093</u>	<u>7,966,215</u>	<u>8,057,851</u>	<u>7,212,820</u>	<u>9,740,426</u>	<u>4,600,316</u>	<u>8,332,784</u>	<u>5,448,462</u>
Business-Type Activities										
Charges for Services										
Water	7,189,091	6,722,456	5,788,248	5,587,024	4,274,932	4,552,582	4,243,182	3,356,937	3,727,475	3,447,544
Sewer	5,548,467	5,261,204	5,057,911	5,439,343	6,774,106	8,434,677	7,941,555	6,199,443	5,786,973	5,490,722
Storm Water	1,088,246	987,008	980,800	934,765	923,661	1,006,822	902,136	634,475	650,543	-
Operating Grants & Contributions	-	-	-	-	-	-	-	-	-	-
Capital Grants & Contributions	60,000	-	-	45,000	-	-	-	-	-	-
Total Business-Type Activities Program Revenues	<u>13,885,804</u>	<u>12,970,668</u>	<u>11,826,959</u>	<u>12,006,132</u>	<u>11,972,699</u>	<u>13,994,081</u>	<u>13,086,873</u>	<u>10,190,855</u>	<u>10,164,991</u>	<u>8,938,266</u>
Total Primary Government Program Revenues	<u>21,572,236</u>	<u>18,911,658</u>	<u>17,464,052</u>	<u>19,972,347</u>	<u>20,030,550</u>	<u>21,206,901</u>	<u>22,827,299</u>	<u>14,791,171</u>	<u>18,497,775</u>	<u>14,386,728</u>
Net (Expense)/Revenue										
Governmental Activities										
	(20,222,064)	(21,671,446)	(23,281,788)	(20,261,207)	(21,053,532)	(22,903,014)	(17,899,775)	(19,342,025)	(14,075,598)	(16,195,946)
Business-Type Activities	(741,149)	(2,165,457)	(1,574,425)	(2,833,705)	(62,913)	2,767,551	2,082,275	(659,680)	1,110,404	635,842
Total Primary Government Net Expense	<u>\$ (20,963,213)</u>	<u>\$ (23,836,903)</u>	<u>\$ (24,856,213)</u>	<u>\$ (23,094,912)</u>	<u>\$ (21,116,445)</u>	<u>\$ (20,135,463)</u>	<u>\$ (15,817,500)</u>	<u>\$ (20,001,705)</u>	<u>\$ (12,965,194)</u>	<u>\$ (15,560,104)</u>
General Revenues and Other Changes in Net Position										
Governmental Activities										
Income Tax Levied For General Purposes	\$ 16,798,204	\$ 16,531,571	\$ 14,415,698	\$ 12,902,689	\$ 13,037,720	\$ 13,434,476	\$ 15,124,934	\$ 14,709,010	\$ 13,581,726	\$ 12,740,112

City of Gahanna
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2013	Restated 2012	Restated 2011	Restated 2010	Restated 2009	2008	2007	Restated 2006	Restated 2005	Restated 2004
Property Taxes Levied For										
General Purposes	1,415,106	1,444,786	1,532,042	1,612,081	1,586,545	1,602,232	1,529,731	1,518,194	1,327,081	1,326,082
Debt Service	237,652	240,742	260,652	258,003	251,693	251,353	245,512	243,095	220,603	224,889
Police	236,561	247,503	260,359	266,656	254,996	259,980	253,720	251,477	213,260	213,588
Revenue in Lieu of Taxes	1,435,780	1,908,942	1,002,203	2,661,218	67,885	1,420,967	1,052,840	1,552,505	-	-
Other Local Taxes	408,373	435,863	421,791	868,501	842,211	902,649	892,450	798,742	729,072	657,454
Grants & Entitlements not Restricted	1,453,288	741,106	1,991,744	2,413,448	3,395,583	2,287,655	2,078,691	4,388,915	2,889,627	2,118,633
Contributions & Donations	-	-	-	-	-	-	-	1,116	-	-
Investment Earnings	115,597	492,559	653,169	736,662	1,098,874	2,308,530	3,246,695	2,750,655	1,309,754	761,173
Increase/(Decrease) in FMV of Investments	-	(35,400)	178,767	(27,004)	346,999	(492,910)	-	-	-	-
Gain on Sale of Capital Assets	-	-	-	-	95,995	11,055	-	-	-	12,044
Miscellaneous	535,882	1,004,594	539,491	43,977	339,393	300,967	738,301	92,750	264,547	50,849
Transfers	(145,754)	(244,637)	(20,000)	434,711	(44,726)	(47,000)	(50,000)	(81,298)	(10,706,328)	10,000
Total Governmental Activities										
General Revenues and Other Changes	22,490,689	22,767,629	21,235,916	22,170,942	21,273,168	22,239,954	25,112,874	26,225,161	9,829,342	18,114,824
Business Type Activities										
Investment Earnings	-	-	28	63	2,383	40,404	49,601	5,233	-	-
Miscellaneous	42,728	203,403	158,553	-	218,983	213,108	91,436	59,566	43,392	22,573
Transfers	145,754	244,637	20,000	172,321	44,726	47,000	50,000	81,298	10,706,328	(10,000)
Total Business-Type Activities										
General Revenues and Other Changes	188,482	448,040	178,581	172,384	266,092	300,512	191,037	146,097	10,749,720	12,573
Total Primary Government										
General Revenues and Other Changes	<u>\$ 22,679,171</u>	<u>\$ 23,215,669</u>	<u>\$ 21,414,497</u>	<u>\$ 22,343,326</u>	<u>\$ 21,539,260</u>	<u>\$ 22,540,466</u>	<u>\$ 25,303,911</u>	<u>\$ 26,371,258</u>	<u>\$ 20,579,062</u>	<u>\$ 18,127,397</u>
Change in Net Position										
Governmental Activities	2,268,625	1,096,183	(2,045,872)	1,909,735	219,636	(663,060)	7,213,099	6,883,136	(4,246,256)	1,918,878
Business-Type Activities	(552,667)	(1,717,417)	(1,395,844)	(2,661,321)	203,179	3,068,063	2,273,312	(513,583)	11,860,124	648,415
Total Primary Government	<u>\$ 1,715,958</u>	<u>\$ (621,234)</u>	<u>\$ (3,441,716)</u>	<u>\$ (751,586)</u>	<u>\$ 422,815</u>	<u>\$ 2,405,003</u>	<u>\$ 9,486,411</u>	<u>\$ 6,369,553</u>	<u>\$ 7,613,868</u>	<u>\$ 2,567,293</u>

City of Gahanna
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2013	2012	2011	Restated * 2010	2009	2008	2007	Restated 2006	2005	Restated 2004
General Fund										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ 6,092,012	\$ 10,429,996	\$ 14,078,731	\$ 14,520,638	\$ 15,295,687	\$ 7,911,283
Unreserved	-	-	-	-	12,828,174	13,964,988	17,592,196	11,670,718	14,403,269	11,624,233
Nonspendable	351,145	311,003	324,995	347,140	-	-	-	-	-	-
Committed	1,190,692	1,190,692	1,274,618	1,611,494	-	-	-	-	-	-
Assigned	3,314,438	6,156,546	3,661,298	5,254,630	-	-	-	-	-	-
Unassigned	15,203,690	10,395,966	16,251,643	12,678,805	-	-	-	-	-	-
Total General Fund	\$ 20,059,965	\$ 18,054,207	\$ 21,512,554	\$ 19,892,069	\$ 18,920,186	\$ 24,394,984	\$ 31,670,927	\$ 26,191,356	\$ 29,698,956	\$ 19,535,516
All Other Governmental Funds										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ 3,257,799	\$ 2,986,118	\$ 3,117,288	\$ 1,845,686	\$ 4,340,336	\$ 1,038,713
Unreserved, reported in:										
Special Revenue Funds	-	-	-	-	5,419,456	4,349,271	4,114,356	3,412,810	4,099,062	4,086,262
Debt Service Fund	-	-	-	-	-	-	1,280,477	1,266,715	231,775	1,263,118
Capital Projects Funds	-	-	-	-	4,256,324	3,519,235	3,659,285	4,773,428	3,571,775	2,866,883
Nonspendable	2,164	3,784	2,335	3,027	-	-	-	-	-	-
Restricted	11,784,236	12,933,340	9,722,408	11,813,879	-	-	-	-	-	-
Committed	636,846	522,648	455,915	450,445	-	-	-	-	-	-
Assigned	246	246	246	246	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
Total All Other Governmental Funds	\$ 12,423,492	\$ 13,460,018	\$ 10,180,904	\$ 12,267,597	\$ 12,933,579	\$ 10,854,624	\$ 12,171,406	\$ 11,298,639	\$ 12,242,948	\$ 9,254,976

* - Restated for implementation of GASB 54 during fiscal year 2011. The City has elected to not restate prior fund balance amounts for fiscal years prior to implementation.

City of Gahanna
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2013	2012	2011	Restated 2010	2009	2008	2007	Restated 2006	2005	Restated 2004
Revenues										
Income Taxes	\$ 16,540,915	\$ 15,176,200	\$ 14,405,894	\$ 13,838,380	\$ 12,973,103	\$ 14,131,280	\$ 14,448,528	\$ 14,560,379	\$ 13,634,576	\$ 12,690,207
Property Taxes	1,898,016	1,953,823	2,056,265	2,140,235	2,118,489	2,096,004	2,008,773	2,001,019	1,769,436	1,775,634
Other Local Taxes	408,373	435,863	421,791	901,175	841,659	878,774	865,751	754,481	716,786	655,358
Revenue in Lieu of Taxes	1,435,780	1,908,942	1,002,203	2,661,218	1,342,299	1,199,393	1,679,793	-	-	-
Charges for Services	1,604,154	1,147,643	1,224,707	3,542,692	3,290,260	3,101,067	2,712,026	659,451	875,044	945,765
Licenses Permits & Fees	1,876,445	1,114,882	896,537	343,701	308,831	459,019	620,923	363,541	520,687	794,624
Fines & Forfeitures	553,782	773,617	534,385	535,885	881,155	519,527	610,811	513,853	750,450	429,300
Intergovernmental	5,216,865	4,437,473	4,465,679	6,782,304	5,766,762	4,712,686	6,946,721	7,422,000	8,618,964	5,250,358
Investment Income	112,468	520,233	674,841	715,554	1,212,167	2,294,196	3,065,056	2,466,342	1,519,123	845,356
Rental Income	49,863	67,915	78,363	92,762	121,612	156,943	-	140,411	125,812	126,075
Contributions & Donations	10	2,615	26,510	2,560	1,560	17,000	4,800	12,062	90,441	7,266
Increase (Decrease) in Fair Value of Investments	-	(35,400)	178,767	(27,004)	346,999	(492,910)	249,771	206,803	(237,684)	(87,962)
Other	509,907	351,937	449,968	433,117	364,944	242,013	738,301	92,750	266,894	52,655
Total Revenues	30,206,578	27,855,743	26,415,910	31,962,579	29,569,840	29,314,992	33,951,254	29,193,092	28,650,529	23,484,636
Expenditures										
Current:										
General Government	3,825,471	3,402,233	4,085,990	4,303,225	3,787,165	3,847,668	3,292,378	2,386,973	938,687	3,372,138
Security of Persons & Property	8,755,192	9,065,929	8,580,044	8,528,510	8,427,575	8,384,841	7,887,657	7,777,684	6,880,540	6,467,613
Public Health & Welfare	216,427	206,424	215,060	195,382	195,382	181,060	174,923	184,719	157,642	154,337
Transportation	3,128,758	2,594,625	6,908,770	2,214,302	2,030,005	2,405,665	2,674,654	2,226,478	2,300,816	1,900,333
Community Environment	3,829,133	4,167,512	4,127,834	2,943,729	4,505,304	3,928,308	4,169,888	3,340,411	2,919,555	2,852,217
Leisure Time Activities	3,244,203	2,920,356	2,596,505	2,760,515	2,957,090	2,691,317	2,218,050	2,044,706	1,855,486	1,483,127
Utility Services	562,939	504,919	474,867	2,253,385	2,295,336	1,691,119	1,457,644	8,940	209,684	641,664
Capital Outlay	2,766,860	3,372,482	3,801,856	7,369,642	7,610,239	12,536,384	12,773,759	14,844,812	12,960,508	6,640,687
Debt Service										
Principal Retirement	2,495,422	1,662,652	979,500	773,436	772,864	1,222,926	973,430	829,127	458,571	1,821,602
Interest and Fiscal Charges	838,760	895,176	892,242	916,677	942,074	982,484	760,188	678,733	267,993	150,136
Issuance Costs	-	-	-	-	-	-	94,262	-	120,041	-
Total Expenditures	\$ 29,663,165	\$ 28,792,308	\$ 32,662,668	\$ 32,258,803	\$ 33,523,034	\$ 37,871,772	\$ 36,476,833	\$ 34,322,583	\$ 29,069,523	\$ 25,483,854
Excess (deficiency) of revenue over (under) expenditures	\$ 543,413	\$ (936,565)	\$ (6,246,758)	\$ (296,224)	\$ (3,953,194)	\$ (8,556,780)	\$ (2,525,579)	\$ (5,129,491)	\$ (418,994)	\$ (1,999,218)
Other Financing Sources (Uses)										
Transfers In	3,321,151	4,983,806	3,076,136	2,012,348	4,346,478	3,352,331	2,403,837	4,401,890	1,667,051	1,808,761
Transfers (out)	(3,327,522)	(4,983,806)	(3,096,136)	(2,012,348)	(4,391,204)	(3,399,331)	(2,453,837)	(4,781,791)	(2,155,110)	(1,798,761)
Lease Purchase Transaction	9,287	-	730,000	-	-	-	-	100,346	24,706	-
Insurance Recovery	49,236	-	-	-	-	-	-	-	-	-
Proceeds from Sale of Capital Assets	37,293	42,711	28,799	43,977	123,905	11,055	29,090	-	-	6,650
Premium and interest on Bonds Sold	772,683	-	-	-	-	-	215,162	-	333,759	-
Bonds Issued	-	-	-	-	-	-	8,683,665	-	13,700,000	-
Refunding Bonds Issued	8,795,300	-	-	-	-	-	-	-	-	-
Issuance of Loans	206,769	714,621	5,041,751	558,148	478,172	-	-	957,137	-	-
Payments to Refunded Bond Escrow	(9,438,378)	-	-	-	-	-	-	-	-	-
Total Other Financing (Sources) Uses	425,819	757,332	5,780,550	602,125	557,351	(35,945)	8,877,917	677,582	13,570,406	16,650
Net Change in Fund Balance	\$ 969,232	\$ (179,233)	\$ (466,208)	\$ 305,901	\$ (3,395,843)	\$ (8,592,725)	\$ 6,352,338	\$ (4,451,909)	\$ 13,151,412	\$ (1,982,568)
Debt Service as a Percentage of Noncapital Expenditures	14.15%	11.19%	7.61%	7.08%	7.07%	8.68%	7.37%	7.53%	4.30%	11.14%

City of Gahanna
Income Tax Revenue by Payer Type, Net of Refunds
Cash Basis Last Ten Fiscal Years

Year	Income Tax Rate	Withholding	% of Total	Individual	% of Total	Net Profit	% of Total	Total
2013	1.50%	\$ 11,394,114	69.35%	\$ 3,513,214	21.38%	\$ 1,522,423	9.27%	\$ 16,429,751
2012	1.50%	10,858,782	72.37%	3,337,927	22.25%	806,921	5.38%	15,003,630
2011	1.50%	9,843,007	65.32%	3,272,454	21.72%	1,952,819	12.96%	15,068,280
2010	1.50%	9,206,203	68.65%	3,213,644	23.96%	990,298	7.38%	13,410,145
2009	1.50%	9,139,894	68.47%	3,109,729	23.30%	1,098,749	8.23%	13,348,372
2008	1.50%	9,502,622	66.86%	3,162,712	22.25%	1,547,741	10.89%	14,213,075
2007	1.50%	10,094,925	69.18%	3,085,567	21.14%	1,412,734	9.68%	14,593,226
2006	1.50%	9,415,484	65.30%	3,505,531	24.31%	1,497,121	10.38%	14,418,136
2005	1.50%	9,119,280	66.46%	3,303,395	24.07%	1,298,719	9.46%	13,721,394
2004	1.50%	8,569,027	68.12%	2,938,791	23.36%	1,071,933	8.52%	12,579,751

**City of Gahanna
Top Income Tax Payers - Withholder Accounts
Current Year and Nine Years Ago**

Range of Amount Withheld	2013		2004	
	Number of Withholding Accounts	Percent of Total Withholding Received	Number of Withholding Accounts	Percent of Total Withholding Received
\$500,000 and higher	3	20.31%	3	18.94%
\$499,999 - \$100,000	13	17.21%	6	11.42%
\$99,999 - \$75,000	8	6.02%	6	6.30%
\$74,999 - \$50,000	1	0.64%	10	7.16%
Total	25	44.18%	25	43.82%
All Others	3,129	55.82%	2,773	56.18%
Total	<u>3,154</u>	<u>100%</u>	<u>2,798</u>	<u>100%</u>

Source: RITA and Income Tax Revenue by Payer Type, Net of Refunds Table

Note: Due to confidentiality the names of the top withholders cannot be reported. The above serves as an alternative to the top principal revenue payers.

**City of Gahanna
Top Income Tax Payers - Individual Accounts
Current Year and Seven Years Ago**

Range of Income Assessed	2013		2006 *	
	Number of Individuals	Percent of Total Individuals	Number of Withholding Accounts	Percent of Total Withholding Received
\$500,000 and higher	18	0.40%	83	0.69%
\$499,999 - \$400,000	16	0.35%	64	0.53%
\$399,999 - \$300,000	41	0.90%	94	0.78%
\$299,999 - \$200,000	156	3.43%	358	2.99%
\$199,999 - \$100,000	964	21.17%	2,201	18.38%
Total	1,195	26.25%	2,800	23.37%
All Others	3,358	73.75%	9,177	76.63%
Total	<u>4,553</u>	<u>100%</u>	<u>11,977</u>	<u>100%</u>

Source: RITA

Note: The above table represents data collected by RITA from individual income tax filings reconciled as of the date of the information request and is not a complete list of all individual accounts on file.

* - Information not available prior to 2006

**City of Gahanna
Assessed Valuation and Estimated Actual Value of Taxable Property
Last Ten Collection Years**

Collection Year	Real Property (a)		Tangible Personal Property (b)		Public Utility (c)		Total		Direct Tax Rate
	Assessed Value	Est. Actual Value	Assessed Value	Est. Actual Value	Assessed Value	Est. Actual Value	Assessed Value	Est. Actual Value	
2013	\$ 890,838,100	\$ 2,545,251,714	\$ -	\$ -	\$ 9,768,120	\$ 27,908,914	\$ 900,606,220	\$ 2,573,160,628	2.40
2012	894,928,870	2,556,939,629	-	-	9,701,520	27,718,629	904,630,390	2,584,658,258	2.40
2011	950,816,350	2,716,618,143	-	-	11,572,850	33,065,286	962,389,200	2,749,683,429	2.40
2010	941,679,190	2,690,511,971	460,083	460,083	13,067,930	37,336,943	955,207,203	2,728,308,997	2.40
2009	937,586,400	2,678,818,286	920,167	920,167	11,751,890	33,576,829	950,258,457	2,713,315,282	2.40
2008	925,152,780	2,643,293,657	11,683,301	186,932,816	10,352,920	29,579,771	947,189,001	2,859,806,244	2.40
2007	910,588,030	2,601,680,086	18,119,579	144,956,632	10,674,100	30,497,429	939,381,709	2,777,134,147	2.40
2006	902,627,910	2,578,936,886	25,821,091	137,712,485	11,528,550	32,938,714	939,977,551	2,749,588,085	2.40
2005	771,506,770	2,204,305,057	37,345,665	149,382,660	11,664,510	33,327,171	820,516,945	2,387,014,888	2.40
2004	758,213,530	2,166,324,371	44,144,331	176,577,324	11,638,950	33,254,143	813,996,811	2,376,155,838	2.40

Source : Franklin County Auditor

(a) The assessed value of real property is fixed at 35% of true value and is determined pursuant to the rules of the State Tax Commissioner.

(b) The rate at which tangible personal property used in business is assessed for purposes of ad valorem property taxation decreased one percent each year from 35% in 1983 until it reached 25% in 1993. The rate decreased by 6.25% to 18.75% in 2006 and by an additional 6.25% to 12.5% in 2007. The rate continued to decrease by 6.25% in 2008 and reached 0 in 2009. Personal property assessed for collection year 2009-2010 is for delinquent taxes outstanding.

(c) Assumes public utilities are assessed at true value which is 35%.

City of Gahanna
Real Property Tax Rates - Direct and Overlapping
Last Ten Years
City of Gahanna-Gahanna Jefferson SD (District #025)
(Per \$1000 Assessed Value)

<u>Collection Year</u>	<u>City of Gahanna</u>	<u>Franklin County</u>	<u>Gahanna Jefferson School District</u>	<u>Columbus Metropolitan Library</u>	<u>Eastland Career Center</u>	<u>Township</u>	<u>Total Rate</u>	<u>Residential/Agriculture Effective Rate</u>	<u>Commercial/Industrial Effective Rate</u>
2013	2.40	18.47	72.10	2.80	2.00	14.50	112.27	81.437803	87.746158
2012	2.40	18.07	72.10	2.80	2.00	14.50	111.87	80.346654	86.988447
2011	2.40	18.07	66.73	2.80	2.00	10.70	102.70	68.378701	76.810544
2010	2.40	18.07	66.73	2.20	2.00	10.70	102.10	66.132253	74.823675
2009	2.40	18.02	66.78	2.20	2.00	10.70	102.10	64.714526	74.080299
2008	2.40	18.49	65.80	2.20	2.00	10.70	101.59	61.707361	73.615481
2007	2.40	18.44	66.95	2.20	2.00	10.70	102.69	62.684601	75.462045
2006	2.40	18.44	59.24	2.20	2.00	10.70	94.98	54.169740	67.051683
2005	2.40	18.44	60.14	2.20	2.00	10.70	95.88	61.437223	71.041881
2004	2.40	17.64	61.19	2.20	2.00	9.70	95.13	59.256829	69.270279

Note: The City of Gahanna consists of three taxing Districts:
 City of Gahanna - Gahanna Jefferson School District (District #025)
 City of Gahanna - Columbus City School District (District #026)
 City of Gahanna - Jefferson Township/Gahanna Jefferson School District (District #027)

Source: Office of the County Auditor, Franklin County, Ohio

**Real Property Tax Rates - Direct and Overlapping
Last Ten Years
City of Gahanna-Columbus City School District (District #026)
(Per \$1000 Assessed Value)**

Collection Year	City of Gahanna	Franklin County	Columbus City School District	Columbus Metropolitan Library	Township	Total Rate	Residential/ Agriculture Effective Rate	Commercial/ Industrial Effective Rate
2013	2.40	18.47	76.15	2.80	14.50	114.32	81.296732	92.451919
2012	2.40	18.07	75.85	2.80	14.50	113.62	79.826491	91.239815
2011	2.40	18.07	75.50	2.80	10.70	109.47	72.249939	85.773798
2010	2.40	18.07	75.50	2.20	10.70	108.87	69.950174	83.543560
2009	2.40	18.02	75.50	2.20	10.70	108.82	68.404347	82.468688
2008	2.40	18.49	67.65	2.20	10.70	101.44	58.343956	75.461416
2007	2.40	18.44	67.65	2.20	10.70	101.39	58.169705	75.546499
2006	2.40	18.44	66.47	2.20	10.70	100.21	56.157498	73.821293
2005	2.40	18.44	67.65	2.20	10.70	101.39	65.333807	77.549723
2004	2.40	17.64	59.18	2.20	9.70	91.12	53.691673	65.716506

Note: The City of Gahanna consists of three taxing Districts:
 City of Gahanna - Gahanna Jefferson School District (District #025)
 City of Gahanna - Columbus City School District (District #026)
 City of Gahanna - Jefferson Township/Gahanna Jefferson School District (District #027)

Source: Office of the County Auditor, Franklin County, Ohio

City of Gahanna
Real Property Tax Rates - Direct and Overlapping
Last Ten Years
City of Gahanna-Jefferson Township/Gahanna Jefferson SD (District #027)
(Per \$1000 Assessed Value)

<u>Collection Year</u>	<u>City of Gahanna</u>	<u>Franklin County</u>	<u>Gahanna Jefferson School District</u>	<u>Columbus Metropolitan Library</u>	<u>Eastland Career Center</u>	<u>Township</u>	<u>Total Rate</u>	<u>Residential/Agriculture Effective Rate</u>	<u>Commercial/Industrial Effective Rate</u>
2013	1.63	18.47	72.10	2.80	2.00	9.57	106.57	74.407900	82.391582
2012	1.63	18.07	72.10	2.80	2.00	9.54	106.14	73.293370	81.642260
2011	1.63	18.07	66.73	2.80	2.00	9.54	100.77	65.334279	74.459773
2010	1.63	18.07	66.73	2.20	2.00	9.54	100.17	63.044436	72.519424
2009	1.63	18.02	66.78	2.20	2.00	9.54	100.17	61.632338	71.822031
2008	1.63	18.49	65.80	2.20	2.00	9.49	99.61	59.339024	71.738044
2007	1.63	18.44	66.95	2.20	2.00	10.46	101.68	60.101102	73.719136
2006	1.63	18.44	59.24	2.20	2.00	10.58	94.09	51.769608	65.399110
2005	1.63	18.44	60.14	2.20	2.00	10.65	95.06	58.512639	69.333485
2004	1.63	17.64	61.19	2.20	2.00	10.49	95.15	57.304420	68.290419

Note: The City of Gahanna consists of three taxing Districts:
 City of Gahanna - Gahanna Jefferson School District (District #025)
 City of Gahanna - Columbus City School District (District #026)
 City of Gahanna - Jefferson Township/Gahanna Jefferson School District (District #027)

Source: Office of the County Auditor, Franklin County, Ohio

**City of Gahanna
Principal Property Taxpayers
Current Year and Nine Years Ago**

December 31, 2013		
	Total Assessed Valuation	% of Total Assessed Valuation
Public Utilities		
1 . Ohio Power Company	\$7,562,740	0.84%
Real Estate		
1 . Stoneridge Plaza Shops	10,418,140	1.16%
2 . Vista at Rocky Fork LP	7,910,010	0.88%
3 . McGraw-Hill Inc	6,335,530	0.70%
4 . AERC Christopher Wren Inc	5,330,500	0.59%
5 . Columbus Giant LLC	4,577,910	0.51%
6 . Sun Life Assurance Co	3,929,320	0.44%
7 . STAG Gahanna LLC	3,488,740	0.39%
8 . CIP II Buckeye Hotel	3,255,000	0.36%
9 . Gahanna Realty LLC	2,975,000	0.33%
10 . Morrison Arbors LLC	2,872,310	0.32%
ALL OTHERS	<u>841,951,020</u>	<u>93.48%</u>
TOTAL ASSESSED VALUATION	<u><u>\$900,606,220</u></u>	<u><u>100.00%</u></u>

December 31, 2004		
	Total Assessed Valuation	% of Total Assessed Valuation
Public Utilities		
1 . Columbus Southern Power Company	\$7,011,980	0.86%
2 . Ohio Bell Telephone Company	3,340,710	0.41%
3 . Columbia Gas of Ohio	1,363,360	0.17%
Real Estate		
1 . Morse & Hamilton LP	9,167,610	1.13%
2 . Vista at Rocky Fork LP	6,930,000	0.85%
3 . AERC Christopher Wren Inc	4,410,000	0.54%
4 . Continental/Eagle IV LLC	3,237,500	0.40%
5 . Morrison Arbors LLC	3,230,890	0.40%
6 . McGraw Hill Inc	2,991,210	0.37%
7 . USPG Portfolio Two LLC	2,560,920	0.31%
8 . HPT CW Properties Trust	2,483,250	0.31%
9 . Provident-Hunters	2,329,250	0.29%
10 . Sunrise Gahanna Assisted	2,116,730	0.26%
Tangible Personal Property *		
1 . McGraw Hill Inc	7,005,260	0.86%
2 . Penn Traffic Company	2,291,360	0.28%
3 . Siemens Airfield Solutions Inc	1,787,460	0.22%
4 . Tamarkin Company	1,704,920	0.21%
5 . BLC Corporation	1,578,600	0.19%
6 . Time Warner Entertainment Company LP	1,368,420	0.17%
7 . JE Grote Company Inc	1,227,275	0.15%
8 . Basell USA Inc	1,096,510	0.13%
9 . Kroger Company	1,002,660	0.12%
10 . Ometek Inc	975,830	0.12%
ALL OTHERS	<u>742,785,106</u>	<u>91.25%</u>
TOTAL ASSESSED VALUATION	<u><u>\$813,996,811</u></u>	<u><u>100.00%</u></u>

Source : Franklin County Auditor's Office

Assessed Values are for the valuation year of 2012 and 2003 respectively

* House Bill 66 (the State's biennial budget) began the phase out of Tangible Personal Property Tax (TPP) in FY 2006, which will continue over three years. The rate decreased by 6.25% to 18.75% in 2006 and by an additional 6.25% to 12.5% in 2007. The rate will continued to decrease by 6.25% in 2008 and will reach 0 in 2009.

City of Gahanna
Property Tax Levies and Collections
Last Ten Years

Collection Year	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Total Tax Collections to Tax Levy	Outstanding Delinquent Taxes	Percent of Delinquent Taxes to Tax Levy
2013	\$ 2,224,429	\$ 1,941,685	87.29	\$ 49,069	\$ 1,990,754	89.50	\$ 85,142	3.83
2012	2,230,058	2,126,685	95.36	60,926	2,187,611	98.10	93,839	4.21
2011	2,363,365	2,256,672	95.49	47,912	2,304,584	97.51	133,898	5.67
2010	2,358,218	2,206,189	93.55	63,634	2,269,823	96.25	117,843	5.00
2009	2,349,651	2,217,000	94.35	62,031	2,279,031	96.99	121,338	5.16
2008	2,337,158	2,208,843	94.51	58,246	2,267,089	97.00	146,594	6.27
2007	2,293,450	2,165,583	94.42	53,578	2,219,161	96.76	129,032	5.63
2006	2,288,056	2,066,694	90.33	52,572	2,119,266	92.62	108,843	4.76
2005	1,992,761	1,867,718	93.73	51,213	1,918,931	96.30	79,187	3.97
2004	1,966,808	1,920,806	97.66	60,520	1,981,326	100.74	94,195	4.79

Note: The information above is for real estate, public utilities and tangible personal property collections and levies.

Source: Office of the County Auditor, Franklin County, Ohio

City of Gahanna
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Year	Governmental Activities			Business-type Activities		Total Primary Government	(b) Percentage of Personal Income	(b) Per Capita
	(a) Bonded Debt	(a) Loans	(a) Capital Lease	(a) Bonded Debt	(a) Loans			
2013	\$ 17,426,526	\$ 5,276,923	\$ 425,369	\$ 2,328,474	\$ -	\$ 25,457,292	1.96%	765
2012	17,951,420	6,466,036	521,428	2,418,580	12,349	27,369,813	2.15%	823
2011	18,708,521	6,552,680	625,714	2,531,479	24,277	28,442,671	2.24%	825
2010	19,436,206	1,658,458	-	2,638,794	35,798	23,769,256	2.06%	715
2009	20,095,598	1,196,024	18,330	2,744,402	46,926	24,101,280	2.04%	700
2008	20,745,576	813,566	45,502	2,844,424	57,675	24,506,743	1.13%	323
2007	21,890,554	861,423	75,593	3,144,446	62,911	26,034,927	0.98%	279
2006	14,056,350	957,137	103,848	678,650	73,115	15,869,100	0.60%	170
2005	15,160,000	-	27,582	570,000	82,971	15,840,553	0.61%	173
2004	1,890,000	-	31,447	745,000	92,490	2,758,937	0.11%	32

Sources :

(a) Notes to the Financial Statements

(c) See Schedule "Demographic and Economic Statistics, Last Ten Years" for personal income, and population

**City of Gahanna
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years**

Year	(a) Assessed Value	Governmental Activities			Business-Type Activities	Total Primary Government	% of Net Bonded Debt to Assessed Valuation	(d) Net Bonded Debt Per Capita
		(b) Gross Bonded Debt	(c) Less Debt Service	Net Bonded Debt	(b) Gross Bonded Debt	Net Bonded Debt		
2013	\$ 900,606,220	\$ 17,426,526	\$ 1,240,353	\$ 16,186,173	\$ 2,328,474	\$ 18,514,647	2.06%	486
2012	904,630,390	17,951,420	1,183,758	16,767,662	2,418,580	19,186,242	2.12%	504
2011	962,389,200	18,708,521	1,186,778	17,521,743	2,531,479	20,053,222	2.08%	508
2010	955,207,203	19,436,206	1,104,011	18,332,195	2,638,794	20,970,989	2.20%	551
2009	950,258,457	20,095,598	1,153,618	18,941,980	2,744,402	21,686,382	2.28%	550
2008	947,189,001	20,745,576	1,153,617	19,591,959	2,844,424	22,436,383	2.37%	570
2007	939,381,709	21,890,554	1,090,455	20,800,099	3,144,446	23,944,545	2.55%	609
2006	939,977,551	14,056,350	1,076,693	12,979,657	678,650	13,658,307	1.45%	381
2005	820,516,945	15,160,000	1,254,205	13,905,795	570,000	14,475,795	1.76%	411
2004	813,996,811	1,890,000	1,263,118	626,882	745,000	1,371,882	0.17%	19

Sources :

- (a) County Auditor
- (b) General Obligation debt outstanding per notes to the financial statements
- (c) Balance of Debt Service fund at end of fiscal year
- (d) See Schedule "Demographic and Economic Statistics, Last Ten Years" for population and enrollment information

City of Gahanna
Computation of Direct and Overlapping General Obligation Bonded Debt
as of December 31, 2013

Governmental Unit	Gross Debt Outstanding	Percent Applicable to City	Amount Applicable to City
City of Gahanna	\$ 19,755,000	100.000%	\$19,755,000
Franklin County	189,405,000	3.450%	6,534,473
Jefferson Township	1,004,000	0.660%	6,626
Mifflin Township	1,255,000	95.760%	1,201,788
Columbus City School District	479,726,887	0.090%	431,754
Gahanna-Jefferson School District	26,843,208	64.240%	17,244,077
Eastland Fairfield Career Center	<u>2,800,000</u>	12.280%	<u>343,840</u>
Total Direct	19,755,000		19,755,000
Total Overlapping	701,034,095		25,762,558
Total Direct and Overlapping	<u>\$ 720,789,095</u>		<u>\$45,517,558</u>

Note: Overlapping governments with no outstanding debt are not reflected

Source: Ohio Municipal Advisory Council

**City of Gahanna
Legal Debt Margin Information
Last Ten Years**

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Assessed Valuation	900,606,220	904,630,390	962,389,200	955,207,203	950,258,457	947,189,001	939,381,709	939,977,551	820,516,945	813,996,811
Overall Debt Limit - 10.5% of Assessed Valuation	94,563,653	94,986,191	101,050,866	100,296,756	99,777,138	99,454,845	98,635,079	98,697,643	86,154,279	85,469,665
Net Indebtedness (a)	16,186,173	16,767,662	17,521,743	18,332,195	18,941,980	19,591,959	20,800,099	12,979,657	13,905,795	626,882
Legal Debt Margin	78,377,480	78,218,529	83,529,123	81,964,561	80,835,158	79,862,886	77,834,980	85,717,986	72,248,484	84,842,783
Total Net Debt Applicable to the Limit as a percentage of the Debt Limit	17%	18%	17%	18%	19%	20%	21%	13%	16%	1%
Unvoted Debt Limit - 5.5% of Assessed Valuation (General Limitation)	49,533,342	49,754,671	52,931,406	52,536,396	52,264,215	52,095,395	51,665,994	51,698,765	45,128,432	44,769,825
Unvoted Net Indebtedness	16,186,173	16,767,662	17,521,743	18,332,195	18,941,980	19,591,959	20,800,099	12,979,657	13,905,795	626,882
Legal Debt Margin	33,347,169	32,987,009	35,409,663	34,204,201	33,322,235	32,503,436	30,865,895	38,719,108	31,222,637	44,142,943
Total Net Debt Applicable to the Limit as a percentage of the Debt Limit	33%	34%	33%	35%	36%	38%	40%	25%	31%	1%

Note: Ohio Bond Law sets a limit of 10.5% for all debt and 5.5% for unvoted debt exclusive of certain exemptions and exceptions.

(a) - See schedule of Ratios of Net General Bonded Debt Outstanding

Source: Franklin County Auditor and Bond Counsel

**City of Gahanna
Demographic and Economic Statistics
Last Ten Years**

Year	(a) Estimated Population	(b) Per Capita Income	Personal Income	(c) Unemployment Rate	(d) School Enrollment
2013	33,288	39,058	1,300,172,983	5.60%	7,019
2012	33,262	38,199	1,270,569,650	5.30%	7,073
2011	34,468	36,765	1,267,216,020	6.50%	7,075
2010	33,248	34,782	1,156,445,336	7.70%	7,142
2009	34,443	34,235	1,179,144,003	7.20%	7,147
2008	34,355	34,988	1,202,006,244	4.80%	7,036
2007	34,170	34,953	1,194,339,160	4.10%	6,997
2006	34,098	34,675	1,182,363,645	3.90%	6,926
2005	33,865	33,342	1,129,119,485	4.30%	6,893
2004	33,588	32,339	1,086,211,262	4.30%	6,836

Sources :

(a) Population for the City is estimated based on estimates from Mid-Ohio Regional Planning Commission

(b) US Department of Commerce, Bureau of Economic Analysis, Franklin County & US Census Bureau

(c) Ohio Labor Market Information

(d) Gahanna Jefferson School District CAFR

**City of Gahanna
Principal Employers
Current Year and Nine Years Ago**

2013	
Employer	Type of Business
American Electric Power	Public Utility
Gahanna-Jefferson Schools	Public School District
JP Morgan Chase	Financial Institution
McGraw-Hill Education LLC	Education Materials Supplier
Ohio Power Company	Public Utility
Columbus Academy	Private School K-12
City of Gahanna	Municipality
Grant/Riverside Medical Care	Healthcare Provider
State Automobile Mutual Insurance	Insurance Provider
ADP Total Source III	Human Resource and Payroll Service Provider

2004	
Employer	Type of Business
Gahanna-Jefferson School District	Public School District
Alliance Data Systems	Marketing Services
American Electric Power	Public Utility
EMH&T	Engineering Services
McGraw-Hill	Education Materials Supplier
City of Gahanna	Municipality
State of Ohio	State
Columbus Academy	Private School K-12
Kroger	Grocery Store
Siemens Airfield Solutions	Airport/Airfield Lighting

Note: Number of employees not available. As a result the top employers were based on the top income tax withholders for the City. Due to confidentiality the amount withheld cannot be reported.

Source: RITA, City Tax

City of Gahanna
Staffing Statistics - Head Count by Type and Function
Last Seven Fiscal Years

	2013	2012	2011	2010	2009 **	2008	2007 *
General Government							
Council Elected Officials	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Council Office Full-Time	2.40	2.80	2.80	2.80	2.80	3.10	3.10
Council Office Part-Time	3.00	2.00	2.00	2.00	1.00	1.00	1.00
Council Office Appointed Board Member	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Office of the Mayor Elected Officials	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Office of the Mayor Full-Time	6.00	6.00	5.00	5.00	5.00	4.00	4.00
Office of the Mayor Part-Time	2.00	2.00	4.00	3.00	4.00	4.00	4.00
Department of Law Elected Officials	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Department of Law Full-Time	0.10	0.30	0.30	0.30	0.30	0.30	0.30
Department of Law Part-Time	1.00	-	-	-	-	-	-
Human Resources Full-Time	3.00	3.00	2.00	3.00	2.00	3.00	2.00
Human Resources Part-Time	-	-	1.00	1.00	1.00	1.00	1.00
Finance Full-Time	5.00	5.00	5.00	6.00	5.50	4.00	4.00
Finance Part-Time	-	-	-	-	1.00	1.00	1.00
Income Tax Full-Time	-	-	-	-	3.50	4.00	5.00
Income Tax Part-Time	-	-	-	-	3.00	3.00	3.00
Public Service Full-Time	6.95	7.95	7.95	9.25	10.25	10.25	10.25
Public Service Part-Time	2.00	2.00	-	1.00	2.00	2.00	2.00
Total	46.45	46.05	45.05	48.35	56.35	55.65	55.65
Security of Persons & Property							
Police Full-Time	55.00	61.00	59.00	62.00	64.00	64.00	66.00
Police Part-Time	4.00	4.00	4.00	4.00	4.00	4.00	5.00
Police Appointed Member	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Emergency Management Part-Time	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Dispatch	10.00	10.00	10.00	9.00	9.00	9.00	8.00
Total	71.00	77.00	75.00	77.00	79.00	79.00	81.00
Transportation							
Fleet Full-Time	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Fleet Part-Time	-	-	-	-	1.00	2.00	1.00
Streets Full-Time	6.25	6.25	6.68	7.25	7.25	7.25	7.25
Streets Part-Time	-	-	-	-	1.00	1.00	-
Streets Seasonal	2.00	2.00	-	-	1.00	1.00	-
Total	13.25	13.25	11.68	12.25	15.25	16.25	13.25
Community Environment							
Planning & Development Full-Time	9.50	9.90	9.90	9.90	10.90	9.60	10.60
Planning & Development Part-Time	1.00	1.00	1.00	2.00	5.00	7.00	6.00
Appointed Board Members	12.00	12.00	12.00	12.00	12.00	12.00	12.00
Information Technology Full-Time	5.00	5.00	5.00	4.00	4.00	4.00	4.00
Information Technology Part-Time	-	1.00	1.00	1.00	2.00	3.00	1.00
Total	27.50	28.90	28.90	28.90	33.90	35.60	33.60
Leisure Time Activity							
Parks & Facilities Full-Time	6.85	6.85	6.85	7.85	7.85	7.85	6.00
Parks & Facilities Part-Time	31.98	34.90	30.93	28.14	35.08	32.49	23.00
Parks & Facilities Seasonal	2.37	2.00	4.52	2.00	10.00	10.00	4.00
Parks & Facilities Appointed Board Members	12.00	12.00	12.00	12.00	12.00	12.00	12.00
Recreation Full-Time	3.00	3.40	3.10	3.15	3.40	2.10	1.90
Recreation Part-Time	3.75	4.70	2.72	2.00	5.02	4.29	6.00
Recreation Seasonal	41.45	39.40	37.98	38.00	36.56	27.00	7.00
Golf Course Full-Time	0.15	0.45	0.60	0.45	0.45	0.45	2.30
Golf Course Part-Time	7.73	7.40	7.35	5.86	5.90	6.22	6.00
Golf Course Seasonal	8.37	7.00	8.00	8.00	9.00	13.00	-
Senior Center Full-Time	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Senior Center Part-Time	2.00	2.00	2.00	3.00	3.00	3.00	3.00
Pools Full-Time	-	0.30	0.45	0.55	0.30	0.60	0.80
Pools Part-Time	1.00	2.00	2.00	4.00	2.00	1.00	-
Pools Seasonal	85.35	80.60	68.50	78.00	101.44	30.00	-
Total	207.00	204.00	188.00	194.00	233.00	151.00	73.00
Business-Type Activities							
Water Full-Time	5.34	5.34	5.60	5.88	5.38	5.37	4.87
Water Part-Time	-	0.33	0.66	0.66	0.33	0.33	0.83
Water Seasonal	0.66	0.33	0.33	1.83	2.15	1.33	0.50
Sewer Full-Time	5.35	5.35	5.61	5.88	5.38	5.38	4.88
Sewer Part-Time	-	0.34	0.66	0.66	0.33	0.33	0.83
Sewer Seasonal	0.68	0.34	0.33	1.83	2.19	1.33	0.50
Storm Water Full-Time	3.11	3.11	3.16	2.75	2.75	2.75	2.75
Storm Water Part-Time	-	0.33	0.68	0.68	0.34	1.34	1.34
Storm Water Seasonal	0.66	0.33	0.34	1.33	1.65	3.34	1.00
Total	15.80	15.80	17.37	21.50	20.50	21.50	17.50
Total Elected Officials	9.00						
Total Full-Time	139.00	148.00	145.00	151.01	156.01	153.00	154.00
Total Part-Time	60.46	65.00	61.00	60.00	78.00	79.00	67.00
Total Seasonal	141.54	132.00	120.00	130.99	163.99	87.00	13.00
Total Appointed	31.00						
Total All Employees	381.00	385.00	366.00	382.00	438.00	359.00	274.00

* - The City purchased new accounting and Human Resources software in 2007 which became operational in October 2007. Any staffing information prior to this date is not available. In addition due to the October implementation date, seasonal staff for 2007 is not complete.

** - The City acquired the Gahanna Swim Club in 2008 opening for operations in 2009 explaining the large fluctuation in pool seasonal staff from 2009 to current.

Note - Unless otherwise indicated staff reported are full-time. Staff allocated to more than one function are allocated above by the same percentage. Head-count for part-time and full-time is as of the December 31. Head-count for seasonal is as of August 31.

Source - Payroll Records

**City of Gahanna
Operating Indicators by Function
Last Ten Fiscal Years**

Function	2013	2012	2011	2010	2009 **	2008	2007	2006	2005	2004
Governmental Activities										
General Government										
Active Income Tax Accounts										
Withholding	3,154	3,094	2,978	2,801	2,683	N/A	N/A	N/A	N/A	N/A
Individual	21,141	21,178	20,138	19,262	15,206	N/A	N/A	N/A	N/A	N/A
Business	2,132	2,383	2,329	2,246	1,905	N/A	N/A	N/A	N/A	N/A
Security of Persons & Property										
Dispatched Calls	39,317	37,589	41,809	39,225	34,279	33,695	31,152	30,938	32,084	31,124
Violent Crimes	211	239	163	195	242	277	335	227	74	68
Property Crimes	736	824	830	779	927	955	933	880	886	924
Traffic Citations & Accidents	5,870	4,577	4,916	4,693	4,194	4,637	4,346	3,662	7,499	6,698
Arrests	1,281	1,205	1,216	1,109	1,106	1,192	1,149	996	912	976
Leisure Time Activities										
Special Event Participation	26,520	30,986	23,005	20,890	22,717	N/A	N/A	N/A	N/A	N/A
Recreation Program Participation	3,386	3,105	2,809	3,078	3,190	2,780	2,540	2,653	N/A	N/A
Swimming Pool Admissions	38,809	38,885	35,630	33,196	30,474	N/A	N/A	N/A	N/A	N/A
Golf Course Admissions	19,362	22,518	15,837	19,602	22,846	20,348	15,174	18,443	18,069	17,591
Senior Center Members	576	N/A	N/A	590	N/A	657	670	670	685	211
Community Environment										
Commercial Permits Issued	979	612	433	319	352	577	510	N/A	N/A	N/A
Residential Permits Issued	884	840	734	798	664	727	725	N/A	N/A	N/A
Code Enforcement Complaints	727	705	672	597	595	684	493	1,268	1,167	1,113
Code Enforcement Violations	838	826	859	846	920	703	654	1,095	951	988
Jobs Created/Retained Through Economic Development Incentives *	3,385	4,393	4,324	2,965	3,070	3,423	4,257	4,530	4,047	4,321
Private Investment Leveraged Per Dollar of Public Investment Incentives	\$ 33.82	\$ 29.04	\$ 40.02	\$ 39.84	\$ 38.35	\$ 40.80	\$ 44.86	\$ 45.24	\$ 44.49	\$ 42.86
Transportation										
Lane Miles of Street Rebuild	0.78	0.70	-	-	0.50	0.48	1.35	-	0.22	-
Lane Miles of Street Overlay	3.53	3.07	0.77	8.19	2.74	5.34	2.05	7.44	9.07	11.25
Lane Miles of Street Maintenance	24.11	15.41	-	-	3.71	3.99	0.30	2.76	1.91	13.41
Average Pavement Condition Rating	87.40%	86.20%	87.60%	89.70%	92.80%	92.00%	91.60%	91.50%	91.50%	N/A
Business-Type Activities										
Residential Utility Accounts	10,031	10,023	10,017	10,017	10,016	10,013	10,008	10,001	9,988	9,914
Commercial Utility Accounts	628	625	620	617	616	614	606	600	594	588

* - Prior to 2012, Jobs Created and Retained through Economic Development Incentives were only tracked for Community Reinvestment Areas. After 2012 Office & Industrial Incentives are also included.

** - Transition year to RITA. Data not available prior to transition.

N/A - Data Not Available

Source - RITA, Department Records

**City of Gahanna
Capital Asset Statistics
Last Ten Fiscal Years**

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Governmental Activities										
General Government										
City Hall	1	1	1	1	1	1	1	1	1	1
Fleet	6	7	N/A							
Security of Persons & Property										
Police Station	1	1	1	1	1	1	1	1	1	1
Police Fleet	42	50	N/A							
Transportation										
Service Garage	1	1	1	1	1	1	1	1	1	1
Joint Maintenance Facility	1	1	1	1	1	1	1	1	1	1
Street Lane Miles	325.09	324.89	321.05	318.67	318.67	317.55	317.07	317.07	317.07	317.07
Street Lights	1,740	N/A								
Traffic Signals	41	40	38	37	37	37	36	35	34	32
Fleet	17	18	N/A							
Community Environment										
Office Building	1	1	1	-	-	-	-	-	-	-
Parking Garage	1	1	1	1	1	1	-	-	-	-
Miles of Fiber	20.26	18.75	15.12	13.75	12.60	7.42	7.42	7.24	7.24	7.21
Leisure Time Activities										
Park Acreage	759.13	759.13	759.13	702.25	693.35	651.18	651.90	645.00	631.40	597.80
Number of Parks	51	51	51	49	49	34	34	34	34	39
Rentable Shelters	6	6	6	6	6	4	4	4	4	4
Playgrounds	15	15	15	13	13	12	12	11	11	14
Senior Center	1	1	1	1	1	1	1	1	1	1
Herb Education Center	1	1	1	-	-	-	-	-	-	-
Golf Course	1	1	1	1	1	1	1	1	1	1
Dog Park	1	1	1	1	1	1	-	-	-	-
Skate Park	1	1	1	1	1	1	1	1	1	1
Pools	2	2	2	2	2	1	1	1	1	1
Parks Garage	1	1	1	1	1	1	1	1	1	1
Trail Miles	17.10	16.60	16.60	14.80	13.70	12.90	10.10	9.60	8.60	N/A
Fleet	35	43	N/A							
Business-Type Activities										
Water Main Miles	177.42	175.00	174.69	173.21	170.39	170.03	165.44	165.33	165.16	N/A
Sanitary Sewer Miles	161.94	160.00	159.43	158.48	156.97	156.43	155.26	155.05	154.91	N/A
Storm Sewer Miles	148.59	145.00	144.86	142.01	137.13	135.07	127.95	124.34	124.13	N/A
Fleet	16.00	15.00	N/A							

Source: Capital Asset System, Departmental Records

N/A - Information Not Available



Dave Yost • Auditor of State

CITY OF GAHANNA

FRANKLIN COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JULY 29, 2014**