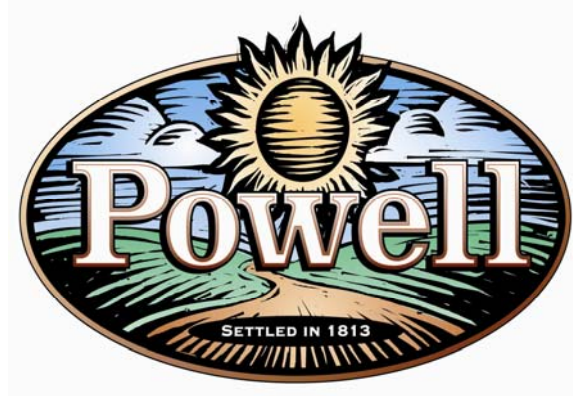


City of Powell, Ohio  
Comprehensive Annual Financial Report

For the Fiscal Year Ended December 31, 2006



*Prepared by the City of Powell Finance Department*

Debra K. Miller, CPA  
*Finance Director*

Nanette Metz  
*Assistant Finance Director*

Scott Faherty  
*Finance Assistant*



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CITY OF POWELL, OHIO  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2006

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614.885.5339 fax

April 26, 2007

**To: Members of City Council and Citizens of the  
City of Powell**

The Comprehensive Annual Financial Report (CAFR) of the City of Powell, Ohio (City), for fiscal year ended December 31, 2006, is submitted herewith. The report has a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with generally accepted auditing standards (GAAS) by Julian and Grube, Incorporated. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report. The MD&A provides a narrative introduction, overview, and analysis of the basic financial statements and complements this letter of transmittal and should be read in conjunction with it.

The City's Finance Department is responsible for management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed its anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

In developing and revising the City's accounting and reporting control systems, consideration is given to the adequacy of internal controls to provide reasonable but not absolute assurance regarding the safeguarding of assets from loss, theft, or misuse and reliability of financial records for preparing the City's financial statements in conformity with GAAP and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and the evaluation of costs and benefits requires estimates and judgments by management.

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

## Profile of the Government

The City of Powell was incorporated in February 1947 and is located in central Ohio in the fastest growing county of the state. The City, currently encompassing five square miles, is located on the rolling highlands between the Scioto and Olentangy River valleys, approximately eighteen miles north of downtown Columbus, the capital of Ohio. The City is empowered by State Statute to extend its corporate limits by annexation, which it utilized in 2006 by the request of the property owners.

The City is a home-rule, municipal corporation under the laws of the State of Ohio. The City is empowered to levy property tax and income tax within its boundaries. The City operates under a Council-City Manager form of government. Policy-making and legislative authority are vested in the City Council consisting of the Mayor and six other members, all elected on a non-partisan basis. City Council members serve four-year overlapping terms. The City Council appoints a City Manager who serves at the pleasure of the Council. The City Manager is the chief executive officer of the City and is charged with the responsibility to conserve the peace and enforce all laws, ordinances and terms of the Charter.

The City provides numerous services to its citizens including: police protection; the construction and maintenance of highways, streets and other infrastructure; and recreational and cultural activities. The sanitation services are provided by an independent hauler with the City contracting for the citizens. Fire protection services are provided by Liberty Township, a separate government entity that overlaps the City boundaries. Water and sanitary sewer services are provided by county-wide entities while electric service is provided by a for-profit corporation.

The annual budget serves as the foundation for the City's financial planning and control. The City complies with the requirements of the Ohio Revised Code in the adoption of the budget. Appropriations for the operation of various City departments are established through the passage of an ordinance by City Council. Budgetary control is facilitated through the maintenance of an encumbrance system for purchase orders, and through the use of the City's automated financial system. The City Council is required to hold public hearings on the proposed budget and to adopt the budget by no later than December 31, the close of the City's fiscal year. The appropriated budget is prepared by fund, department (police), and category (personal services). The City Council may pass supplemental appropriations at any time by ordinance. The City Manager may transfer resources within a category however transfers between categories, departments or funds need special approval from the City Council.

## Factors Affecting Financial Condition

The information present in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates.

Local economy. In 2005, CNN/Money Magazine listed Powell as the 18<sup>th</sup> Best Place to live in the United States based on jobs, education, crime, and accessibility to leisure activities available to the residents.

The City of Powell is a residential community with only a small portion utilized for commercial or retail activity. Therefore, the City is not reliant on its own commercial base

but on the larger, more diversified regional base in Delaware and Franklin counties for its residents' workplaces. Delaware and Franklin County's unemployment rate of 3.40 percent and 4.40 percent respectively is lower than the state's average unemployment rate of 5.60 percent or the national average of 4.50 percent in 2006. This trend has existed over the past ten years.

The City of Powell saw several new residential and commercial developments approved, started, or finished in 2006.

- Distinctive Marble and Granite expanded their existing building for use as an office/showroom and shop/warehouse another 5,728 sq. ft.
- Two three-unit condominiums constructed next to the Commons of Powell addition.
- Office/Warehouse/Strip Center to be constructed in Liberty Township but requested annexation into the City which has been approved.
- Olla Podrida, a mixed use marketplace for artisans, craftsmen and collectors, and three restaurant sites is being constructed with 90,000 sq. ft.
- Four warehouse buildings with 6,912 sq. ft each are being constructed on Case Ave.

Some of the new developments that will be getting started in 2007 include: a 12,000 sq. ft retail center at Murphy Parkway; and condominiums north of Brookehill.

Long-term financial planning. In 2005, the City Council held a special Budget Summit meeting in order to review and discuss the long-term health of the City's budget. Providing high quality municipal services to a community such as Powell, which has a small commercial and office tax bases, creates challenges.

The Finance Committee was charged with bringing a variety of information to City Council to assist in this planning. In 2005, the committee presented a historical perspective on the revenues and expenditures, as well as the increases in staff and services of the City for the past 10 years. Both the committee and City Council felt the expenses were at an appropriate level based on the additional services the City had added over the last decade. The policy direction given by Council was that it was open to changes in the revenue stream. In 2006, the committee found the capital improvement funding from the general fund was one of the biggest drains. This led the committee to work on finding a separate funding source dedicated to capital improvements and what the funding level of a capital improvement program should be. The committee will be bringing their recommendations to Council in 2007.

In 2006, the fee schedule for the City of Powell went through its annual evaluation to make sure current costs that should be recovered for certain activities were being covered by the fees being charge. The City also made a comparison of other cities to make sure those fees and costs were in line with others.

Relevant financial policies. The City of Powell periodically reviews their financial policies. In 2005, it was the purchasing policy and in 2006, it was the investment policy. An investment policy establishes guidelines for the safeguarding and efficient management and investment of the City's short term cash financial assets. The investment policy was revised to include: portfolio diversification limits, reporting and maturity guidance and user-friendly language.

Major initiatives. In 2005, the Powell voters approved the creation of a Downtown Powell Tax Increment Finance District (TIF) in order to provide funding of much needed capital improvements within the district. Also during this process, a Downtown Economic Development Plan was adopted by Council. In 2006, the Council, with the assistance of

the Downtown Committee, hired a Downtown Coordinator to work with various committees, developers, and organizations in improving the viability of Powell Downtown.

The City continued its mandatory sidewalk repair program. The first year's project area was located within parts of the Bartholomew Run subdivision (including Squires, McCreary and O'Quinn Courts) while the second year's project area was located in the remaining sections of the Bartholomew Run. In 2006, the project area was located in Olentangy Ridge subdivision. Each resident decided whether to repair their sidewalk themselves or take part in the special assessment program after the City paid for the repairs.

#### Acknowledgements

The preparation of this report would not have been possible without the efficient and dedicated efforts of the finance department staff. We wish to express our appreciation to members of other City departments who assisted and contributed to the preparation of this report. Credit also must be given to the Mayor and the City Council for their support for maintaining the highest standards of professionalism in the management of the City of Powell's finances.

Respectfully submitted,



Debra K. Miller  
Finance Director  
City of Powell



Steve Lutz  
City Manager  
City of Powell

CITY OF POWELL, OHIO  
ORGANIZATIONAL CHART  
DECEMBER 31, 2006



CITY OF POWELL, OHIO  
BOARDS, COMMISSIONS AND APPOINTMENTS CHART  
DECEMBER 31, 2006



Note: City of Powell is also a member of the Regional Income Tax Agency's (RITA) Council of Governments.

CITY OF POWELL, OHIO  
LIST OF CITY OFFICIALS  
DECEMBER 31, 2006

City Council

Mayor	(term expires 12/31/07)	Don Grubbs
Vice Mayor	(term expires 12/31/09)	Tom Counts
Council Member	(term expires 12/31/07)	Richard Cline
Council Member	(term expires 12/31/07)	Art Schultz
Council Member	(term expires 12/31/09)	Dan Wiencek
Council Member	(term expires 12/31/09)	Elmer Meider
Council Member	(term expires 12/31/09)	Bill Morton

City Manager

City Manager	Stephen Lutz
--------------	--------------

Administration

Finance Director	Debra K. Miller
Chief Building Official	Doug Wenzel
City Engineer	Robert Rice, Jr.
Council/Planning & Zoning Clerk	Susie Ross
Development Director	David Betz
Parks, Recreation & Public Service Director	Jeffrey Snyder
Police Chief	Gary Vest



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**Julian & Grube, Inc.**  
*Serving Ohio Local Governments*

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333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

Independent Auditors' Report

Members of Council and Mayor  
City of Powell  
47 Hall Street  
Powell, Ohio 43065

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the City of Powell, Delaware County, Ohio, (the "City"), as of and for the year ended December 31, 2006, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Powell, Delaware County, as of December 31, 2006, and the respective changes in financial position, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As disclosed in Note 18 to the basic financial statements, the City restated capital assets and net assets due to electing to retroactively report storm sewer infrastructure.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 13, 2007 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Members of Council and Mayor  
City of Powell

The management's discussion and analysis on pages 3-9 and budgetary comparison information on pages 54-58 is not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

A handwritten signature in cursive script that reads "Julian & Grube, Inc.".

Julian & Grube, Inc.

April 13, 2007, except for Note 12 which is dated April 26, 2007

## City of Powell, Ohio Management's Discussion and Analysis

As management of the City of Powell (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City of Powell for the fiscal year ended December 31, 2006. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found at the front of this report.

### Financial Highlights

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$25,977,285 (net assets).
- The City's total net assets increased by \$2,194,025 or 9.2%.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$9,609,975, an increase of \$8,284,313 in comparison with the prior year. Approximately, 90.9% of this total amount, \$8,740,702, is available for spending at the City's discretion (unreserved fund balance).
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$5,459,827 or 118.5% of the total general fund expenditures.
- The City's total net debt increased by \$8,505,000 (42.1%) during the current fiscal year due to the change of the \$6.9 million general obligation notes from short-term to long-term and the issuance of \$2,750,000 in general obligation bonds.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. The statements are organized so the reader can understand the City's financial position. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The *government-wide financial statements* are designed to provide readers with a broad view of the City's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. Causes for these changes may be the result of many factors, some financial, some not. Non-financial factors can include changes in the City's property tax base and the condition of the City's capital assets (buildings, streets, etc). These factors must be considered when assessing the overall health of the City.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the cash flows. Thus, revenue and expenses reported in this statement for some items will only result in cash flows for future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees or charges (business-type activities). The

governmental activities of the City include general government, public service, public safety, community development, and parks and recreation.

The government-wide financial statements can be found on pages 11-13 of this report.

**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.

**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 the *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 or provide a detailed short-term view of the City's general government operations and the basic services being provided.

Because the focus of 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, readers may better understand the long-term impact of the government'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 City of Powell maintains 30 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Street Construction & Maintenance Fund, Debt Service Fund, the Golf Village Fund, the Parks & Recreation Construction Fund and Police Facility Construction & Fund, all of which are considered major funds. Data from the other 24 governmental funds are combined into a single, aggregated presentation.

Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* in the supplemental section of this report.

**Proprietary funds.** *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The City does not have any proprietary funds at this time.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement 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.

The City maintains 6 individual fiduciary funds. Information is presented separately in the fiduciary funds combining statement of fiduciary assets and liabilities and in the combining statement of changes in assets and liabilities for the Unclaimed Funds, Flexible Benefits Fund, Board of Building Standards Fund, Development (Engineering) Inspections Fund, Plumbing Inspection Fund, and Escrowed Deposits Fund.

The basic fiduciary fund financial statement can be found on page 21 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 22 - 52 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City. Required supplementary information can be found on pages 54 - 63 of this report.

The combining statements referred to earlier containing nonmajor governmental funds are presented immediately following the other supplemental information. Combining and individual fund statements and schedules can be found on pages 64 - 97 of this report.

### Government-wide Financial Analysis

The following table provides a summary of the City's net assets for 2006 and 2005.

		<b>City of Powell</b>	
		<b>Net Assets</b>	
		<u>Governmental activities</u>	
		(as restated)	
		<b>2006</b>	<b>2005</b>
Current and other assets	\$	13,843,506	\$ 11,755,243
Capital assets		43,648,136	41,395,003
<b>Total assets</b>	<b>\$</b>	<b><u>57,491,642</u></b>	<b><u>\$ 53,150,246</u></b>
Long-term liabilities outstanding	\$	28,846,835	\$ 27,208,357
Other liabilities		2,667,522	2,158,629
<b>Total liabilities</b>	<b>\$</b>	<b><u>31,514,357</u></b>	<b><u>\$ 29,366,986</u></b>
Net assets:			
Invested in capital assets, net of related debt	\$	14,968,136	\$ 21,220,003
Restricted		10,607,213	2,856,770
Unrestricted		401,936	(293,513)
<b>Total net assets</b>	<b>\$</b>	<b><u>25,977,285</u></b>	<b><u>\$ 23,783,260</u></b>

As mentioned previously, net assets may serve over time as a useful indicator of a government's financial position. The City's assets exceed liabilities by \$25,977,285 at the close of the most recent year.

A large portion of the City's net assets (57.6%) reflects its investment in capital assets (e.g. land, buildings, improvements other than buildings, machinery and equipment, and infrastructure); less any related debt used to acquire those assets that is still outstanding plus any significant unspent bond proceeds. The City uses these capital assets to provide services to citizens; therefore, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities.

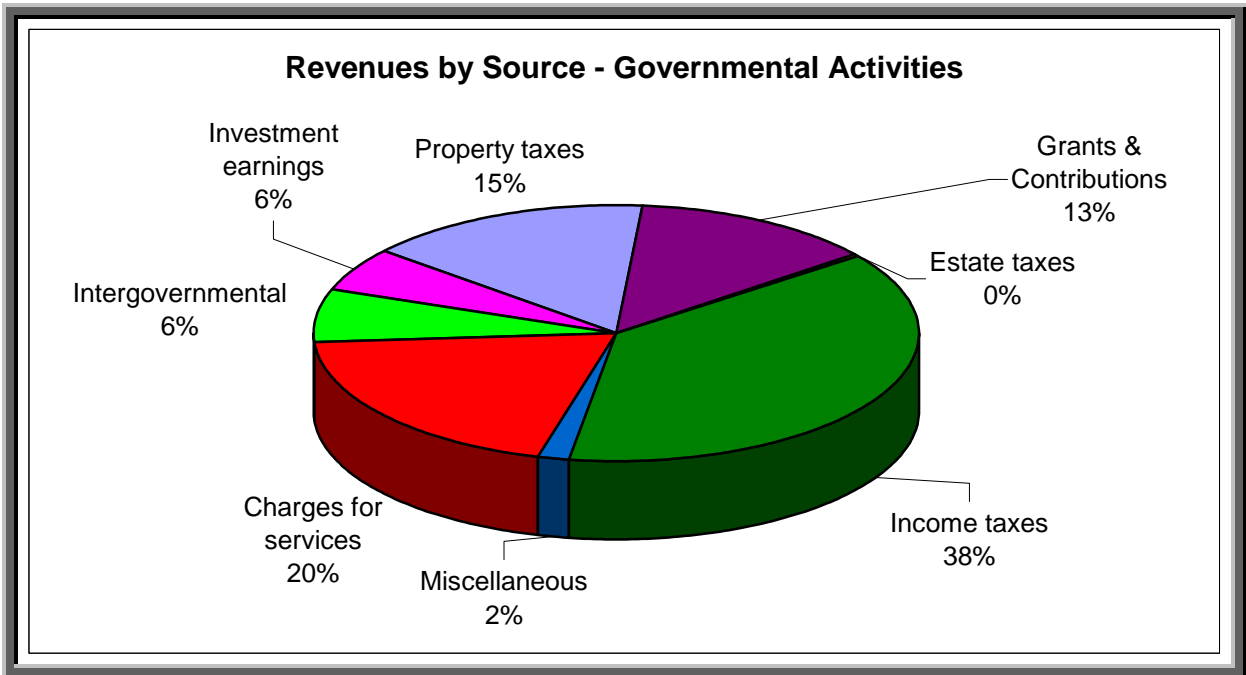
An additional portion of the City's net asset (40.8%) represents resources that are subject to restrictions on how they may be used. The remaining balance of unrestricted net assets is \$401,936 (1.6%) which usually is available to meet the government's on-going obligations to citizens and creditors.

At the end of the current fiscal year, the City is able to report a positive balance for the government.

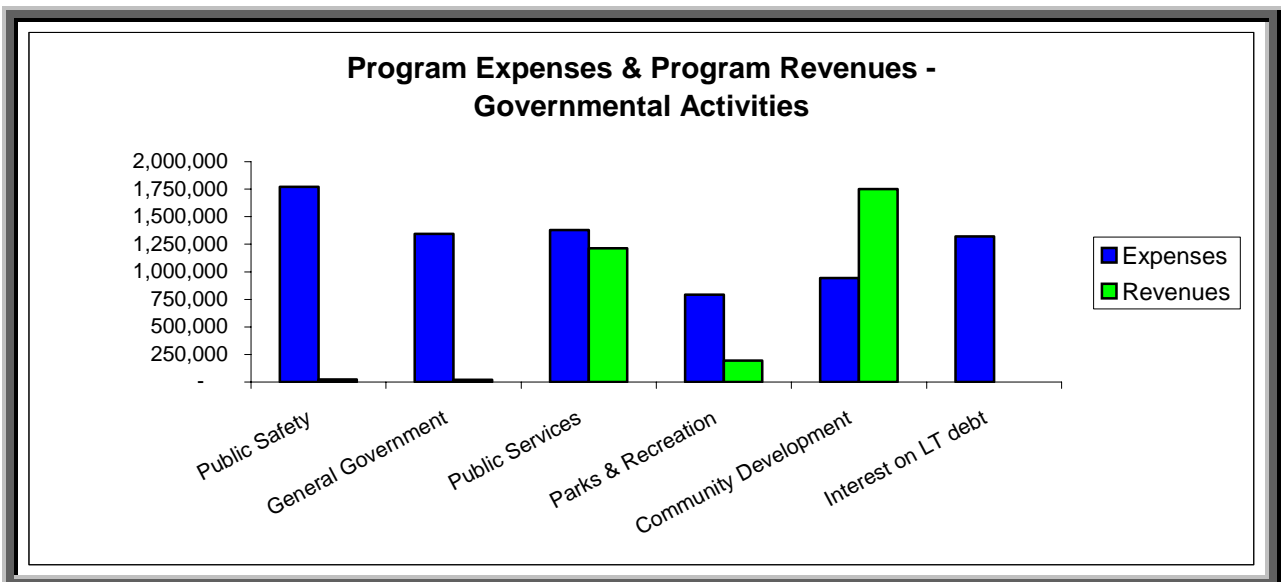
- ❑ The increase in total assets of \$4,341,396 (8.2%) reflects the City completing the constructing of the parks thereby increasing capital assets and the increased cash balance at year-end for the Police Facility construction.

- The increase in total liabilities of \$2,147,371 (7.3%) was due to the issuance of long-term liabilities or debt obligations to fund the construction of the police facility and related building improvements.
- Net assets increased by \$2,194,025 (9.2%) which was due to the elimination of the deficit unrestricted net assets and increase of capital assets, net of debt.

**Governmental activities.** The following charts illustrate 2006 revenues by source, program expenses and program revenues, and the change in net assets for Governmental Activities. Income tax, property tax and charges for services account for 73.0 % of the revenues received by the City.



Program expenses for public safety, public service, and park and recreation account for 52.2% of the program expenses in 2006. Program revenues account for 32.9 % of the total revenue received by the City.



**City of Powell  
Activities**

	<u>Governmental activities</u>	
	<u>2006</u>	(as restated) <u>2005</u>
<b>Revenues:</b>		
<i>Program revenues:</i>		
Charges for services	\$ 1,921,781	\$ 2,123,281
Operating grants & contributions	564,235	493,150
Capital grants & contributions	715,853	955,288
 <i>General revenues:</i>		
Income taxes	3,699,738	3,587,005
Estate taxes	23,659	120,033
Property taxes	1,476,350	1,175,367
Intergovernmental (unrestricted)	632,249	382,852
Investment earnings	548,968	284,191
Other miscellaneous revenues	161,737	22,405
Total revenues	9,744,570	9,143,572
 <b>Expenses:</b>		
Public safety	1,769,938	1,669,072
General government	1,343,765	1,207,091
Public services	1,377,920	1,133,601
Parks and recreation	793,040	555,384
Community development	943,962	831,796
Interest on long-term debt	1,321,920	1,120,174
Total expenses	7,550,545	6,517,118
Increase (decrease) in net assets	2,194,025	2,626,454
Net assets ---- January 1st	23,783,260	21,156,806
Net assets ---- December 31st	\$ 25,977,285	\$ 23,783,260

Governmental activities total revenues increased \$600,998 (6.6%) due to higher charges for services (development fees), higher incomes for income taxes, and higher interest rates for interest income.

Multiple program expenses increased \$1,033,427 (15.9%) due to higher costs in personnel, development fee expenses, the first year to maintain and upkeep the new parks and additional long-term debt issuance.

### 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 funds* 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, *unreserved fund balances* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$9,609,975, an increase of \$8,284,313 over the prior year.

The general fund is the chief operating fund of the City. At the end of the current fiscal year, the unreserved fund balance of the general fund was \$5,459,827, while total fund balance was \$5,686,500.

The City's general fund increased its fund balance by \$568,108. The key factors in this increase are as follows:

- ❑ Monitoring the increasing operating costs due to continuing growth within the City limits.
- ❑ Increasing revenues from a greater tax base.

The City's street maintenance and construction fund increased its fund balance by \$412,556. The key factor in this increase was a smaller than usual street maintenance program because supervision was limited due to the number of projects occurring in the City.

The City's debt service fund decreased its fund balance by (\$6,958), during the fiscal year. This decrease in fund balance was for higher interest cost associated with outstanding debt and removing balances from old closed issues.

The Golf Village fund decreased its negative fund balance by \$6,733,669. The major factor in this decrease was the \$6.9 million general obligation notes changing from short-term to long-term therefore they no longer are reported under fund liabilities.

The parks and recreation construction fund increased its fund balance by \$33,715. This increase in fund balance was from interest income on the outstanding balance while planning for the last park project.

The City started a new fund for the police facility construction and the payment of debt service. The fund balance at year-end was \$568,055.

## Capital Asset and Debt Administration

**Capital assets.** The City's investment in capital assets for its governmental activities as of December 31, 2006, amounts to \$43,648,136 net of accumulated depreciation. This investment in capital assets includes land, buildings, improvements, machinery and equipment, infrastructure and construction in progress. The total increase in the City's investment in capital assets for the current fiscal year was \$2,253,133 (5.4%).

In 2006, capital asset additions included the remaining park improvements and some equipment, but mainly focused on the movement between construction in progress to improvements. Additionally, the City completed its inventory of storm sewer infrastructure and appropriately adjusted its beginning capital asset balance by \$12,784,035 (see note 18).

Donated, completed infrastructure projects and equipment purchases included: right-of-ways; parkland or open space land at Murphy Parkway; vehicles and computer equipment.

Construction-in-progress infrastructure projects included: police facility, Village Green building improvements; Downtown TIF improvements; Murphy Parkway extension and West Olentangy bike path.

Additional information on the City's capital assets can be found in note 4 on page **38** of this report.

**Long-term debt.** At the end of the current fiscal year, the City had total bonded debt outstanding of \$21,780,000. This debt is backed by the full faith and credit of the City. The City does not have any revenue bonds.

During the current fiscal year, the City's total bonded debt increased by \$1,605,000 or 7.9%.

The City is within all of its legal debt limitations. The Ohio Revised Code provides that the net debt (as defined in the Ohio Revised Code) of a municipal corporation, whether or not approved by the electors, shall not exceed 10.5% of the total value of all property in the municipal corporation as listed and assessed for taxation. In addition, the unvoted net debt of municipal corporations cannot exceed 5.5% of the total taxation value of the property. The statutory limitations on debt are measured by the ratio of net debt to tax valuation and expressed in terms of a percentage. The current debt limitation for the City is \$34,863,430, which is greater than the City's outstanding general obligation debt.

In 2007, as a subsequent event, the City issued a bond anticipation note in the amount of \$6,900,000 to repay existing notes and interest. The original notes were issued for capital infrastructure improvements. The City intends to bond this note but when has not been determined at this time.

The City received an "AA" rating from Standard and Poor's and a "Aa2" rating from Moody's for general obligation debt.

Additional information on the City's long-term debt can be found in note 7 on pages 40 - 44 of this report.

### **General Fund Budgetary Highlights**

Ordinance #2005-61 appropriated \$5,601,354 for the original 2006 general fund budget which included \$150,000 for contingencies and reserves. This amount does not include \$260,215 in prior-year encumbrances that were carried over. The budget had several amendments that increased the budget by \$309,188. The major factor in this increase was the \$202,000 for the first principal and interest payment on the newly issued 2006 general obligation debt for the police facility construction and related building improvements. Other factors included: purchase police capital equipment, advance to the Downtown Tax Increment Fund, and 2005 remaining encumbrances.

### **Street Construction and Maintenance Fund Budgetary Highlights**

Ordinance #2005-61 appropriated \$505,750 for the original 2006 street construction and maintenance fund budget. The City amended the budget by a decrease of \$54,834 for the remaining 2005 encumbrances.

### **Economic Factors and Next Year's Budgets and Rates**

- ❑ The unemployment rate for Delaware County is currently 3.4%, which is a decrease from a rate of 3.8% a year ago. This compares favorably to the state's average unemployment rate of 5.6% and the national average rate of 4.5%.
- ❑ The personal income per capita for Powell area is \$117,801. This compares favorably to the state's personal income per capita of \$32,478 and the national average rate of \$34,586.
- ❑ The Ohio Public Employee Retirement System (OPERS) contribution rate for employers will increase over the next three years from 13.55 % to 14 %.
- ❑ Both union contracts (Police and Public Service) were settled in 2005 for the next three year period. Rate changes and changes in their benefits will increase their department or program budgets.
- ❑ Constructing or improving the Police Facility, the annual operating expenses for this additional building space will increase upkeep and maintenance.
- ❑ The City projects a decrease in development related revenues such as residential and commercial building permits as the availability of open land is consumed.

All of these factors were considered in preparing the City's Budget for the 2007 fiscal year and projecting for the 2008, 2009 and 2010 fiscal years. This has prompted staff and City Council to consider an increase in the income tax rate. This increase would need to be submitted to the voters for their approval.

### **Requests for Information**

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, 47 Hall Street, Powell, Ohio, 43065-8357. This report is also available on the City's website at [www.ci.powell.oh.us](http://www.ci.powell.oh.us).



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**City of Powell, Ohio**  
Statement of Net Assets  
December 31, 2006

<b>ASSETS</b>	<b>Governmental Activities</b>
Cash, cash equivalents and investments	\$ 10,105,206
Accounts receivable (net of allowance for uncollectibles)	3,693,426
Inventories	23,852
Prepaid items	21,022
Capital assets:	
Land	3,722,514
Construction in progress	2,679,945
Other capital assets, net of accumulated depreciation	37,245,677
Total assets	\$ 57,491,642
<b>LIABILITIES</b>	
Accrued wages payable	\$ 45,991
Accounts payable	490,564
Accrued liabilities	304,493
Due to other governments	117,863
Unearned income	1,708,611
Noncurrent liabilities:	
Due within one year	
Accrued vacation and sick leave	90,181
Bonds payable, net - current	1,210,000
Due in more than one year:	
Accrued vacation and sick leave	76,654
Bonds & notes payable, net	27,470,000
Total liabilities	31,514,357
<b>NET ASSETS</b>	
Invested in capital assets, net of related debt	14,968,136
Restricted for:	
Capital Projects	8,599,466
Debt Service	40,955
Special revenues	1,966,792
Unrestricted	401,936
Total net assets	\$ 25,977,285

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

**City of Powell, Ohio**  
Statement of Activities  
For the Year Ended December 31, 2006

	<u>Expenses</u>	<u>Program Revenues</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>
<b><u>Functions/Programs</u></b>			
Governmental activities:			
Public Safety	\$ 1,769,938	\$ 14,729	\$ 7,823
General Government	1,343,765	19,729	
Public Services	1,377,920		498,603
Parks and Recreation	793,040	137,284	57,809
Community Development	943,962	1,750,039	
Interest on long-term debt	1,321,920		
 Total government	 <u>\$ 7,550,545</u>	 <u>\$ 1,921,781</u>	 <u>\$ 564,235</u>
			 <u>\$ 715,853</u>

General revenues:  
Income taxes  
Property taxes  
Estate taxes  
Unrestricted intergovernmental  
Unrestricted investment earnings  
Miscellaneous  
Total general revenues  
Changes in net assets  
Net assets - beginning, as restated  
Net assets - ending

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

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

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**Governmental  
Activities**

\$	(1,747,386)
	(1,324,036)
	(163,464)
	(597,947)
	806,077
	(1,321,920)
	(4,348,676)

	3,699,738
	1,476,350
	23,659
	632,249
	548,968
	161,737
	6,542,701
	2,194,025
	23,783,260
\$	25,977,285

**City of Powell, Ohio**  
 Balance Sheet  
 Governmental Funds  
 December 31, 2006

<b>ASSETS</b>	<u><b>General</b></u>	<u><b>Street Construction and Maintenance</b></u>
Cash, cash equivalents and investments	\$ 5,546,190	\$ 936,995
Receivables (net of allowance for uncollectibles)	2,079,016	346,159
Due from other funds	68,640	
Prepaid items	20,073	25
Inventories		23,852
Total assets	\$ 7,713,919	\$ 1,307,031
 <b>LIABILITIES AND FUND BALANCES</b>		
Liabilities:		
Accrued wages payable	\$ 43,752	
Accounts payable	74,789	
Due to other governments	115,327	
Due to other funds		
Deferred revenue	1,780,881	\$ 301,320
Accrued Liabilities		
Accrued Vacation & Sick Leave Liability	12,670	
Retainage payable		
Total liabilities	2,027,419	301,320
 Fund balances:		
Reserved for:		
Encumbrances	206,600	277,904
Prepaid items	20,073	25
Inventory		23,852
Unreserved, reported in:		
General fund	5,459,827	
Special revenue funds		703,930
Capital project funds		
Debt service funds		
Total fund balances	5,686,500	1,005,711
Total liabilities and fund balances	\$ 7,713,919	\$ 1,307,031

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

<b>Debt Service</b>	<b>Golf Village</b>	<b>Parks and Recreation Construction</b>	<b>Police Facility Construction</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 28,868	\$ 407,721	\$ 213,308	\$ 1,141,856	\$ 1,830,268	\$ 10,105,206
414,652	120,950	705,936	8,970	17,743	3,693,426
				924	68,640
					21,022
					23,852
<u>\$ 443,520</u>	<u>\$ 528,671</u>	<u>\$ 919,244</u>	<u>\$ 1,150,826</u>	<u>\$ 1,848,935</u>	<u>\$ 13,912,146</u>
				\$ 2,239	\$ 45,991
			\$ 406,318	9,457	490,564
				2,536	117,863
				68,640	68,640
\$ 414,652	\$ 120,950	\$ 704,623		14,417	3,336,843
	45,233				45,233
		7,914	176,453		12,670
<u>414,652</u>	<u>166,183</u>	<u>712,537</u>	<u>582,771</u>	<u>97,289</u>	<u>4,302,171</u>
		6,746	284,356	48,793	824,399
				924	21,022
					23,852
					5,459,827
	362,488	199,961	283,699	647,778	1,351,708
28,868				1,054,151	1,900,299
<u>28,868</u>	<u>362,488</u>	<u>206,707</u>	<u>568,055</u>	<u>1,751,646</u>	<u>9,609,975</u>
<u>\$ 443,520</u>	<u>\$ 528,671</u>	<u>\$ 919,244</u>	<u>\$ 1,150,826</u>	<u>\$ 1,848,935</u>	<u>\$ 13,912,146</u>

**City of Powell, Ohio**  
 Reconciliation of the Balance Sheet to the Statement  
 of Net Assets - Governmental Funds  
 December 31, 2006

Total Governmental Fund Balances		\$ 9,609,975
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not functional resources and therefore are not reported in the funds.		43,648,136
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.		
Property taxes		22,722
Income taxes		1,052,753
Intergovernmental revenues		552,757
Long-term liabilities, including bonds and notes payable, are not due and payable in the current period and therefore are not reported in the funds.		
Interest payable		(74,893)
Accrued vacation and sick leave		(154,165)
Bonds and Notes payable		(28,680,000)
Net Assets of Governmental Activities		\$ 25,977,285

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



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**City of Powell, Ohio**  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
For the Year Ended December 31, 2006

<b>REVENUES</b>	<u><b>General</b></u>	<u><b>Street Construction and Maintenance</b></u>	<u><b>Debt Service</b></u>
Taxes:			
Property	\$ 452,233		\$ 376,582
Income	3,653,309		
Estate	23,659		
Motor Fuel		\$ 171,935	
Intergovernmental	362,912	297,774	45,922
Licenses and permits	820,594		
Charges for services	19,729		
Fines and forfeits	4,125		
Development charges			
Investment earnings	428,630	37,794	
Miscellaneous	129,288		
Total revenues	<u>5,894,479</u>	<u>507,503</u>	<u>422,504</u>
 <b>EXPENDITURES</b>			
Current:			
Public Safety	1,720,509		
General Government	1,274,591		5,631
Public Services	433,216	94,947	
Parks and Recreation	239,849		
Community Development	939,814		
Debt service:			
Principal			265,000
Interest			232,352
Issuance costs			
Capital outlay:			
Capital outlay			
Total expenditures	<u>4,607,979</u>	<u>94,947</u>	<u>502,983</u>
Excess (deficiency) of revenues over (under) expenditures	1,286,500	412,556	(80,479)
 <b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	4,079		77,600
Transfers out	(722,471)		(4,079)
Proceeds from the issuance of bonds			
Proceeds from issuance of notes			
Premium from issuance of notes			
Total other financing sources and uses	<u>(718,392)</u>	<u>-</u>	<u>73,521</u>
Net change in fund balances	568,108	412,556	(6,958)
 Fund balances -- January 1	<u>5,118,392</u>	<u>593,155</u>	<u>35,826</u>
Fund balances -- December 31	<u>\$ 5,686,500</u>	<u>\$ 1,005,711</u>	<u>\$ 28,868</u>

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

<u>Golf Village</u>	<u>Parks and Recreation Construction</u>	<u>Police Facility Construction</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
	\$ 648,766			\$ 1,477,581
				3,653,309
				23,659
			\$ 4,836	176,771
	79,112		32,381	818,101
\$ 82,600			108,331	1,011,525
				19,729
			37,390	41,515
765,000			96,573	861,573
	10,471	\$ 67,100	4,973	548,968
	2,491		74,706	206,485
<u>847,600</u>	<u>740,840</u>	<u>67,100</u>	<u>359,190</u>	<u>8,839,216</u>
			9,122	1,729,631
				1,280,222
			71,790	599,953
			277,144	516,993
				939,814
200,000	540,000	140,000		1,145,000
819,313	167,125	61,253		1,280,043
18,492		50,125		68,617
		2,199,667	468,837	2,668,504
<u>1,037,805</u>	<u>707,125</u>	<u>2,451,045</u>	<u>826,893</u>	<u>10,228,777</u>
(190,205)	33,715	(2,383,945)	(467,703)	(1,389,561)
		202,000	442,871	726,550
				(726,550)
		2,750,000		2,750,000
6,900,000				6,900,000
23,874				23,874
<u>6,923,874</u>	<u>-</u>	<u>2,952,000</u>	<u>442,871</u>	<u>9,673,874</u>
6,733,669	33,715	568,055	(24,832)	8,284,313
(6,371,181)	172,992	-	1,776,478	1,325,662
<u>\$ 362,488</u>	<u>\$ 206,707</u>	<u>\$ 568,055</u>	<u>\$ 1,751,646</u>	<u>\$ 9,609,975</u>

**City of Powell, Ohio**  
 Reconciliation of the Statement of Revenues, Expenditures, and  
 Changes in Fund Balances of Governmental Funds  
 To the Statement of Activities  
 For the Year Ended December 31, 2006

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

Net change in fund balances --- total government funds	\$ 8,284,313
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those activities is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	2,253,133
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. The amount is the net effect of the reversal of prior year items against current year accruals.	189,501
The issuance of long-term debt (e.g. bonds, notes, and loans) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(8,502,134)
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.	(30,788)
Change in net assets of governmental activities	\$ 2,194,025

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

**City of Powell, Ohio**  
Statement of Fiduciary Assets and Liabilities  
Fiduciary Funds  
December 31, 2006

	<b>Agency Funds</b>
<b>ASSETS:</b>	
Cash and investments	\$ 465,828
Total assets	<u>\$ 465,828</u>
<b>LIABILITIES:</b>	
Due to others	\$ 465,828
Total liabilities	<u>\$ 465,828</u>

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

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City of Powell, Ohio  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2006

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A. Reporting Entity

The City of Powell (City) is a home-rule, municipal corporation under the laws of the State of Ohio. The City of Powell was established as a village in 1947 and was incorporated as a city in 2001. The City operates under a Council-Manager form of government and provides the following services: police protection, parks and recreation, and street maintenance and repair as well as a staff to provide support (i.e., payroll processing, accounts payable, and revenue collection) to the service providers.

A reporting entity is composed of the primary government, component units, and other organizations that are included to ensure the financial statements are not misleading. The primary government is the City of Powell and consists of all funds, departments, boards, and agencies that are not legally separate from the City.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Component units may also include organizations for which the City approves the budget, the issuance of debt, or the levying of taxes. There were no component units of the City of Powell in 2006.

The City participates in two jointly governed organizations, the Liberty Community Infrastructure Financing Authority and the Powell Community Infrastructure Financing Authority. These organizations are presented in Notes 15A and 15B to the basic financial statements.

The accompanying basic financial statements include all the organizations, activities and functions in which the City (the primary government) exercises financial accountability.

B. Government-wide and fund financial statements

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The City also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental activities provided they do not conflict with or contradict GASB pronouncements.

Beginning January 1, 2003, the City changed its financial reporting to comply with GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. Financial information of the City is presented in the accompanying statements in the following format:

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City of Powell, Ohio  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2006

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- Management’s discussion and analysis, a part of the required supplementary information, introduces the basic financial statements and provides analytical overview of the City’s financial statements.
- Basic financial statements comprise of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The basic financial statements report information on all of the non-fiduciary activities of the primary government.

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

The statement of net assets presents the financial condition of the governmental activities of the City at year end. The statement of net assets and statement of activities measure and report all the assets, liabilities, revenues, and expenses, gains, and losses. Governmental activities are reported separately from the business-type activities. Taxes and intergovernmental revenues support governmental activities while revenues such as fees support business-type activities. Interfund activity has been removed from these statements.

The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the City’s governmental activities. 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 and grants, contributions, and interest that are restricted to meeting the operational or capital requirements of 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 is self-financing or draws from the general revenues of the City.

Fund Financial Statements - The fund financial series of statements display information about the City at a more detailed level.

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. The focus of governmental 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.

Notes to the Financial Statements – The notes provide information that is essential to a user’s understanding of the basic financial statements.

- Required supplementary information is comprised of budgetary comparison schedules and other types of data required by GASB.

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City of Powell, Ohio  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2006

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

In September 2006, the GASB issued Statement No. 48, “*Sales and Pledges of Receivables and future Revenues and Intra-Entity Transfers of Assets and Future Revenues.*” This statement is to establish accounting standards on whether a transaction should be regarded as a sale or as collateralized borrowing resulting in a liability. The provisions of this statement are effective for fiscal periods beginning after December 15, 2006. The implementation of GASB Statement No. 48 had no impact on these financial statements.

In November 2006, the GASB issued Statement No. 49, “*Accounting and Financial Reporting for Pollution Remediation Obligations.*” This statement is to establish accounting and financial reporting standards for pollution remediation obligations. The provisions of this statement are effective for fiscal periods beginning after December 15, 2007. The City has not determined the effect, if any; GASB Statement No. 49 will have on its financial statements.

C. Measurement focus and basis of accounting

The accounting policies and financial reporting practices of the City conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The accounts of the City are organized on the basis of funds where each is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The basis of accounting refers to when revenues and expenditures (expenses) are recognized in the accounts of the financial statements and relates to the timing of the measurement focus.

The government-wide financial statements are prepared using a flow of economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the time of related cash flows. All assets and all liabilities associated with the operation of the City are included on the statement of net assets. The statement of activities presents increases (e.g., revenues) and decreases (e.g., expenses) in total net assets.

All governmental funds are accounted for using a flow of current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized only as they become susceptible to accrual or measurable and available. Because of differences in circumstances and because of the flexibility of this criteria, the timing of revenue recognition for a given revenue source may vary considerably among governments. The City considers all revenues reported in the governmental funds to be available if the revenues are collected within thirty-one days after year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures when payment is due.

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City of Powell, Ohio  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2006

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt are reported as other financing sources. Current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reflects 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. Governmental fund financial statements, therefore, include a separate reconciliation with brief explanations to better identify the relationship between the government-wide financial statements and the fund financial statements for governmental funds.

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds, and agency funds. The City currently does not have trust funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The City's agency funds account for various fees charged by the City and remitted to other government agencies and for deposits held pending compliance with established requirements.

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

Amounts reported as program revenues include: charges to customers or applicants for goods, services, or privileges provided, operating grants and contributions, and capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include taxes and all revenues that don't qualify as program revenue.

Unearned revenues arise when assets are recognized before revenue recognition criteria have been satisfied. Property taxes for which there was an enforceable legal claim at December 31, 2006, but were levied to finance 2007 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements were met have also been recorded as deferred revenue. On governmental fund financial statements, receivables that were not collected within the available period are recorded as deferred revenue.

When both restricted and unrestricted resources are available for use, it the government's policy to use restricted resources first, and then unrestricted resources as they are needed.

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City of Powell, Ohio  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2006

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

Special Revenue - Street Construction and Maintenance Fund - The Street Construction and Maintenance Fund accounts for ninety-two and one-half percent of the state gasoline tax and motor vehicle registration fees and its uses are restricted by the State of Ohio statute. Services related to the maintenance and reconstruction of City streets are allowed, as are those services related to clean, clear and repair streets, street lights and traffic signals.

Debt Service Fund - The Debt Service Fund accounts for the accumulation of resources for, and the payment of, general obligation long-term debt principal, interest and related costs.

Capital Projects - Golf Village Capital Projects Fund - The Golf Village Fund accounts for the Golf Village development project. It has a development charge on all property owners and its uses are restricted by County of Delaware and City of Powell statutes.

Capital Projects - Parks and Recreation Capital Projects Construction Fund - The Parks and Recreation Construction Fund accounts for the construction of improvements at the City's parks. Issuance of bonded debt is the source of revenue for the Parks and Recreation Construction Fund while the resources of this fund are dedicated for construction purposes.

Capital Projects - Police Facility Capital Projects Construction Fund - The Police Facility Construction Fund accounts for the construction of improvements at the City's new police facility. Issuance of bonded debt is the source of revenue for the Fund while the resources of this fund are dedicated for construction purposes.

Additionally, the City has the other following governmental funds:

Other special revenue governmental funds of the City account for grants and other resources whose use is restricted for a particular purpose as specified by City ordinance or federal and state statutes. The City has the following nonmajor special revenue funds: State Highway Improvement, Parks and Recreation Program, Park and Recreation (Development), Enforcement and Education (D.U.I.), Board of Pharmacy, Safety Town, Old Fire Station, Justice Assistance

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City of Powell, Ohio  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2006

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Grant, ODNR (Ohio Department of Natural Resources) Grant, Law Enforcement, Special Projects, and Powell's Golden Days (Festival).

Other capital project governmental funds of the City account for financial resources used for acquisition or construction of major capital facilities. The City has the following nonmajor capital project funds: Capital Improvement Notes (Projects), Village Development and Improvement, Murphy Parkway (Construction), Olentangy/Liberty Street Intersection, Downtown TIF (Tax Increment Financing) Public, and Downtown TIF (Tax Increment Financing) Housing (No activity reported for this fund in fiscal 2006).

The City has the following non-governmental or fiduciary funds:

Fiduciary funds of the City account for financial resources held for others. The City has the following nonmajor fiduciary fund: Unclaimed Funds, Flexible Benefit Plan, Board of Building Standards, Development (Engineering) Inspections, Plumbing Inspection, and Escrowed Deposits.

D. Assets, liabilities, and net assets and equity

1. Deposits and investments

City funds are pooled and invested to improve cash management. The City's cash and cash equivalents are considered to be cash on hand and demand deposits. Individual fund integrity is maintained through City records.

The City is authorized by Ordinance to invest in notes, bonds or other obligations of the United States or of any agency or instrumentality thereof, including repurchase agreements secured by such obligations. Interest earnings are allocated to City funds according to State statutes and City ordinances.

It is the City's policy to invest in the State Treasury Asset Reserve of Ohio (STAROhio) and certificate of deposits. STAROhio is an investment pool managed by the State Treasurer's Office that allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the Security Exchange Commission (SEC) as an investment company, but does operate in a manner similar to Rule 2a-7 of the Investment Company Act of 1940.

Investments for the City are reported at fair value as in accordance with GASB Statement 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Investments in STAROhio are valued at STAROhio's share price, which is the price the investment could be sold for on December 31<sup>st</sup>. The STAROhio reported value is the same as the fair value of the pool shares.

2. Receivables and payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" for

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City of Powell, Ohio  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2006

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

the current portion of the Interfund activity or “advances to/from other funds” for the non-current portion of the Interfund activity.

Property tax

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the City. Real property tax revenues received in 2006 represent the collection of 2005 taxes. Real property taxes received in 2006 were levied after October 1, 2005, on the assessed values as of January 1, 2005, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenues received in 2006 represent the collection of 2005 taxes. Public utility real and tangible personal property taxes received in 2006 became a lien on December 31, 2004, were levied after October 1, 2005, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

Tangible personal property tax revenues received in 2006 (other than public utility property) represent the collection of 2005 taxes. Tangible personal property taxes received in 2006 were levied after October 1, 2005, on the true value as of December 31, 2004. Tangible personal property is currently assessed at 25 percent of true value for capital assets and 23 percent for inventory. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

The Delaware County Treasurer collects property taxes on behalf of all taxing districts within the County, including the City of Powell. The County Auditor periodically remits to the City its portion of the taxes collected.

Accrued property taxes receivable represents real property, public utility property, and tangible personal property taxes which were measurable as of December 31, 2006, and for which there was an enforceable legal claim. Although total property tax collections for the next year are measurable, amounts to be received during the available period are not subject to reasonable estimation at December 31 and are not intended to finance 2006 operations.

Collectible delinquent real property taxes have been recorded as a receivable and revenue on the full accrual basis. On the modified accrual basis, the entire receivable is deferred.

The full tax rate for all City operations for the year ended December 31, 2006, was \$3.76 per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which 2006 property tax receipts were based are as follows:

City of Powell, Ohio  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2006

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Category	Amount
Real Property	
Agricultural/Residential	\$376,073,360
Commercial/Industrial	35,201,380
Public Utility Property	
Real	5,330
Tangible Personal Property	7,133,677
Total Assessed Value	\$418,413,747

Income tax

The City levies and collects an income tax of .75 percent based 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 .25 percent of the tax paid to another municipality, not to exceed the amount owed. Employers within the City are required to withhold income tax on employee earnings and remit the tax to the City at least quarterly. Corporations and other individual taxpayers are also required to pay their estimated tax at least quarterly and file a final return annually. All income tax revenue is credited to the General Fund.

The Regional Income Tax Agency (R.I.T.A.) provides services to collect income tax for over 130 municipalities in Ohio, including the City of Powell. Each member municipality appoints its own delegate to the Regional Council of Governments which oversees R.I.T.A.

3. Inventory

Inventory is presented at cost on a first-in, first-out (FIFO) basis. The costs of government fund-types inventories are recorded as expenditures when consumed rather than when purchased. Inventory consists of salt used on roadways during winter.

4. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2006, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

5. Capital assets

All of the City's capital assets are general capital assets generally resulting from expenditures in the governmental funds. These assets are reported in the governmental activities column on the government-wide statement of net assets but are not reported on the fund financial statements.

City of Powell, Ohio  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2006

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and reductions during the year. Donated capital assets are recorded at their fair market value on the date donated. The City maintains a capitalization threshold of five thousand dollars (\$5,000). Improvements are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

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

Description	Estimated Lives
Land Improvements	20-60 years
Buildings	50 years
Equipment	5-10 years
Vehicles	3-10 years
Streets	15-45 years
Storm Sewers	50 years

6. Capital Contributions

Capital contributions arise from outside contributions of capital assets.

7. Compensated absences

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

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

The entire compensated absences liability is reported on the government-wide financial statements.

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City of Powell, Ohio  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2006

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

On governmental fund financial statements, compensated absences are recognized as a liability and expenditure to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the fund from which the employees who have accumulated unpaid leave are paid. The noncurrent portion of the liability is not reported.

8. Long-term obligations

Long-term debt and other long-term obligations are reported as liabilities on the government-wide financial statements. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest rate method. Bonds payable are reported net of the applicable unamortized bond premium or discount.

In the governmental fund financial statements, bond premiums and discounts, as well as bond issuance costs, are recognized during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

9. Fund equity/Restricted Net Assets

In the fund financial statements, governmental funds report reservation of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for specific purpose. Unreserved fund balance indicates that portion which is available for appropriation in future periods. A fund balance reserve has been established for encumbrances, prepaid items and inventory.

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through constitutional provisions or enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net assets restricted for other purposes include resources restricted for construction, repair, and maintenance of streets and highways, recreation, various police department grants, and special events including the Powell Festival. The City's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available. As of December 31, 2006, net assets restricted by enabling legislation were \$10,607,213, as defined by GASB Statement No. 46, *Net Assets Restricted by Enabling Legislation*.

10. Interfund Transactions

Transfers within governmental activities are eliminated on the government-wide financial statements. Exchange transactions between funds are reported as revenues in the seller funds

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City of Powell, Ohio  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2006

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

11. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of management and are either unusual in nature or infrequent in occurrence. The City had no extraordinary or special items in 2006.

12. Estimates

The preparation of the 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.

E. Budget Process

All funds, except agency funds, are required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations ordinance, all of which are prepared on the budgetary basis of accounting.

The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount City Council may appropriate. The appropriations ordinance is City Council's authorization to spend resources and sets annual limits on expenditures at the level of control selected by City Council. For all funds, council appropriations are made to the fund, department, and category level for each fund.

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

The appropriations 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 appropriations ordinance for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by City Council during the year.

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City of Powell, Ohio  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2006

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**NOTE 2 – CASH, CASH EQUIVALENTS AND INVESTMENTS**

**A. Cash and Cash Equivalents**

State statutes classify monies held by the City into three categories: active, inactive and interim.

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

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

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

Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits may not be returned. The City's policy is that any financial institution located within the State of Ohio is an institution, which is eligible to become a public depository for active deposits. All deposits, except for deposits held by fiscal and escrow agents or trustees, are collateralized with eligible securities in amounts equal to at least 105% of the total amount of all public moneys on deposit with the institutions.

Protection of the City's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the Finance Director by the financial institution, or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution. Such collateral, as permitted by Chapter 135 of the ORC is held with the qualified trustee approved by the Finance Director.

At December 31, 2006, the carrying value of the City's cash deposits was \$5,380,163, of which \$3,500,000 was non-negotiable certificates of deposit. Cash balances per the banks were \$5,562,381. \$300,000 of the City's deposits was insured by Federal depository insurance. Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, as of December 31, 2006, \$5,262,381 of the City's bank balance was exposed to custodial risk as follows:

Uninsured and collateral held by the pledging financial institutions agents not in the City's name	\$5,262,381
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At year end, the City had \$30 in undeposited cash on hand which is included as part of Cash and Cash Equivalents. Interest revenue credited to the General Fund during 2006 was \$428,630.

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City of Powell, Ohio  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2006

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NOTE 2 – CASH, CASH EQUIVALENTS AND INVESTMENTS (continued)

B. Investment Policies

The City follows GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, and records all its investments at fair value. At December 31, 2006 fair value was \$5,194 in excess of the City's net cost for its investments. At December 31, 2005 fair value was equivalent to its net cost. Fair value is determined by quoted market prices and acceptable other pricing methodologies.

The City pools its cash, except for that held by trustees, and fiscal and escrow agents, for maximum investing efficiency. Interest earnings are allocated to City funds according to State statutes and City ordinances. In management's opinion, all statutory requirements were met in distributing earnings of the pool to various funds.

City Council Resolution 2006-29 provides the City with its authorized investment instruments, which do not include derivatives. The City does invest in STAROhio, an investment pool managed by the State Treasurer's office that allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the Security Exchange Commission (SEC) as an investment company, but does operate in a manner similar to Rule 2a-7 of the Investment Company Act of 1940. Since 1995 STAROhio has Standard and Poor's highest rating of AAAM. Investments in STAROhio are valued at STAROhio's share price that is the price the investment could be sold for on December 31, 2006.

Management of STAROhio states that its policy also prohibits investing in derivatives and/or engaging in the use of reverse repurchase agreements. Average days to maturity of the STAROhio portfolio at December 31, 2006 were 35 days. The City is prohibited from using reverse repurchase agreements and does not leverage its investment portfolio in any manner. The City purchases their investments through financial institutions. Each financial institution must acknowledge in writing, their comprehension and receipt of the City policies. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Finance Director or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Investments of the cash management pool and investments with an original maturity of three months or less at the time of purchase are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments.

The City's investment policy and practices have consistently protected the portfolio from unnecessary credit risk (safety) and market risks (liquidity) while providing a competitive yield. Average days to maturity of the City's investments at December 31, 2006 was 167 days.

Investments as permitted by City of Powell policy are:

1. United States Treasury bills, notes, bonds, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States (excluding investments in stripped principal or interest obligations);

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City of Powell, Ohio  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2006

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NOTE 2 – CASH, CASH EQUIVALENTS AND INVESTMENTS (continued)

2. Bonds, notes, debentures, or any other obligation or security 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 Association, Government Home Loan Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Interim deposits in authorized depositories provided these deposits are properly insured or collateralized. These interim deposits include but are not limited to: certificates of deposit, CDARS®, and savings accounts.
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions; and
6. The State Treasurer's investment pool (STAR Ohio).
7. The City may also invest up to 25% of interim moneys in the following:
  - a. Commercial paper notes issued by an entity that has assets exceeding \$500 million and:
    - (a) Are rated at the time of purchase by at least two nationally recognized standard rating services.
    - (b) The aggregate value of notes does not exceed 10% of the aggregate value of the outstanding commercial paper of the issuing corporations.
    - (c) The notes mature not later than 180 days after purchase.
  - b. Bankers acceptance of banks that are insured by the Federal Deposit Insurance Corporation (FDIC) and:
    - (a) The obligations are eligible for purchase by the Federal Reserve System.
    - (b) The obligations mature not later than 180 days after purchase.
8. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;

C. Investments

*Interest Rate Risk.* As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy generally limits investment portfolio maturities to five years or less.

City of Powell, Ohio  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2006

NOTE 2 – CASH, CASH EQUIVALENTS AND INVESTMENTS (continued)

*Concentration Credit Risk.* As a means of limiting its exposure to losses arising from an issuer or other party not fulfilling its obligation, the City’s investment policy has included portfolio diversifications limits by instrument and financial institution.

At year-end, the City had the following investments and maturities as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities</u>				
		<u>12 months or less</u>	<u>13 to 24 months</u>	<u>25 to 36 months</u>	<u>37 to 48 months</u>	<u>49 to 60 months</u>
FNMA	\$ 1,489,720	\$ 1,489,720	\$ -	\$ -	\$ -	\$ -
StarOhio	3,701,121	3,701,121	-	-	-	-
Total investments	<u>\$ 5,190,841</u>	<u>\$ 5,190,841</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

*Credit Risk.* The City’s investments in U.S. government securities can include: U.S. Treasury Bills, Notes, and Bonds. Federal agency securities can include: Federal National Mortgage Association (FNMA), Federal Home Loan Mortgage Corp. (FHLMC), Federal Home Loan Bank (FHLB), Federal Farm Credit Bank (FFCB), Student Loan Marketing Association (SLMA), Government National Mortgage Association (GNMA), and Tennessee Valley Authority (TVA). The federal government shall back all U.S. government and federal securities and therefore is not subject to credit risk.

In management’s opinion, all of the City’s cash deposits and investments comply with State statutes, City ordinances and resolutions, and applicable bond indentures.

D. Reconciliation of Cash and Investments to the Statement of Net Assets

The following is a reconciliation of cash and investments to the Statement of Net Assets as of December 31, 2006.

Investments (summarized above)	\$ 5,190,841
Certificate of deposits	3,500,000
Carry amount of the City’s deposits	1,880,163
Cash on hand	<u>30</u>
Total	<u>\$10,571,034</u>
Cash and Investments:	
Governmental Activities - Governmental funds	\$10,105,206
Agency funds	<u>465,828</u>
Total	<u>\$10,571,034</u>

City of Powell, Ohio  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2006

**NOTE 3 – RECEIVABLES**

Receivables as of year-end for the City consisted of accounts; accrued interest; intergovernmental receivables arising from grants, entitlements, and shared revenues; municipal income taxes; other local taxes; and property taxes. All receivables are considered collectible in full within one year, except for assessments for sidewalks, which are due over the next four years.

	GOVERNMENTAL MAJOR FUNDS						Nonmajor	Governmental Total
	General	Street Const. & Maint.	Debt Service	Golf Village	Police Facility	Parks & Rec Const.	Governmental Funds	
Receivables:								
Interest	\$ 64,909	\$ 7,294			\$ 8,970	\$ 1,313	\$ 573	\$ 83,059
Taxes	1,788,035		\$ 414,652			664,010		2,866,697
Intergovernmental	188,071	338,865				40,613	16,920	584,469
Other	38,001			\$ 120,950			250	159,201
Total receivables	\$ 2,079,016	\$ 346,159	\$ 414,652	\$ 120,950	\$ 8,970	\$ 705,936	\$ 17,743	\$ 3,693,426

There are two meanings for deferred revenue in the public sector. They are unearned revenue and unavailable revenue. Unearned revenue can be found in the government-wide financial reporting as well as in the governmental fund, proprietary fund, and fiduciary fund financial statements. Unavailable revenue is unique to governmental funds, since it is tied to the modified accrual basis of accounting.

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

	GOVERNMENTAL MAJOR FUNDS						Nonmajor	Governmental Total
	General	Street Const. & Maint.	Debt Service	Police Facility	Golf Village	Parks & Rec Const.	Governmental Funds	
Deferred Revenue								
Taxes receivable	\$ 1,578,520		\$ 391,807			\$ 664,010		\$ 2,634,337
Intergovernmental	164,360	\$ 301,320	22,845			40,613	\$ 14,167	543,305
Other	38,001				\$ 120,950		250	159,201
Total receivables	\$ 1,780,881	\$ 301,320	\$ 414,652	\$ -	\$ 120,950	\$ 704,623	\$ 14,417	\$ 3,336,843

City of Powell, Ohio  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2006

**NOTE 4 – CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2006, (As restated. See note 18) was as follows:

	Balance 12/31/05	Additions	Reductions	Transfers	Balance 12/31/06
Governmental Activities:					
Nondepreciable Capital Assets					
Land	\$3,255,784	\$466,730	\$0	\$0	\$3,722,514
Construction in Progress	7,112,701	2,688,565	0	(7,121,321)	2,679,945
Total Nondepreciable Capital Assets	<u>10,368,485</u>	<u>3,155,295</u>	<u>0</u>	<u>(7,121,321)</u>	<u>6,402,459</u>
Depreciable Capital Assets					
Land Improvements	2,617,857	10,749	0	5,664,750	8,293,356
Buildings	1,674,614	24,999	0	1,056,682	2,756,295
Equipment	307,342	15,794	0	0	323,136
Vehicles	714,874	27,139	0	0	742,013
Streets	18,833,537	0	0	0	18,833,537
Storm Sewers	14,794,870	279,226	0	399,889	15,473,985
Total Depreciable Capital Assets	<u>38,943,094</u>	<u>357,907</u>	<u>0</u>	<u>7,121,321</u>	<u>46,422,322</u>
Less Accumulated Depreciation for					
Land Improvements	(423,878)	(345,012)	0	0	(768,890)
Buildings	(280,429)	(55,125)	0	0	(335,554)
Equipment	(150,351)	(36,398)	0	0	(186,749)
Vehicles	(384,644)	(95,524)	0	0	(480,168)
Streets	(4,666,439)	(418,530)	0	0	(5,084,969)
Storm Sewers	(2,010,835)	(309,480)	0	0	(2,320,315)
Total Accumulated Depreciation	<u>(7,916,576)</u>	<u>(1,260,069)</u>	<u>0</u>	<u>0</u>	<u>(9,176,645)</u>
Total Depreciable Capital Assets, Net	<u>31,026,518</u>	<u>(902,162)</u>	<u>0</u>	<u>7,121,321</u>	<u>37,245,677</u>
Governmental Activities Capital Assets, Net	<u>\$41,395,003</u>	<u>\$2,253,133</u>	<u>\$0</u>	<u>\$0</u>	<u>\$43,648,136</u>

The City accepted contributions of capital assets for governmental activities with a fair value of \$715,853 during 2006.

Depreciation expense was charged to governmental functions as follows:

Governmental Activities	
Public Safety	\$65,184
General Government	45,784
Public Services	805,345
Parks and Recreation	342,086
Community Development	1,670
Total Depreciation Expense - Governmental Activities	<u>\$1,260,069</u>

City of Powell, Ohio  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2006

**NOTE 5 – INTERFUND TRANSACTIONS**

During 2006, the General Fund made transfers to the Debt Service Fund, Police Facility Construction Fund and other governmental funds, in the amounts of \$77,600, \$202,000, and \$442,871, respectively, to subsidize various programs in other funds and to move receipts to debt service funds as debt payments came due. Additionally, the Debt Service fund transferred excess funds from closed debt issues in the amount of \$4,079 back to the General Fund.

**NOTE 6 - CONTRACTUAL COMMITMENTS**

At December 31, 2006, the City had contractual commitments as follows:

<u>Company</u>	<u>Contract Amount</u>	<u>Amount Remaining on Contract</u>
<u>Police Facility Design &amp; Construction</u>		
Horne & King Architects	\$ 66,712	\$ 65,493
CTL Engineering, Inc.	3,900	3,900
Custom Security, Inc.	4,001	4,001
RR Kinsey Electric	4,246	4,246
Accent Communications	36,675	36,675
2K General	2,243,400	269,192
<u>Park Improvements</u>		
Edsall & Associates	\$ 24,930	\$ 6,746
EMH&T Consulting	3,900	2,500
Corna/Kokosing Construction Co.	4,527,021	1
<u>Four Corners</u>		
EMH&T Consulting	\$ 68,640	\$ 14,965
<u>Street &amp; Sidewalk Maintenance Programs</u>		
Columbus Asphalt Co.	\$ 200,000	\$ 200,000
Dunmar Hunston	15,000	15,000
Griffin Pavement Striping	4,000	4,000
<u>Other</u>		
Greenscapes Landscape Co.	\$ 12,374	\$ 12,374
EMH & T Consulting	20,550	4,564
RR Kinsey Electric	10,000	10,000
Julian & Grube, Inc.	18,000	18,000

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City of Powell, Ohio  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2006

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**NOTE 7 – LONG TERM LIABILITIES**

Bonds and notes payable in the Statement of Net Assets are comprised of the following:

Bonds and notes payable outstanding at December 31, 2006	\$ 28,680,000
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**A. General Obligation Bonds and Notes**

General obligation bonds and notes are direct obligations and pledge the full faith and credit of the City. The City issues general obligation bonds and notes to provide funds for acquisition and construction of major capital equipment, infrastructure and facilities.

All general obligation bonds are supported by the full faith and credit of the City of Powell and are payable from unvoted property tax revenues to the extent that other resources are not available to meet annual principal and interest expenditures.

**Various Purposes 1997(A)**

In 1997, the City issued \$2,750,000 in general obligation bonds for the purposes of retiring certain notes on a current basis. The outstanding notes were issued for the following purposes:

- ◆ \$1,400,000 of notes, dated July 22, 1996 and maturing July 22, 1997, were issued for the purposes of street and drainage improvements.
- ◆ \$1,350,000 of notes, dated January 7, 1997 and maturing July 9, 1997, were issued for the purposes of acquiring real estate for municipal purposes.

**Various Purposes 1997 (B)**

In 1997, the City issued \$720,000 in general obligation bonds for purposes of retiring certain notes on a current basis and refunding certain outstanding bonds. The outstanding notes and bonds were issued for the following purposes:

- ◆ \$185,000 of notes, dated July 22, 1996 and maturing July 22, 1997, were issued for street and drainage improvements.
- ◆ \$535,000 of bonds, dated December 1, 1989 and maturing December 1, 2009, were issued for acquiring and constructing a building for municipal purposes.

**Road Improvement 1999**

In 1999, the City issued \$2,571,501 in general obligation bonds for the purposes of road improvements.

City of Powell, Ohio  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2006

NOTE 7 – LONG TERM LIABILITIES (continued)

Golf Village 2002

In 2002, the City issued \$10,915,000 in general obligation bonds to purchase certain assets from the Liberty Community Infrastructure Financing Authority (Financing Authority), currently known as Golf Village. Assets acquired primarily consisted of various roads and infrastructure improvements. As part of the agreement, the Financing Authority is required to collect, and remit to the City, the entire Community Development Charge in an amount at least sufficient to pay annual principal and interest costs on the City's general obligation bonds. The Community Development Charge is calculated and collected annually by the Financing Authority.

Park Improvements 2004

In 2004, the City issued \$6,000,000 in general obligation bonds to acquire land and interests in land for parks and recreational purposes, constructing and installing recreational improvements, including walking and biking trails, ballfields, and other park facilities in the City.

The Park Improvement Bonds are term bonds with two different maturity date schedules. The term bonds maturing on December 1, 2025, are subject to mandatory sinking fund redemption, at a redemption price equal to 100 percent of the principal amount to be redeemed plus accrued interest to the redemption date, on December 1 in each of the years and in the respective principal amounts as follows:

Redemption Date	Principal Amount	Redemption Date	Principal Amount
2012	\$200,000	2019	\$300,000
2013	225,000	2020	325,000
2014	225,000	2021	350,000
2015	250,000	2022	350,000
2016	275,000	2023	375,000
2017	275,000	2024	400,000
2018	300,000	2025	400,000

The term bonds maturing on December 1, 2032, are subject to mandatory sinking fund redemption, at a redemption price of 100 percent of the principal amount to be redeemed plus accrued interest to the redemption date, on December 1 in each of the years and in the respective principal amounts as follows:

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City of Powell, Ohio  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2006

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NOTE 7 – LONG TERM LIABILITIES (continued)

<u>Redemption Date</u>	<u>Principal Amount</u>
2026	\$600,000
2027	625,000
2028	650,000
2029	675,000
2030	700,000
2031	700,000
2032	730,000

Police Facility Construction 2006

On May 18, 2006, the City issued Capital Improvement and Construction Bonds of \$2,750,000. The bonds were issued with an interest rate ranging from 4.0 – 4.30 percent with an original issue discount of \$1,819, and related issuance cost of \$51,812. These bonds were issued for Police Facility construction and municipal facility improvements.

B. Compensated Absences

The criterion for determining vacation and sick leave benefits is derived from negotiated agreements and State laws.

City employees earn vacation at varying rates depending on length of service. Current policy credits vacation leave on the employee's anniversary date. Employees are paid for 100 percent of accumulated unused vacation leave upon termination.

Sick leave is earned at a rate of four and six-tenths hours for every eighty hours worked. Full-time employees with more than ten years of public service under the applicable retirement system, who retire from the City, are entitled to receive one-fourth of the value of their accumulated unused sick leave up to a maximum payment of two hundred sixty hours.

The compensated absences liability will be paid from the fund from which the employees' salaries are paid. These funds include the General Fund and the Parks and Recreation special revenue fund.

City of Powell, Ohio  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2006

NOTE 7 – LONG TERM LIABILITIES (continued)

C. Changes in Long-term Liabilities

The City's long-term obligations activity for the year ended December 31, 2006, was as follows:

	<u>Interest Rate</u>	<u>Balance 12/31/05</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/06</u>	<u>Due Within One Year</u>
<u>General Obligation Bonds &amp; Notes</u>						
Various Purpose 1997A (Original Amount \$2,720,000)	7.10%	\$2,130,000	\$0	\$100,000	\$2,030,000	\$110,000
Various Purpose 1997B (Original Amount \$720,000)	5.75	330,000	0	60,000	270,000	60,000
Road Improvement 1999 (Original Amount \$2,571,501)	3.20	1,955,000	0	105,000	1,850,000	115,000
Golf Village 2002 (Original Amount \$10,915,000)	3-5.5	10,365,000	0	200,000	10,165,000	260,000
Park Improvements 2004 (Original Amount \$6,000,000)	2-3.5	5,395,000	0	540,000	4,855,000	570,000
Police Facility & 2006 (Original Amount \$6,000,000)	2-3.5	0	2,750,000	140,000	2,610,000	95,000
General Obligation Notes	4.25	0	6,900,000	0	6,900,000	0
Total General Obligation Bonds & Notes		<u>20,175,000</u>	<u>9,650,000</u>	<u>1,145,000</u>	<u>28,680,000</u>	<u>1,210,000</u>
<u>Other Long-Term Obligations</u>						
Compensated Absences Payable		133,357	111,863	91,055	154,165	81,075
Total Long-Term Obligations		<u>\$20,308,357</u>	<u>\$9,761,863</u>	<u>\$1,236,055</u>	<u>\$29,834,165</u>	<u>\$1,291,075</u>

The following is a summary of the City's future annual debt service requirements for general obligation bonds & Notes:

<u>Year</u>	<u>General Obligation Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
2007	1,210,000	959,957
2008	8,195,000	1,262,035
2009	1,240,000	922,087
2010	1,330,000	878,498
2011	1,420,000	829,360
2012-2016	5,030,000	3,355,441
2017-2021	3,230,000	3,018,383
2022-2026	2,945,000	1,624,350
2027-2031	3,350,000	774,500
2032	730,000	40,150
	<u>\$28,680,000</u>	<u>\$13,664,761</u>

City of Powell, Ohio  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2006

NOTE 7 – LONG TERM LIABILITIES (continued)

D. Operating Leases

The City leases a postage machine and occasionally other equipment under noncancelable operating leases. Total costs for such leases were \$1,620 for the year ended December 31, 2006. The future minimum lease payments for these leases are as follows:

<u>Year ending</u>	<u>Amount</u>
December 31, 2007	\$1,620
December 31, 2008	<u>1,349</u>
Total	<u>\$2,969</u>

E. Conduit Debt

The City has not been a party of conduit debt.

**NOTE 8 – NOTES PAYABLE**

According to Ohio law, notes can be issued in anticipation of bond proceeds, special assessment bond proceeds and levies, or for up to 50 percent of anticipated revenue collections. The City's bond anticipation notes have a maturity of one year. The liability was presented in the fund receiving the proceeds. The various purpose bond anticipation notes were issued to retire notes previously issued for various activities related to the Liberty Community Infrastructure Financing Authority. These notes will be repaid from a community development charge received from the Financing Authority. The notes will continue to be reissued, and were reissued on April 26, 2007, until such time as the development charges are sufficient to retire the notes (SEE NOTES 7 & 12).

	Interest Rate	Balance 12/31/05	Additions	Reductions	Balance 12/31/06
<u>Bond Anticipation Notes</u>					
Capital Projects Funds					
Various Purpose Bond Anticipation Notes	4.00	\$6,900,000	\$0	\$6,900,000	\$0
Total Governmental Activities Notes		\$6,900,000	\$0	\$6,900,000	\$0

City of Powell, Ohio  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2006

**NOTE 9 – RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has entered into contracts with various insurance agencies for the following types of coverage:

Type of Coverage	Coverage	Deductible
General Liability		
Occurrence	\$5,000,000	\$0
Aggregate	7,000,000	0
Public Official Liability		
Occurrence	5,000,000	2,500
Aggregate	7,000,000	2,500
Employer’s Liability		
Occurrence	5,000,000	0
Aggregate	5,000,000	0
Employee Benefits Liability		
Occurrence	1,000,000	0
Aggregate	3,000,000	0
Law Enforcement Liability		
Occurrence	5,000,000	5,000
Aggregate	7,000,000	5,000
Automobile Liability	5,000,000	1,000
Property	7,761,672	1,000

No insurance settlement has exceeded insurance coverage during the last three years.

For 2006, the City did participate in the Ohio Municipal League Equity Pooling Workers' Compensation Group Rating Plan (Plan), an insurance purchasing pool. However, the premiums paid during 2006 for the 2005 payroll was not through Ohio Municipal League Equity Pooling but a separate worker's compensation policy utilizing CompManagement Inc. as their claim processor for the Ohio Bureau of Worker's Compensation.

**NOTE 10 - CHANGE IN ACCOUNTING PRINCIPLES**

In September 2006, the GASB issued Statement No. 48, “Sales and Pledges of Receivables and future Revenues and Intra-Entity Transfers of Assets and Future Revenues.” This statement is to establish accounting standards on whether a transaction should be regarded as a sale or as collateralized borrowing resulting in a liability. The provisions of this statement are effective for fiscal periods beginning after December 15, 2006. The implementation of GASB Statement No. 48 had no impact on these financial statements.

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City of Powell, Ohio  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2006

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**NOTE 11 – ACCOUNTABILITY**

The Downtown TIF capital projects fund had a deficit fund balance, in the amount of \$45,850. The deficit was due to the TIF Fund spending monies in advance of future receipts from monies advanced from the General Fund.

**NOTE 12 – SUBSEQUENT EVENT**

On April 26, 2007 the City issued Various Purpose Notes of 6,900,000. The one year notes were issued to refinance the existing \$6,900,000 notes at December 31, 2006 (See Notes 7 & 8). The new notes were issued at a rate of interest of 4.25%, a premium of \$57,063 and related issuance cost of \$12,953. As a result of this issuance, the City reclassified the notes that existed at December 31, 2006, to Due in more than one year on the Entity-wide Statement of Net Assets.

**NOTE 13 – CONTINGENT LIABILITIES**

**A. Litigation**

The City is a defendant in a lawsuit pertaining to matters, which are incidental to performing routine government functions. City management is of the opinion that ultimate settlement of such claims will not result in a material adverse effect on the City's financial position as of December 31, 2006.

**B. Federal and State Grants**

For the period January 1, 2006 to December 31, 2006, 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 disallowances, if any, would be immaterial.

**NOTE 14 - INSURANCE POOL**

The City is a participant in the Ohio Municipal League Equity Pooling Workers' Compensation Group Rating Plan (Plan), an insurance purchasing pool. The Plan's business and affairs are conducted by a twenty-six member Board of Trustees consisting of fifteen mayors, two council members, three administrators, three finance officers, and three law directors which are voted on by the members for staggered two-year terms. The Executive Director of the Ohio Municipal League serves as coordinator of the Plan. Each year, the participants pay an enrollment fee to the Plan to cover the costs of administering the program.

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City of Powell, Ohio  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2006

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**NOTE 15 - JOINTLY GOVERNED ORGANIZATIONS**

**A. Liberty Community Infrastructure Financing Authority**

The Liberty Community Infrastructure Financing Authority, Delaware County, Ohio (Financing Authority) is a jointly governed organization created according to Chapter 349 of the Ohio Revised Code. The Financing Authority was established to encourage the orderly development of a well planned, diversified, and economically sound community; to encourage initiative and participation of private enterprise in this undertaking; and to encourage cooperation between the developer and the financing authority to carry out the new community development program.

The Financing Authority is governed by a seven member Board of Trustees. The Delaware County Board of County Commissioners, a related organization appoints three of the Trustees, two (2) of whom are citizen members, to represent the interests of present and future residents of the community district, one (1) who is elected by the residents of the community and one (1) of whom is a representative of local government. The remaining three (3) Trustees are appointed by the developer. The Finance Director of the City of Powell is the appointed local government representative. All Trustees are empowered to vote on all matters within the authority of the Board of Trustees.

Financial information can be obtained from the Liberty Community Infrastructure Financing Authority, in care of: Parns & Company, LLC, 585 South Front Street, Suite 220, Columbus, Ohio 43215.

**B. Powell Community Infrastructure Financing Authority**

The Powell Community Infrastructure Financing Authority, Delaware County, Ohio (Financing Authority) is a jointly governed organization created according to Chapter 349 of the Ohio Revised Code. The Financing Authority was established to encourage the orderly development of a well planned, diversified, and economically sound community; to encourage initiative and participation of private enterprise in this undertaking; and to encourage cooperation between the developer and the financing authority to carry out the new community development program.

The Financing Authority is governed by a seven member Board of Trustees consisting of six members elected by the residents of the community and the Finance Director of the City of Powell (appointed by the Delaware County Commissioners as a local government representative). All Trustees are empowered to vote on all matters within the authority of the Board of Trustees.

Financial information can be obtained from the Powell Community Infrastructure Financing Authority, 470 Olde Worthington Road, Westerville, Ohio 43082.

**NOTE 16 - DEFINED BENEFIT PENSION PLANS – RETIREMENT BENEFITS**

All non-uniformed full time City employees participate in the Ohio Public Employee Retirement System while police officers participate in the Ohio Police and Fire Pension Fund.

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City of Powell, Ohio  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2006

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NOTE 16 - DEFINED BENEFIT PENSION PLANS – RETIREMENT BENEFITS (continued)

A. Ohio Public Employees Retirement System

*Plan description* - The City participates in the Ohio Public Employees Retirement System (OPERS) which administers three separate pension plans: the traditional plan; member-directed plan; and combined plan. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member-directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by OPERS to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member-directed plan. OPERS provides retirement, disability, survivor and death benefits, annual cost of living adjustments to members of the traditional and combined plans, and post-retirement health coverage to qualifying members of the traditional and combined plans. Members of the member-directed plan do not qualify for ancillary benefits, including post-employment health care coverage.

Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a publicly available financial report that includes financial statements and required supplementary information for the plan. The report may be obtained by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling 1-800-222-7377.

*Funding policy* – The Ohio Revised Code provides statutory authority for member and employer contributions. For 2006, member and employer contributions were different for the three plans. For the year ended December 31, 2006, members were required to contribute 9.0 percent of their annual covered salary to fund pension obligations. The City's contribution rate for pension benefits for 2006 was 13.70 percent. During 2006, 4.5 percent of the City's contribution was used to fund postemployment health care benefits, available to retirees with at least ten-years of service credit compared to 4.0 percent in 2005 and 4.0% in 2004.

The City's required employer contribution for pension obligations for the years ended December 31, 2006, 2005, and 2004 was \$181,481, \$161,856, and \$144,664 respectively. Total required employer contributions for all plans were equal to 100% of the employer charges.

The City's employee's contributions to OPERS for the years ended December 31, 2006, 2005 and 2004 were \$119,222, \$101,534, and \$90,749, respectively.

B. Ohio Police and Fire Pension Fund

*Plan description* - The City participates in the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple-employer defined benefit pension plan. OP&F provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in

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City of Powell, Ohio  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2006

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**NOTE 16 - DEFINED BENEFIT PENSION PLANS – RETIREMENT BENEFITS (continued)**

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. The report may be obtained by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

*Funding policy* - Plan members are required to contribute 10.0 percent of their annual covered salary to fund pension obligations while the City is required to contribute 19.5 percent for police officers. The City's contributions to the OP&F for the years ended December 31, 2006, 2005, and 2004 were \$200,057, \$187,072, and \$173,270, respectively; total required employer contributions for all plans were equal to 100% of the employer charges.

The City's employee's contributions to OP&F for the years ended December 31, 2006, 2005 and 2004 were \$98,698, \$95,935, and \$88,856, respectively

The City provides postretirement health care benefits through the City's pension contributions to Ohio Public Employees Retirement System and Ohio Police and Fire Pension Fund.

GASB Statement No. 45, "*Accounting and Financial Reporting by Employers for Post-employment Benefits other than Pension*", establishes standards for disclosure of information on post-employment benefits other than pension benefits by all state and local government employers. Statement No. 45 supersedes Statement No. 12, "*Disclosure of Information on Post-employment Benefits other than Pension Benefits*", for public employers, effective for fiscal periods beginning after December 15, 2006. The OP&F has not implemented GASB Statement No. 45 but OPERS has provided early implementation information for GASB Statement No. 45.

**NOTE 17 - POSTEMPLOYMENT BENEFITS**

**A. Ohio Public Employees Retirement System**

OPERS provides retirement, disability, survivor and death benefits, annual cost of living adjustments to members of the traditional and combined plans, and post-retirement health coverage to qualifying members of the traditional and combined plans. Members of the member-directed plan do not qualify for ancillary benefits, including post-employment health care coverage.

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and primary survivor recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by OPERS is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12, "*Disclosure of Information on Postemployment Benefits Other Than Pension Benefits by State and Local*

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City of Powell, Ohio  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2006

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NOTE 17 - POSTEMPLOYMENT BENEFITS (continued)

*Governmental Employers*". A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2006 employer contribution rate was 13.70 percent of covered payroll; 4.5 percent was the portion used to fund health care.

*Summary of Assumptions:*

Actuarial Review – the assumptions and calculations are based on OPERS' latest actuarial review performed as of December 31, 2005.

Funding Method – an entry-age normal actuarial cost method of valuation is used in determining the present value of OPEB. The difference between assumed and actual experience (actuarial gains and losses) becomes part of the unfunded actuarial accrued liability.

Assets Valuation Method – all investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach, assets are adjusted to reflect 25% of unrealized market appreciation or depreciation on investment assets annually, not to exceed a 12% corridor.

Investment Return – the investment assumption rate for 2005 was 6.5 percent.

Active Employee Total Payroll – an annual increase of 4.0 percent, compounded annually, is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. Additionally, annual pay increases, over and above the 4.0 percent base increase, were assumed to range from 0.50 percent to 6.3 percent.

Health Care – health care costs were assumed to increase at the projected wage inflation rate plus an additional factor ranging from .5 percent to 6 percent for the next 9 years. In subsequent years (10 and beyond), health care costs were assumed to increase at 4 percent (the projected wage inflation rate).

OPEBs are advance-funded on an actuarially determined basis. The following disclosures are required:

1. The Traditional Pension and Combined Plans had 369,214 active contributing participants as of December 31, 2006. The number of active contributing participants for both plans used in the December 31, 2005, actuarial valuation was 358,804.
2. The rates stated above are the actuarially determined contributions requirements for OPERS. Actual employer contributions for 2006 which were used to fund postemployment benefits was \$59,617 (.3285 of actual contributions).
3. The amount of \$11.1 billion represents the actuarial value of OPERS' net assets available for OPEB at December 31, 2005.
4. The Actuarial Valuation as of December 31, 2005, reported the actuarially accrued liability and the unfunded actuarially accrued liability for OPEB, based on the actuarial cost method used, at \$31.3 billion and \$20.2 billion, respectively.

City of Powell, Ohio  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2006

NOTE 17 - POSTEMPLOYMENT BENEFITS (continued)

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, will be effective January 1, 2007. In addition to the HCPP, OPERS has taken additional action to improve the solvency of the Health Care Fund in 2005 by creating a separate investment pool for health care assets. As an additional component of the HCPP, member and employer contribution rates increased as of January 1, 2006, which will allow additional funds to be allocated to the health care plan.

	Current Rate	2007	2008
Employer	13.70%	13.85%	14.00%
Employee	9.00%	9.50%	10.00%

B. Ohio Police and Fire Pension Fund

The Ohio Police and Fire Pension Fund (OP&F) provides postretirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or survivor benefit check, or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of eighteen, whether or not the child is attending school, or under the age of twenty-two if attending school full-time or on a two-thirds basis. The health care coverage provided by OP&F is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12 *“Disclosure of Information on Postemployment Benefits Other Than Pension Benefits by State and Local Governmental Employers”*. The Ohio Revised Code provides that health care cost paid from the funds of OP&F shall be included in the employer’s contribution rate. The total police employer contribution rate is 19.5 percent of covered payroll.

The Ohio Revised Code provides the statutory authority allowing the OP&F’s Board of Trustees to offer health care coverage to all eligible individuals. Health care funding and accounting is on a pay-as-you-go basis. A percentage of covered payroll, as defined by the Board, is used to pay retiree health care expenses. The Board defined allocation was 7.75 percent of covered payroll in 2005 and 2006. In addition, since July 1, 1992, most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. Beginning in 2001, all retirees and survivors have monthly health care contributions.

OPEBs are advance-funded on an actuarially determined basis. The following disclosures are required:

1. The number of participants eligible to receive health care benefits as of December 31, 2005, the date of the last actuarial valuation available was 13,922 for police and 10,537 for firefighters.
2. The rates stated above are the actuarially determined contributions requirements for OP&F. Actual employer contributions for 2006 which were used to fund postemployment benefits was \$79,423 (.397 of actual contributions).
3. OP&F’s total health care expense for the year ending December 31, 2005, the date of the last actuarial valuation available, was \$108,039,449, which was net of member contributions of \$55,271,881.

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City of Powell, Ohio  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2006

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**NOTE 18 - RESTATEMENT**

The beginning net assets of the governmental activities have been restated due to the addition of Storm Sewer infrastructure assets. The adjustments had the following effect on net assets as previously reported:

	<u>Governmental Activities</u>
Net Assets December 31, 2005	\$10,999,225
Adjustment for Storm Sewer assets	12,784,035
Restated Net Assets December 31, 2005	<u><u>\$23,783,260</u></u>

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City of Powell, Ohio  
 Budgetary Comparison Schedule  
 General Fund  
 For the Year Ended December 31, 2006

<b>Revenues:</b>	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance</b>
Income tax	\$ 3,050,000	\$ 3,050,000	\$ 3,640,774	\$ 590,774
Property tax	412,000	448,088	452,233	4,145
Estate tax	35,000	35,000	35,563	563
Intergovernmental	351,317	388,960	380,219	(8,741)
Licenses and permits	556,100	556,100	793,867	237,767
Charges for services	6,000	6,000	11,245	5,245
Fines and forfeits	10,100	10,100	19,049	8,949
Investment earnings	85,000	85,000	387,172	302,172
Miscellaneous	26,000	26,000	48,712	22,712
<b>Total revenues</b>	<b>4,531,517</b>	<b>4,605,248</b>	<b>5,768,834</b>	<b>1,163,586</b>
<b>Expenditures:</b>				
Current:				
Public safety	1,665,681	1,677,888	1,652,177	25,711
General government	1,470,078	1,472,467	1,334,672	137,795
Public services	554,192	544,410	457,071	87,339
Parks and recreation	353,852	330,890	265,627	65,263
Community Development	962,510	970,984	936,423	34,561
Capital outlay	185,685	233,907	213,602	20,305
<b>Total expenditures</b>	<b>5,191,998</b>	<b>5,230,546</b>	<b>4,859,572</b>	<b>370,974</b>
Excess (deficiency) of revenues over expenditures	(660,481)	(625,298)	909,262	1,534,560
<b>Other Financing Sources (Uses):</b>				
Operating transfers-in		85,409	85,409	-
Operating transfers-out	(519,572)	(721,572)	(721,572)	-
Advance to TIF Fund		(68,640)	(68,640)	-
<b>Total other financing sources (uses)</b>	<b>(519,572)</b>	<b>(704,803)</b>	<b>(704,803)</b>	<b>-</b>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(1,180,053)	(1,330,101)	204,459	1,534,560
<b>Fund balances at beginning of the year</b>	<b>4,814,356</b>	<b>4,814,356</b>	<b>4,814,356</b>	<b>-</b>
<b>Prior year encumbrances appropriated</b>	<b>260,215</b>	<b>260,215</b>	<b>260,215</b>	<b>-</b>
<b>Fund balances at end of year</b>	<b>\$ 3,894,518</b>	<b>\$ 3,744,470</b>	<b>\$ 5,279,030</b>	<b>\$ 1,534,560</b>

Adjustments necessary to convert the results of operations at end of year on the budget basis to the modified accrual basis (GAAP) are as follows:

<b>Excess of revenues and other financing sources over expenditures and other uses per the Budgetary Comparison Schedule</b>	
	204,459
(Increases) decreases from revenues:	
Received in cash during year but already accrued as receivables (GAAP) at December 31, 2005	(281,138)
Accrued as receivables at December 31, 2006 but not recognized in budget	386,848
(Increases) decreases from expenditures:	
Accrued as liabilities at December 31, 2005 recognized as expenditures (GAAP) but not in budget	237,317
Accrued as liabilities at December 31, 2006	(246,538)
Fair value adjustment for investments	5,194
Encumbrances outstanding - Budget basis	261,966
Net change in fund balance per the Statement of Revenues, Expenditures, and Changes in Fund Balance	<b>\$ 568,108</b>

City of Powell, Ohio  
 Budgetary Comparison Schedule  
 Street Construction and Maintenance Fund  
 For the Year Ended December 31, 2006

<b>Revenues:</b>	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance</b>
Motor Fuel tax	\$ 345,225	\$ 368,225	\$ 465,904	\$ 97,679
Investment earnings	6,000	6,000	30,500	24,500
<b>Total revenues</b>	<u>351,225</u>	<u>374,225</u>	<u>496,404</u>	<u>122,179</u>
<b>Expenditures:</b>				
Current:				
Public services	678,974	624,140	422,086	202,054
<b>Total expenditures</b>	<u>678,974</u>	<u>624,140</u>	<u>422,086</u>	<u>202,054</u>
Excess (deficiency) of revenues over expenditures	(327,749)	(249,915)	74,318	324,233
<b>Other Financing Sources (Uses):</b>				
Operating transfers-in	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(327,749)	(249,915)	74,318	324,233
<b>Fund balances at beginning of the year</b>	411,549	411,549	411,549	-
<b>Prior year encumbrances appropriated</b>	173,224	173,224	173,224	-
<b>Fund balances at end of year</b>	<u>\$ 257,024</u>	<u>\$ 334,858</u>	<u>\$ 659,091</u>	<u>\$ 324,233</u>

Adjustments necessary to convert the results of operations at end of year on the budget basis to the modified accrual basis (GAAP) are as follows:

<b>Excess of revenues and other financing sources over expenditures and other uses per the Budgetary Comparison Schedule</b>	74,318
(Increases) decreases from revenues:	
Received in cash during year but already accrued as receivables (GAAP) at December 31, 2005	(47,720)
Accrued as receivables at December 31, 2006 but not recognized in budget	68,716
(Increases) decreases from expenditures:	
Accrued as liabilities at December 31, 2005 recognized as expenditures (GAAP) but not in budget	39,338
Accrued as liabilities at December 31, 2006	-
Encumbrances outstanding - Budget basis	277,904
Net change in fund balance per the Statement of Revenues, Expenditures, and Changes in Fund Balance	<u>\$ 412,556</u>

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City of Powell, Ohio  
Notes to the Required Supplementary Information  
For the Year Ended December 31, 2006

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### Budgetary Information

All governmental fund types are subject to annual expenditures budgets. The City Council follows procedures outlines below in establishing the expenditure budget data reported in the Annual Budget adopted for 2006.

In November, the City Manager and the Finance Director submit to City Council an estimate of the expenditures necessary to conduct the affairs of the City for the fiscal year commencing the following January 1. Budget estimates are distributed through out the City including newspapers and are available to be picked up at the City offices. Public hearings are held to obtain taxpayers comments.

Subsequent to January 1, and after publication of the proposed budget ordinance, the budget is legally enacted through passage of the ordinance. The budget specifies expenditure amounts by object for each activity within each fund. The approved budget is distributed to the library and is posted on the City's website.

No transfer of appropriations can be made without City Council action, with the exception of certain transfers within a department's appropriation and within the same fund. Expenditures cannot legally exceed appropriations at the object level which is: personal services, operating expenditures and capital outlay. During 2006 various transfer of appropriations and supplemental appropriations were made in the following amounts:

General Fund	\$ 309,188
Street Construction and Maintenance Fund	\$ 54,834
Golf Village Debt Service Fund	\$ -
Debt Service Fund	\$ -
Police Facility Construction & Debt Debt Service Fund	\$ 2,952,000
Parks and Recreation Construction & Debt Service Fund	\$ -
Nonmajor Special Revenue Funds	\$ 26,472
Nonmajor Capital Project Funds	\$ 39,769

Unencumbered appropriations lapse at year-end and additional appropriations are made for any encumbrances carried forward.

The City's budgetary process is based upon accounting for certain transactions on a basis other than accounting principles generally accepted in the United States of America (GAAP).

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g. purchase orders, contracts) outstanding at year-end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

### Budgetary Control

The budgets presented in the required supplementary information are shown in a condensed version of the actual budget. The legal level of budgetary control is at the department level (function - police) and category level (object - personal services) which is shown in the Schedule of Revenues, Expenditures and

City of Powell, Ohio  
Notes to the Required Supplementary Information  
For the Year Ended December 31, 2006

Changes in Fund Balance – Budget and Actual statements in the Other Supplementary Information section.

Several departments presented more information than just operating expenditures (object level) for appropriation. The additional line separation has been included in the following chart:

	Adopted Budget	Revised Budget	Actual	Variance
General Government (Facility Maintenance)				
Operating expenditures:				
Village Green - Operating	77,200	90,688	80,497	10,191
Community Rooms - Operating	13,500	13,875	10,371	3,504
Village Park - Operating	21,500	22,739	15,698	7,041
S. Liberty - Operating	20,300	16,795	14,345	2,450
Total operating expenditures	132,500	144,097	120,911	23,186
Capital outlay:				
Community Rooms - Capital	3,300	6,161	4,318	1,843
S. Liberty - Capital	10,000	10,000	9,647	353
Total capital outlay	13,300	16,161	13,965	2,196
General Government (Other Charges)				
Operating expenditures:				
Legal Services	119,000	150,414	139,319	11,095
General operating	201,045	219,845	166,105	53,740
Total operating expenditures	320,045	370,259	305,424	64,835
Community Affairs Department				
Personal services:				
Personal services - Parks Support	2,450	2,450	2,368	82
Total personal services	58,100	58,100	56,948	1,152
Operating expenditures:				
Operating	54,750	66,822	65,272	1,550
Operating - Parks Support	5,000	5,000	4,941	59
Total operating expenditures	59,750	71,822	70,213	1,609
Capital outlay:				
Capital outlay	350	350	350	-
Total capital outlay	350	350	350	-

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City of Powell, Ohio  
Notes to the Required Supplementary Information  
For the Year Ended December 31, 2006

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**General Fund Budgetary Highlights**

The difference between the original budget and the final amended budget was \$309,188, summarized as follows:

- \$202,000 transfer for Police Facility debt service. The City issued a \$2.75 million general obligation bond issue in 2006 where the debt service would be funded from general fund revenues.
- \$68,640 advance to the TIF Public Improvement Fund. The City authorized studies for the downtown incentive district.
- \$25,000 salt barn – postponed from 2005
- \$7,250 part-time downtown development coordinator
- (\$74,212) was the lapsed carry forward of prior year (2005) encumbrances
- \$80,510 for miscellaneous items including: building permit refunds, mower financed through insurance and right of way purchases.

**Special Revenue Funds: Street Construction and Maintenance Fund**

The difference between the original budget and the final amended budget was (\$54,834) for the lapsed carry forward of prior year (2005) encumbrances.

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City of Powell, Ohio  
Description of All Funds

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**MAJOR FUNDS**

These funds are characterized as “major funds”, as defined by GASB Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*. The criteria in GASB Statement No. 34 for characterizing a fund as “major” is as follows”

- a) The general fund is **always** a major fund.
- b) Total assets, liabilities, revenues or expenditures (excluding extraordinary items) of a fund are at least 10% of the corresponding total for all funds of that fund type **and**
- c) Total assets, liabilities, revenues or expenditures of a fund are at 5% of the corresponding total for all governmental and enterprise funds combined.
- d) Internal service funds and fiduciary funds are excluded from major fund testing.

**General Fund**

The general fund is the chief operating fund of the City. The general fund is used to account for all financial activities except those that have been required to be accounted for in another fund. The general fund is the first of the five governmental fund types.

The City has the following administrative departments operating in the general fund: police; parks maintenance; development; building; engineering; public service; administration; council; community affairs/special events; finance; lands and building maintenance; information technology; and other charges.

**Special Revenue Funds**

A special revenue fund is a fund used to account for the proceeds of a specific revenue source (other than major capital projects) that are restricted to expenditures for a specified purpose. Special revenue funds are the second of five governmental fund types.

**Street Construction and Maintenance Fund**

This fund is required by Ohio Revised Code Sections 4501.04 and 5735.27 to account for receipts from the licensing of motor vehicles and receipts from fuel taxes. The funds are used for the construction, repair and maintenance of the City’s streets. The City for financial reporting purposes combines the Street Construction and Maintenance Fund with the Municipal Motor Vehicle License Tax Fund. However, for budgeting/appropriation purposes the two funds are reflected separately.

**Capital Project Funds**

A capital project fund is a fund used to account for the financial resources to be used for the acquisition or construction of major capital facilities. Capital project funds are the third of five governmental fund types.

Golf Village (2002)

This fund is used to pay the debt payments on the Golf Village Infrastructure. The funding of development charges, tap fees and special assessments comes from the Liberty Community Infrastructure Financing Authority, a separate legal entity from the City.

Parks and Recreation Capital Projects Construction Fund

This fund received the proceeds from a voted bond levy in 2002 for the construction of capital improvements in city-owned parks. These funds also are used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest. The City for financial reporting purposes combines the Parks and Recreation Capital Projects Construction Fund with the Voted Park Improvement Debt Service Fund (2002). However, for budgeting/appropriation purposes the two funds are reflected separately.

Police Facility Construction Fund

This fund is used for the construction and major repairs to the Police Facility and the Village Green complex. A non-voted general obligation bond was issued to fund this project.

**Debt Service Funds**

These funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest. Debt service funds are the fourth of five governmental fund types.

Debt Service Fund

These funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest. The City for financial reporting purposes combines the individual debt service funds into one Debt Service Fund. However, for budgeting/appropriation purposes the two funds are reflected separately.

**Nonmajor Funds**

Nonmajor funds are all the funds that did not qualify as a major fund as defined in GASB Statement No. 34.

**Special Revenue Funds**

State Highway Improvement Fund

This fund is required by Ohio Revised Code Sections 4501.04 and 5735.27 to account for receipts from licensing fee of motor vehicles and receipts from fuel taxes. These funds are used for the construction, repair and maintenance of the City's section of Highway 750 (or Powell Road).

Parks and Recreation Program Fund

The purpose of this fund is to create, design, sponsor and oversee recreational activities for the community. These are a fee-based activity.

**City of Powell, Ohio**  
**Description of All Funds**

Park and Recreation (Development) Fund

This fund is used to account for designated developer fees for the development of parks within the City.

Enforcement and Education (D.U.I.) Fund

This fund receives court fees assessed in criminal and traffic cases. The uses of these fees are limited to detection and prevention of driving while impaired. (ORC Section 4511.99)

Board of Pharmacy Fund

This fund receives court fines assessed in drug related cases. The uses of these fines are limited to detection and prevention of drug offenses. (ORC Section 513.99)

Safety Town Fund

This fund was created from donations to assist in a safety program for children. The use of this fund is limited to the supplies and materials to operate the safety program called "Safety Town".

Old Fire Station Fund

This fund was created to account for the revenues received by utilizing or renting the building. The use of this fund is limited to the maintenance of the building and any unused balance at the end of the year is transferred to Capital Projects.

Justice Assistance Grant Fund

This fund is used to account for the justice assistance grant funding.

ODNR (Ohio Department of Natural Resources) Grant Fund

This fund is used to account for the natural resources grant funding.

Law Enforcement Fund

This fund was created to receive funds from Local, State, and Federal Agencies for the seizure of tangible property.

Special Projects Fund

This fund was created from a contribution from a developer for either a pedestrian tunnel or other projects as designated by City Council.

Powell's Golden Days (Festival) Fund

This fund is supported by annual donations to assist in the annual Powell Festival. All expenditures related to this festival are accounted for in this fund.

**Debt Service Funds**

Debt Service does not have any nonmajor funds.

**Capital Project Funds**

Capital Improvement Notes (Projects) Fund

This fund is used for the construction and major repairs to various capital facilities around the City. The City targets a transfer of 10% of the general fund estimated revenue less the transfers for debt service and street maintenance to fund current and future projects.

Village Development and Improvement Fund

This fund is used to account for designated developer fees for the development of city.

Murphy Parkway (Construction) Fund

This fund is used to account for designated developer fees for the construction of Murphy Parkway and Liberty Road intersection.

Olentangy/Liberty Street Intersection Fund

This fund is used to account for designated developer fees for the improvements to the Olentangy/Liberty Street intersection. This fund has been authorized but at year-end no activity had begun.

Downtown TIF (Tax Increment Financing) Public Fund

This fund is used to account for designated real estate taxes to improve the downtown incentive area.

Downtown TIF (Tax Increment Financing) Housing Fund

This fund is used to account for designated real estate taxes to improve the downtown incentive area.

***Fiduciary Funds***

These funds are used to report assets held in a trustee or agency capacity for others and which therefore cannot be used to support the government's own programs. The fiduciary fund category includes pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds, and agency funds. The City currently has only agency funds which involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments.

Unclaimed Funds Fund

The City places the funds of stale dated checks in this fund. The payee has up to five years to claim the funds before it reverts back to the City.

Flexible Benefit Plan Fund

The City accounts for employee deductions collected from their paychecks to pay for miscellaneous medical, dental and/or childcare tax-deductible expenses.

Board of Building Standards Fund

The City collects the 3% required State of Ohio fee on all commercial building projects. The deposits are remitted to the state on a monthly basis.

Development (Engineering) Inspections Fund

The City collects fees from developers to pay for the inspections of infrastructure improvements in subdivisions. These inspections are handled by other organizations and are remitted on a billed basis. Any remaining fees are refunded at the developer's request. If after one-year after the close of the project the funds there has been no refund request the balance becomes the property of the City.

Plumbing Inspection Fund

The City collects the fees for plumbing inspections in Liberty Township and is required to remit 20% to the Delaware General Health Department. The deposits are remitted to the Delaware General Health Department on a monthly basis.

Escrowed Deposits Fund

The City collects security deposits for the use of the Community Meeting Room and for the construction of decks. These are returned to the depositor at completion. The security deposits for the Community Meeting Room may become the property of the City if the room was left damaged or unclean.

**City of Powell, Ohio**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual (NON-GAAP Budgetary Basis)**  
**General Fund**  
**For the Fiscal Year Ended December 31, 2006**

<b>Revenues:</b>	<b>Adopted Budget</b>	<b>Revised Budget</b>	<b>Actual</b>	<b>Variance</b>
Income tax	\$ 3,050,000	\$ 3,050,000	\$ 3,640,774	\$ 590,774
Property tax	412,000	448,088	452,233	4,145
Estate tax	35,000	35,000	35,563	563
Intergovernmental	351,317	388,960	380,219	(8,741)
Licenses and permits	556,100	556,100	793,867	237,767
Charges for services	6,000	6,000	11,245	5,245
Fines and forfeits	10,100	10,100	19,049	8,949
Investment earnings	85,000	85,000	387,172	302,172
Miscellaneous	26,000	26,000	48,712	22,712
<b>Total revenues</b>	<b>4,531,517</b>	<b>4,605,248</b>	<b>5,768,834</b>	<b>1,163,586</b>

**Expenditures:**

Current:

Public Safety (Police)				
Personal services	1,484,650	1,501,400	1,494,446	6,954
Operating expenditures	181,031	176,488	157,731	18,757
Capital outlay	111,877	106,625	95,097	11,528
General Government (Administration)				
Personal services	176,200	169,500	166,540	2,960
Operating expenditures	25,982	32,078	25,164	6,914
General Government (Comm. Affairs) <sup>1</sup>				
Personal services	58,100	58,100	56,948	1,152
Operating expenditures	74,732	71,822	70,213	1,609
Capital outlay	350	350	350	-
General Government (City Council)				
Personal services	94,550	94,550	91,859	2,691
Operating expenditures	40,982	41,309	38,107	3,202
Capital outlay	7,000	7,000	6,460	540
General Government (Finance)				
Personal services	238,000	238,000	235,211	2,789
Operating expenditures	220,756	235,173	206,727	28,446
Capital outlay	2,095	1,500	1,238	262
General Government (Technology)				
Operating expenditures	19,898	17,579	17,568	11
Capital outlay	13,466	18,266	18,176	90

Note:

1. These departments presented more information than just operating expenditures for appropriation. The additional line separation has been included in the required supplementary notes.

	Adopted Budget	Revised Budget	Actual	Variance
General Government (Facility Maintenance) <sup>1</sup>				
Operating expenditures	140,838	144,097	120,911	23,186
Capital outlay	16,497	16,161	13,965	2,196
General Government (Other Charges) <sup>1</sup>				
Operating expenditures	380,040	370,259	305,424	64,835
Public Services				
Personal services	338,300	338,300	323,002	15,298
Operating expenditures	215,892	206,110	134,069	72,041
Capital outlay	900	25,900	25,899	1
Parks and Recreation (Maintenance)				
Personal services	210,750	193,250	150,605	42,645
Operating expenditures	143,102	137,640	115,022	22,618
Capital outlay	20,000	27,105	22,301	4,804
Community Development (Building)				
Personal services	359,513	359,013	351,898	7,115
Operating expenditures	105,529	116,428	113,987	2,441
Capital outlay	6,000	6,000	5,300	700
Community Development (Development)				
Personal services	155,725	160,925	159,695	1,230
Operating expenditures	29,621	28,159	24,561	3,598
Capital outlay	6,000	23,500	23,316	184
Community Development (Engineering)				
Personal services	222,115	222,105	220,583	1,522
Operating expenditures	90,007	84,354	65,699	18,655
Capital outlay	1,500	1,500	1,500	-
<b>Total expenditures</b>	<b>5,191,998</b>	<b>5,230,546</b>	<b>4,859,572</b>	<b>370,974</b>
<b>Other Financing Sources (Uses):</b>				
Operating transfers-in		85,409	85,409	-
Operating transfers-out	(519,572)	(721,572)	(721,572)	-
Advance to TIF Fund		(68,640)	(68,640)	-
Total other financing sources (uses)	<u>(519,572)</u>	<u>(704,803)</u>	<u>(704,803)</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(1,180,053)	(1,330,101)	204,459	1,534,560
Fund balances at beginning of year	4,814,356	4,814,356	4,814,356	-
Prior year encumbrances appropriated	260,215	260,215	260,215	-
<b>Fund balances at end of year</b>	<b><u>\$ 3,894,518</u></b>	<b><u>\$ 3,744,470</u></b>	<b><u>\$ 5,279,030</u></b>	<b><u>\$ 1,534,560</u></b>

**City of Powell, Ohio**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual (NON-GAAP Budgetary Basis)**  
**Street Construction and Maintenance Fund**  
**For the Fiscal Year Ended December 31, 2006**

<b>Revenues:</b>	<b>Adopted Budget</b>	<b>Revised Budget</b>	<b>Actual</b>	<b>Variance</b>
Motor Fuel tax	345,225	368,225	465,904	97,679
Investment earnings	6,000	6,000	30,500	24,500
<b>Total revenues</b>	<b>351,225</b>	<b>374,225</b>	<b>496,404</b>	<b>122,179</b>
<b>Expenditures:</b>				
Current:				
Public Service				
Operating expenditures (Maintenance)	597,594	549,174	353,069	196,105
Operating expenditures (Snow/Ice Removal)	78,380	71,966	66,017	5,949
Operating expenditures (Traffic)	3,000	3,000	3,000	-
<b>Total expenditures</b>	<b>678,974</b>	<b>624,140</b>	<b>422,086</b>	<b>202,054</b>
<b>Other Financing Sources (Uses):</b>				
Operating transfers-in				-
Operating transfers-out			-	-
Total other financing sources (uses)	-	-	-	-
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(327,749)	(249,915)	74,318	324,233
Fund balances at beginning of year	411,549	411,549	411,549	-
Prior year encumbrances appropriated	173,224	173,224	173,224	-
<b>Fund balances at end of year</b>	<b>\$ 257,024</b>	<b>\$ 334,858</b>	<b>\$ 659,091</b>	<b>\$ 324,233</b>

**City of Powell, Ohio**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual (NON-GAAP Budgetary Basis)**  
**Debt Service Fund**  
**For the Fiscal Year Ended December 31, 2006**

<b>Revenues:</b>	<b>Adopted Budget</b>	<b>Revised Budget</b>	<b>Actual</b>	<b>Variance</b>
Property tax	423,050	418,923	422,504	3,581
<b>Total revenues</b>	<b>423,050</b>	<b>418,923</b>	<b>422,504</b>	<b>3,581</b>
<b>Expenditures:</b>				
Current:				
Operating expenditures (Auditor's fees)	8,550	8,550	5,631	2,919
Bond Principal	265,000	265,000	265,000	-
Bond Interest	232,455	232,455	232,352	103
<b>Total expenditures</b>	<b>506,005</b>	<b>506,005</b>	<b>502,983</b>	<b>3,022</b>
<b>Other Financing Sources (Uses):</b>				
Operating transfers-in	77,600	77,600	77,600	-
Operating transfers-out		(4,079)	(4,079)	-
<b>Total other financing sources (uses)</b>	<b>77,600</b>	<b>73,521</b>	<b>73,521</b>	<b>-</b>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(5,355)	(13,561)	(6,958)	6,603
Fund balances at beginning of year	35,826	35,826	35,826	-
Prior year encumbrances appropriated	-	-	-	-
<b>Fund balances at end of year</b>	<b>\$ 30,471</b>	<b>\$ 22,265</b>	<b>\$ 28,868</b>	<b>\$ 6,603</b>

**City of Powell, Ohio**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual (NON-GAAP Budgetary Basis)**  
**Golf Village Fund**  
**For the Fiscal Year Ended December 31, 2006**

<b>Revenues:</b>	<b>Adopted Budget</b>	<b>Revised Budget</b>	<b>Actual</b>	<b>Variance</b>
Community development charges	400,000	400,000	765,000	365,000
Golf Village tap fees	125,000	125,000	82,600	(42,400)
<b>Total revenues</b>	<b>525,000</b>	<b>525,000</b>	<b>847,600</b>	<b>322,600</b>
<b>Expenditures:</b>				
Current:				
Bond Principal	200,000	200,000	200,000	-
Bond Interest	543,350	543,350	543,312	38
Note Principal	6,900,000	6,900,000	6,900,000	-
Note Interest	276,000	276,000	276,000	-
Issuance Costs	12,000	12,000	6,300	5,700
<b>Total expenditures</b>	<b>7,931,350</b>	<b>7,931,350</b>	<b>7,925,612</b>	<b>5,738</b>
<b>Other Financing Sources (Uses):</b>				
Operating transfers-in				-
Operating transfers-out				-
Sale of notes	7,500,000	7,500,000	6,900,000	(600,000)
Note premium			11,682	11,682
Total other financing sources (uses)	<b>7,500,000</b>	<b>7,500,000</b>	<b>6,911,682</b>	<b>(588,318)</b>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	93,650	93,650	(166,330)	(259,980)
Fund balances at beginning of year	574,051	574,051	574,051	-
Prior year encumbrances appropriated	-	-	-	-
<b>Fund balances at end of year</b>	<b>\$ 667,701</b>	<b>\$ 667,701</b>	<b>\$ 407,721</b>	<b>\$ (259,980)</b>

**City of Powell, Ohio**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual (NON-GAAP Budgetary Basis)**  
**Parks and Recreation Capital Projects Construction Fund**  
**For the Fiscal Year Ended December 31, 2006**

<b>Revenues:</b>	<b>Adopted Budget</b>	<b>Revised Budget</b>	<b>Actual</b>	<b>Variance</b>
Property tax	723,700	721,708	727,879	6,171
Investment earnings			9,158	9,158
<b>Total revenues</b>	<b>723,700</b>	<b>721,708</b>	<b>737,037</b>	<b>15,329</b>
<b>Expenditures:</b>				
Current:				
Capital Outlay	249,760	249,760	232,191	17,569
Operating expenditures (auditor's fees)	12,000	12,000	9,701	2,299
Bond Principal	540,000	540,000	540,000	-
Bond Interest	157,425	157,425	157,425	-
<b>Total expenditures</b>	<b>959,185</b>	<b>959,185</b>	<b>939,317</b>	<b>19,868</b>
<b>Other Financing Sources (Uses):</b>				
Operating transfers-in				-
Operating transfers-out				-
Total other financing sources (uses)	-	-	-	-
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(235,485)	(237,477)	(202,280)	35,197
Fund balances at beginning of year	177,518	177,518	177,518	-
Prior year encumbrances appropriated	223,410	223,410	223,410	-
<b>Fund balances at end of year</b>	<b>\$ 165,443</b>	<b>\$ 163,451</b>	<b>\$ 198,648</b>	<b>\$ 35,197</b>

**City of Powell, Ohio**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual (NON-GAAP Budgetary Basis)**  
**Police Facility Construction Fund**  
**For the Fiscal Year Ended December 31, 2006**

<b>Revenues:</b>	<b>Adopted Budget</b>	<b>Revised Budget</b>	<b>Actual</b>	<b>Variance</b>
Investment earnings			58,130	58,130
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>58,130</b>	<b>58,130</b>
<b>Expenditures:</b>				
Current:				
Capital Outlay		2,698,419	2,454,978	243,441
Cost of issuance		51,581	50,125	1,456
Bond Principal		140,000	140,000	-
Bond Interest		62,000	61,253	747
<b>Total expenditures</b>	<b>-</b>	<b>2,952,000</b>	<b>2,706,356</b>	<b>245,644</b>
<b>Other Financing Sources (Uses):</b>				
Operating transfers-in		202,000	202,000	-
Operating transfers-out				-
Bond proceeds		2,750,000	2,750,000	-
Total other financing sources (uses)	<b>-</b>	<b>2,952,000</b>	<b>2,952,000</b>	<b>-</b>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	-	-	303,774	303,774
Fund balances at beginning of year	-	-	-	-
Prior year encumbrances appropriated	-	-	-	-
<b>Fund balances at end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 303,774</b>	<b>\$ 303,774</b>



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**City of Powell, Ohio**  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2006

	<u>State Highway Improvement</u>	<u>Old Fire Station</u>	<u>Parks &amp; Recreation Program</u>	<u>Justice Assistance Grant</u>	<u>Law Enforcement</u>
<b>ASSETS</b>					
Cash, cash equivalents and investments	\$ 72,843	\$ 16,740	\$ 257,870	\$ 30	\$ 8,616
Receivables (net of allowance for uncollectibles)	17,493				
Prepaid items					
Total assets	<u>\$ 90,336</u>	<u>\$ 16,740</u>	<u>\$ 257,870</u>	<u>\$ 30</u>	<u>\$ 8,616</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable					
Due to other governments					
Due to other funds					
Unearned income	14,167				
Total liabilities	<u>\$ 14,167</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balances:					
Reserved for:					
Encumbrances			2,500		
Debt service					
Capital equipment					
Prepaid items					
Unreserved, reported in:					
Special revenue funds	76,169	16,740	255,370	30	8,616
Capital project funds					
Debt service funds					
Total fund balances	<u>76,169</u>	<u>16,740</u>	<u>257,870</u>	<u>30</u>	<u>8,616</u>
Total liabilities and fund balances	<u>\$ 90,336</u>	<u>\$ 16,740</u>	<u>\$ 257,870</u>	<u>\$ 30</u>	<u>\$ 8,616</u>

<u>ODNR Grant</u>	<u>Drug Enforcement</u>	<u>Special Projects</u>	<u>Board of Pharmacy</u>	<u>Powell Festival</u>
\$ -	\$ 3,779	\$ 163,880	\$ 3,338	\$ 17,489
<u>\$ -</u>	<u>\$ 3,779</u>	<u>\$ 163,880</u>	<u>\$ 3,338</u>	<u>\$ 17,489</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
	3,779	163,880	3,338	17,489
<u>-</u>	<u>3,779</u>	<u>163,880</u>	<u>3,338</u>	<u>17,489</u>
<u>\$ -</u>	<u>\$ 3,779</u>	<u>\$ 163,880</u>	<u>\$ 3,338</u>	<u>\$ 17,489</u>

(continued)

**City of Powell, Ohio**  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2006

	<u>Safety</u>	<u>Parks</u>	<u>Total</u>	<u>Capital</u>	<u>Murphy</u>
	<u>Town</u>	<u>Development</u>	<u>Nonmajor Special</u>	<u>Projects</u>	<u>Parkway</u>
			<u>Revenue</u>		<u>Construction</u>
<b>ASSETS</b>					
Cash, cash equivalents and investments	\$ -	\$ 113,738	\$ 658,323	\$ 709,770	\$ 100,611
Receivables (net of allowance for uncollectibles)		250	17,743		
Prepaid items		924	924		
Total assets	\$ -	\$ 114,912	\$ 676,990	\$ 709,770	\$ 100,611
 <b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accrued wages payable		2,239	2,239		
Accounts payable		5,239	5,239		
Due to other governments		2,536	2,536		
Due to other funds					
Unearned income		250	14,417		
Total liabilities	\$ -	\$ 10,264	\$ 24,431	\$ -	\$ -
 Fund balances:					
Reserved for:					
Encumbrances		1,357	3,857	16,845	
Debt service					
Capital equipment					
Prepaid items		924	924		
Unreserved, reported in:					
Special revenue funds		102,367	647,778		
Capital project funds				692,925	100,611
Debt service funds					
Total fund balances	-	104,648	652,559	709,770	100,611
Total liabilities and fund balances	\$ -	\$ 114,912	\$ 676,990	\$ 709,770	\$ 100,611

<b>Village Development Fund</b>	<b>Downtown Public TIF Fund</b>	<b>Olentangy/ Liberty Fund</b>	<b>Total Nonmajor Capital Projects</b>	<b>Total Nonmajor Governmental Funds</b>
\$ 312,174	\$ 22,790	\$ 26,600	\$ 1,171,945	\$ 1,830,268
				17,743
				924
<u>\$ 312,174</u>	<u>\$ 22,790</u>	<u>\$ 26,600</u>	<u>\$ 1,171,945</u>	<u>\$ 1,848,935</u>
				2,239
4,218			4,218	9,457
	68,640		68,640	2,536
				68,640
				14,417
<u>\$ 4,218</u>	<u>\$ 68,640</u>	<u>\$ -</u>	<u>\$ 72,858</u>	<u>\$ 97,289</u>
5,301	22,790		44,936	48,793
				924
				647,778
302,655	(68,640)	26,600	1,054,151	1,054,151
<u>307,956</u>	<u>(45,850)</u>	<u>26,600</u>	<u>1,099,087</u>	<u>1,751,646</u>
<u>\$ 312,174</u>	<u>\$ 22,790</u>	<u>\$ 26,600</u>	<u>\$ 1,171,945</u>	<u>\$ 1,848,935</u>

**City of Powell, Ohio**  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended December 31, 2006

	<u>State Highway Improvement</u>	<u>Old Fire Station</u>	<u>Parks &amp; Recreation Program</u>	<u>Justice Assistance Grant</u>	<u>Law Enforcement</u>
<b>REVENUES</b>					
Motor Fuel taxes	\$ 4,836				
Intergovernmental	24,058			\$ 7,823	
Licenses and permits					
Fines and forfeits			\$ 28,953		\$ 7,401
Development charges					
Investment earnings	4,973				
Net inc (dec) in FV of investments					
Miscellaneous		\$ 16,740			
Total revenues	<u>33,867</u>	<u>16,740</u>	<u>28,953</u>	<u>7,823</u>	<u>7,401</u>
<b>EXPENDITURES</b>					
Current:					
Public Safety				8,692	
Public Services	71,790				
Parks and Recreation			58,900		
Community Development					
Capital outlay:					
Capital outlay					
Total expenditures	<u>71,790</u>	<u>-</u>	<u>58,900</u>	<u>8,692</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	(37,923)	16,740	(29,947)	(869)	7,401
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in				899	
Transfers out					
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>899</u>	<u>-</u>
Net change in fund balances	(37,923)	16,740	(29,947)	30	7,401
Fund balances -- January 1	114,092		287,817		1,215
Fund balances -- December 31	<u>\$ 76,169</u>	<u>\$ 16,740</u>	<u>\$ 257,870</u>	<u>\$ 30</u>	<u>\$ 8,616</u>

<u>ODNR Grant</u>	<u>Drug Enforcement</u>	<u>Special Projects</u>	<u>Board of Pharmacy</u>	<u>Powell Festival</u>
\$ 500				
	\$ 708		\$ 328	
<u>500</u>	<u>708</u>	<u>-</u>	<u>328</u>	<u>\$ 57,309</u>
				<u>57,309</u>
500				49,170
<u>500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>49,170</u>
-	708	-	328	8,139
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	708	-	328	8,139
	3,071	163,880	3,010	9,350
<u>\$ -</u>	<u>\$ 3,779</u>	<u>\$ 163,880</u>	<u>\$ 3,338</u>	<u>\$ 17,489</u>

(continued)

**City of Powell, Ohio**  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended December 31, 2006

	<u>Safety Town</u>	<u>Parks Development</u>	<u>Total Nonmajor Special Revenue</u>	<u>Capital Projects</u>	<u>Murphy Parkway Construction</u>
<b>REVENUES</b>					
Motor Fuel taxes			\$ 4,836		
Intergovernmental			32,381		
Licenses and permits		\$ 108,331	108,331		
Fines and forfeits			37,390		
Development charges					
Investment earnings			4,973		
Net inc (dec) in FV of investments					
Miscellaneous		657	74,706		
Total revenues	-	108,988	262,617	-	-
<b>EXPENDITURES</b>					
Current:					
Public Safety	\$ 430		9,122		
Public Services			71,790		
Parks and Recreation		168,574	277,144		
Community Development					
Capital outlay:					
Capital outlay				\$ 147,716	
Total expenditures	430	168,574	358,056	147,716	-
Excess (deficiency) of revenues over (under) expenditures	(430)	(59,586)	(95,439)	(147,716)	-
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in		66,420	67,319	375,552	
Transfers out					
Total other financing sources and uses	-	66,420	67,319	375,552	-
Net change in fund balances	(430)	6,834	(28,120)	227,836	-
Fund balances -- January 1	430	97,814	680,679	481,934	100,611
Fund balances -- December 31	\$ -	\$ 104,648	\$ 652,559	\$ 709,770	\$ 100,611

<u>Village Development Fund</u>	<u>Downtown Public TIF Fund</u>	<u>Olentangy/ Liberty Fund</u>	<u>Total Nonmajor Capital Projects</u>	<u>Total Nonmajor Governmental Funds</u>
				\$ 4,836
				32,381
				108,331
				37,390
\$ 69,973	\$ -	\$ 26,600	\$ 96,573	96,573
				4,973
				74,706
<u>69,973</u>	<u>-</u>	<u>26,600</u>	<u>96,573</u>	<u>359,190</u>
				9,122
				71,790
				277,144
<u>275,271</u>	<u>45,850</u>	<u>-</u>	<u>468,837</u>	<u>468,837</u>
<u>275,271</u>	<u>45,850</u>	<u>-</u>	<u>468,837</u>	<u>826,893</u>
(205,298)	(45,850)	26,600	(372,264)	(467,703)
			375,552	442,871
<u>-</u>	<u>-</u>	<u>-</u>	<u>375,552</u>	<u>442,871</u>
(205,298)	(45,850)	26,600	3,288	(24,832)
<u>513,254</u>	<u>-</u>	<u>-</u>	<u>1,095,799</u>	<u>1,776,478</u>
<u>\$ 307,956</u>	<u>\$ (45,850)</u>	<u>\$ 26,600</u>	<u>\$ 1,099,087</u>	<u>\$ 1,751,646</u>

City of Powell, Ohio  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (NON-GAAP Budgetary Basis)  
Nonmajor Governmental Funds  
For the Fiscal Year Ended December 31, 2006

	State Highway Improvement Fund			
	Adopted Budget	Revised Budget	Actual	Variance
<b>Revenues:</b>				
Property tax				-
Motor Fuel tax	27,575	27,575	28,701	1,126
Intergovernmental				-
Investment earnings	900	900	4,400	3,500
Charges for services				-
Fines and forfeitures				-
Miscellaneous				-
<b>Total revenues</b>	<u>28,475</u>	<u>28,475</u>	<u>33,101</u>	<u>4,626</u>
<b>Expenditures:</b>				
Current:				
Personal Service				-
Operating expenditures				-
Operating expenditures (Maintenance)	22,000	22,000	10,000	12,000
Operating expenditures (Storm Sewers)	5,000	5,000	-	5,000
Operating expenditures (Traffic)	66,790	61,790	61,790	-
Capital Outlay				-
Cost of issuance				-
Bond Interest				-
<b>Total expenditures</b>	<u>93,790</u>	<u>88,790</u>	<u>71,790</u>	<u>17,000</u>
<b>Other Financing Sources (Uses):</b>				
Operating transfers-in				-
Operating transfers-out				-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(65,315)	(60,315)	(38,689)	21,626
Fund balances at beginning of year	89,742	89,742	89,742	
Prior year encumbrances appropriated	21,790	21,790	21,790	
<b>Fund balances at end of year</b>	<u>\$ 46,217</u>	<u>\$ 51,217</u>	<u>\$ 72,843</u>	<u>\$ 21,626</u>

Parks and Recreation Program Fund				Park and Recreation (Development) Fund			
Adopted Budget	Revised Budget	Actual	Variance	Adopted Budget	Revised Budget	Actual	Variance
			-				-
			-				-
			-				-
			-				-
61,000	80,328	108,331	28,003	47,500	47,500	28,953	(18,547)
			-				-
		657	657				-
<u>61,000</u>	<u>80,328</u>	<u>108,988</u>	<u>28,660</u>	<u>47,500</u>	<u>47,500</u>	<u>28,953</u>	<u>(18,547)</u>
60,245	60,245	60,089	156				-
96,535	118,729	115,112	3,617				-
			-				-
			-				-
			-				-
1,300	1,330	773	557	182,000	182,000	61,400	120,600
			-				-
			-				-
<u>158,080</u>	<u>180,304</u>	<u>175,974</u>	<u>4,330</u>	<u>182,000</u>	<u>182,000</u>	<u>61,400</u>	<u>120,600</u>
66,420	66,420	66,420	-				-
			-				-
<u>66,420</u>	<u>66,420</u>	<u>66,420</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(30,660)	(33,556)	(566)	32,990	(134,500)	(134,500)	(32,447)	102,053
103,573	103,573	103,573		287,817	287,817	287,817	
4,135	4,135	4,135					
<u>\$ 77,048</u>	<u>\$ 74,152</u>	<u>\$ 107,142</u>	<u>\$ 32,990</u>	<u>\$ 153,317</u>	<u>\$ 153,317</u>	<u>\$ 255,370</u>	<u>\$ 102,053</u>

(continued)

**City of Powell, Ohio**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual (NON-GAAP Budgetary Basis)**  
**Nonmajor Governmental Funds**  
**For the Fiscal Year Ended December 31, 2006**

	Enforcement and Education (D.U.I.) Fund			
	Adopted Budget	Revised Budget	Actual	Variance
<b>Revenues:</b>				
Property tax				-
Motor Fuel tax				-
Intergovernmental				-
Investment earnings				-
Charges for services				-
Fines and forfeitures	500	500	708	208
Miscellaneous				-
<b>Total revenues</b>	<u>500</u>	<u>500</u>	<u>708</u>	<u>208</u>
<b>Expenditures:</b>				
Current:				
Personal Service				-
Operating expenditures	1,500	1,500		1,500
Operating expenditures (Maintenance)				-
Operating expenditures (Storm Sewers)				-
Operating expenditures (Traffic)				-
Capital Outlay				-
Cost of issuance				-
Bond Interest				-
<b>Total expenditures</b>	<u>1,500</u>	<u>1,500</u>	<u>-</u>	<u>1,500</u>
<b>Other Financing Sources (Uses):</b>				
Operating transfers-in				-
Operating transfers-out				-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(1,000)	(1,000)	708	1,708
Fund balances at beginning of year	3,071	3,071	3,071	
Prior year encumbrances appropriated				
<b>Fund balances at end of year</b>	<u>\$ 2,071</u>	<u>\$ 2,071</u>	<u>\$ 3,779</u>	<u>\$ 1,708</u>

Board of Pharmacy Fund				Safety Town Fund			
Adopted Budget	Revised Budget	Actual	Variance	Adopted Budget	Revised Budget	Actual	Variance
			-				-
			-				-
			-				-
			-				-
300	300	328	28	1,000	1,000	-	(1,000)
			-				-
<u>300</u>	<u>300</u>	<u>328</u>	<u>28</u>	<u>1,000</u>	<u>1,000</u>	<u>-</u>	<u>(1,000)</u>
			-				-
			-	1,000	1,000	431	569
			-				-
			-				-
			-				-
			-				-
			-				-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,000</u>	<u>1,000</u>	<u>431</u>	<u>569</u>
			-				-
			-				-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
			-				-
300	300	328	28	-	-	(431)	(431)
3,010	3,010	3,010		431	431	431	
<u>\$ 3,310</u>	<u>\$ 3,310</u>	<u>\$ 3,338</u>	<u>\$ 28</u>	<u>\$ 431</u>	<u>\$ 431</u>	<u>\$ -</u>	<u>\$ (431)</u>

(continued)

**City of Powell, Ohio**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual (NON-GAAP Budgetary Basis)**  
**Nonmajor Governmental Funds**  
**For the Fiscal Year Ended December 31, 2006**

	Old Fire Station Fund			
	Adopted Budget	Revised Budget	Actual	Variance
<b>Revenues:</b>				
Property tax				-
Motor Fuel tax				-
Intergovernmental				-
Investment earnings				-
Charges for services		-	16,740	16,740
Fines and forfeitures				-
Miscellaneous				-
<b>Total revenues</b>	-	-	16,740	16,740
<b>Expenditures:</b>				
Current:				
Personal Service				-
Operating expenditures				-
Operating expenditures (Maintenance)				-
Operating expenditures (Storm Sewers)				-
Operating expenditures (Traffic)				-
Capital Outlay				-
Cost of issuance				-
Bond Interest				-
<b>Total expenditures</b>	-	-	-	-
<b>Other Financing Sources (Uses):</b>				
Operating transfers-in				-
Operating transfers-out				-
<b>Total other financing sources (uses)</b>	-	-	-	-
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	-	-	16,740	16,740
Fund balances at beginning of year	-	-	-	
Prior year encumbrances appropriated				
<b>Fund balances at end of year</b>	\$ -	\$ -	\$ 16,740	\$ 16,740



**City of Powell, Ohio**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual (NON-GAAP Budgetary Basis)**  
**Nonmajor Governmental Funds**  
**For the Fiscal Year Ended December 31, 2006**

	Law Enforcement Fund			
	Adopted Budget	Revised Budget	Actual	Variance
<b>Revenues:</b>				
Property tax				-
Motor Fuel tax				-
Intergovernmental				-
Investment earnings				-
Charges for services				-
Fines and forfeitures			7,402	7,402
Miscellaneous				-
<b>Total revenues</b>	-	-	7,402	7,402
<b>Expenditures:</b>				
Current:				
Personal Service				-
Operating expenditures				-
Operating expenditures (Maintenance)				-
Operating expenditures (Storm Sewers)				-
Operating expenditures (Traffic)				-
Capital Outlay				-
Cost of issuance				-
Bond Interest				-
<b>Total expenditures</b>	-	-	-	-
<b>Other Financing Sources (Uses):</b>				
Operating transfers-in				-
Operating transfers-out				-
<b>Total other financing sources (uses)</b>	-	-	-	-
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	-	-	7,402	7,402
Fund balances at beginning of year	1,214	1,214	1,214	
Prior year encumbrances appropriated				
<b>Fund balances at end of year</b>	<b>\$ 1,214</b>	<b>\$ 1,214</b>	<b>\$ 8,616</b>	<b>\$ 7,402</b>



City of Powell, Ohio  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (NON-GAAP Budgetary Basis)  
Nonmajor Governmental Funds  
For the Fiscal Year Ended December 31, 2006

	Total Nonmajor Special Revenue Funds			
	Adopted Budget	Revised Budget	Actual	Variance
<b>Revenues:</b>				
Property tax	-	-	-	-
Motor Fuel tax	27,575	27,575	28,701	1,126
Intergovernmental	-	-	-	-
Investment earnings	900	900	4,400	3,500
Charges for services	108,500	127,828	154,024	26,196
Fines and forfeitures	1,800	1,800	8,438	6,638
Miscellaneous	50,000	59,248	66,288	7,040
<b>Total revenues</b>	<b>188,775</b>	<b>217,351</b>	<b>261,851</b>	<b>44,500</b>
<b>Expenditures:</b>				
Current:				
Personal Service	60,245	61,745	60,815	930
Operating expenditures	149,035	170,229	164,487	5,742
Operating expenditures (Maintenance)	22,000	22,000	10,000	12,000
Operating expenditures (Storm Sewers)	5,000	5,000	-	5,000
Operating expenditures (Traffic)	66,790	61,790	61,790	-
Capital Outlay	246,300	255,078	70,865	184,213
Cost of issuance	-	-	-	-
Bond Interest	-	-	-	-
<b>Total expenditures</b>	<b>549,370</b>	<b>575,842</b>	<b>367,957</b>	<b>207,885</b>
<b>Other Financing Sources (Uses):</b>				
Operating transfers-in	66,420	66,420	67,319	899
Operating transfers-out	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>66,420</b>	<b>66,420</b>	<b>67,319</b>	<b>899</b>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(294,175)	(292,071)	(38,787)	253,284
Fund balances at beginning of year	662,088	662,088	662,088	
Prior year encumbrances appropriated	25,925	25,925	25,925	
<b>Fund balances at end of year</b>	<b>\$ 393,838</b>	<b>\$ 395,942</b>	<b>\$ 649,226</b>	<b>\$ 253,284</b>



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**City of Powell, Ohio**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual (NON-GAAP Budgetary Basis)**  
**Nonmajor Governmental Funds**  
**For the Fiscal Year Ended December 31, 2006**

	<b>Capital Improvement Notes (Project) Fund</b>			
	<b>Adopted Budget</b>	<b>Revised Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>Revenues:</b>				
Property tax				-
Motor Fuel tax				-
Intergovernmental				-
Investment earnings				-
Charges for services				-
Fines and forfeitures				-
Miscellaneous				-
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Expenditures:</b>				
Current:				
Personal Service				-
Operating expenditures				-
Operating expenditures (Maintenance)				-
Operating expenditures (Storm Sewers)				-
Operating expenditures (Traffic)				-
Capital Outlay	262,649	234,178	182,897	51,281
Cost of issuance				-
Bond Interest				-
<b>Total expenditures</b>	<b>262,649</b>	<b>234,178</b>	<b>182,897</b>	<b>51,281</b>
<b>Other Financing Sources (Uses):</b>				
Operating transfers-in	375,552	375,552	375,552	-
Operating transfers-out				-
<b>Total other financing sources (uses)</b>	<b>375,552</b>	<b>375,552</b>	<b>375,552</b>	<b>-</b>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	112,903	141,374	192,655	51,281
Fund balances at beginning of year	420,621	420,621	420,621	
Prior year encumbrances appropriated	79,649	79,649	79,649	
<b>Fund balances at end of year</b>	<b>\$ 613,173</b>	<b>\$ 641,644</b>	<b>\$ 692,925</b>	<b>\$ 51,281</b>

Village Development Fund				Murphy Parkway Fund			
Adopted Budget	Revised Budget	Actual	Variance	Adopted Budget	Revised Budget	Actual	Variance
			-				-
			-				-
			-				-
			-				-
			-				-
133,019	133,019	69,974	(63,045)				-
<u>133,019</u>	<u>133,019</u>	<u>69,974</u>	<u>(63,045)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
			-				-
			-				-
			-				-
			-				-
301,970	301,570	289,692	11,878	100,000	100,000		100,000
			-				-
			-				-
<u>301,970</u>	<u>301,570</u>	<u>289,692</u>	<u>11,878</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>	<u>100,000</u>
			-				-
			-				-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(168,951)	(168,551)	(219,718)	(51,167)	(100,000)	(100,000)	-	100,000
517,404	517,404	517,404		100,611	100,611	100,611	
4,970	4,970	4,970					
<u>\$ 353,423</u>	<u>\$ 353,823</u>	<u>\$ 302,656</u>	<u>\$ (51,167)</u>	<u>\$ 611</u>	<u>\$ 611</u>	<u>\$ 100,611</u>	<u>\$ 100,000</u>

(continued)

City of Powell, Ohio  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (NON-GAAP Budgetary Basis)  
Nonmajor Governmental Funds  
For the Fiscal Year Ended December 31, 2006

	Olentangy/Liberty Intersection Fund			
	Adopted Budget	Revised Budget	Actual	Variance
<b>Revenues:</b>				
Property tax				-
Motor Fuel tax				-
Intergovernmental				-
Investment earnings				-
Charges for services				-
Fines and forfeitures				-
Miscellaneous	26,600	26,600	26,600	-
<b>Total revenues</b>	<u>26,600</u>	<u>26,600</u>	<u>26,600</u>	<u>-</u>
<b>Expenditures:</b>				
Current:				
Personal Service				-
Operating expenditures				-
Operating expenditures (Maintenance)				-
Operating expenditures (Storm Sewers)				-
Operating expenditures (Traffic)				-
Capital Outlay				-
Cost of issuance				-
Bond Interest				-
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Other Financing Sources (Uses):</b>				
Operating transfers-in				-
Operating transfers-out				-
Advance from General Fund				-
Bond proceeds				-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	26,600	26,600	26,600	-
Fund balances at beginning of year	-	-	-	
Prior year encumbrances appropriated				
<b>Fund balances at end of year</b>	<u>\$ 26,600</u>	<u>\$ 26,600</u>	<u>\$ 26,600</u>	<u>\$ -</u>



**City of Powell, Ohio**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual (NON-GAAP Budgetary Basis)**  
**Nonmajor Governmental Funds**  
**For the Fiscal Year Ended December 31, 2006**

	<b>Total Nonmajor Capital Project Funds</b>			
	<b>Adopted Budget</b>	<b>Revised Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>Revenues:</b>				
Property tax	-	-	-	-
Motor Fuel tax	-	-	-	-
Intergovernmental	-	-	-	-
Investment earnings	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Miscellaneous	159,619	159,619	96,574	(63,045)
<b>Total revenues</b>	<b>159,619</b>	<b>159,619</b>	<b>96,574</b>	<b>(63,045)</b>
<b>Expenditures:</b>				
Current:				
Personal Service	-	-	-	-
Operating expenditures	-	-	-	-
Operating expenditures (Maintenance)	-	-	-	-
Operating expenditures (Storm Sewers)	-	-	-	-
Operating expenditures (Traffic)	-	-	-	-
Capital Outlay	664,619	704,388	541,229	163,159
Cost of issuance	-	-	-	-
Bond Interest	-	-	-	-
<b>Total expenditures</b>	<b>664,619</b>	<b>704,388</b>	<b>541,229</b>	<b>163,159</b>
<b>Other Financing Sources (Uses):</b>				
Operating transfers-in		375,552	375,552	-
Operating transfers-out		-	-	-
Advance from General Fund		68,640	68,640	-
Bond proceeds		-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>444,192</b>	<b>444,192</b>	<b>-</b>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(505,000)	(100,577)	(463)	100,114
Fund balances at beginning of year	1,038,636	1,038,636	1,038,636	-
Prior year encumbrances appropriated	84,619	84,619	84,619	-
<b>Fund balances at end of year</b>	<b>\$ 618,255</b>	<b>\$ 1,022,678</b>	<b>\$ 1,122,792</b>	<b>\$ 100,114</b>

Total Nonmajor Government Funds			
Adopted Budget	Revised Budget	Actual	Variance
-	-	-	-
27,575	27,575	28,701	1,126
-	-	-	-
900	900	4,400	3,500
108,500	127,828	154,024	26,196
1,800	1,800	8,438	6,638
209,619	218,867	162,862	(56,005)
<u>348,394</u>	<u>376,970</u>	<u>358,425</u>	<u>(18,545)</u>
60,245	61,745	60,815	930
149,035	170,229	164,487	5,742
22,000	22,000	10,000	12,000
5,000	5,000	-	5,000
66,790	61,790	61,790	-
910,919	959,466	612,094	347,372
-	-	-	-
-	-	-	-
<u>1,213,989</u>	<u>1,280,230</u>	<u>909,186</u>	<u>371,044</u>
	441,972	442,871	899
	-	-	-
	68,640	68,640	-
	-	-	-
<u>-</u>	<u>510,612</u>	<u>511,511</u>	<u>899</u>
(865,595)	(392,648)	(39,250)	353,398
1,700,724	1,700,724	1,700,724	-
110,544	110,544	110,544	-
<u>\$ 945,673</u>	<u>\$ 1,418,620</u>	<u>\$ 1,772,018</u>	<u>\$ 353,398</u>

**City of Powell, Ohio**  
Combining Statement of Fiduciary Assets and Liabilities  
Fiduciary Funds - (Agency Funds Only)  
As of December 31, 2006

	<b>Agency Funds</b>						<b>Total Agency Funds</b>
	<b>Unclaimed Funds</b>	<b>Flexible Benefits</b>	<b>Board of Building Standards</b>	<b>Engineering Inspections</b>	<b>Plumbing Inspections</b>	<b>Escrowed Deposits</b>	
<b>ASSETS:</b>							
Cash and investments	\$ 700	\$ 829	\$ 279	\$ 456,530	\$ 1,040	\$ 6,450	\$ 465,828
Total assets	<u>\$ 700</u>	<u>\$ 829</u>	<u>\$ 279</u>	<u>\$ 456,530</u>	<u>\$ 1,040</u>	<u>\$ 6,450</u>	<u>\$ 465,828</u>
<b>LIABILITIES:</b>							
Due to others	\$ 700	\$ 829	\$ 279	\$ 456,530	\$ 1,040	\$ 6,450	\$ 465,828
Total liabilities	<u>\$ 700</u>	<u>\$ 829</u>	<u>\$ 279</u>	<u>\$ 456,530</u>	<u>\$ 1,040</u>	<u>\$ 6,450</u>	<u>\$ 465,828</u>

**City of Powell, Ohio**  
 Agency Funds  
 Combining Statement of Changes in Assets and Liabilities  
 Fiduciary Funds - (Agency Funds Only)  
 For the Fiscal Year Ended December 31, 2006

	Balances Jan. 1, 2006	Additions	Deductions	Balances Dec. 31, 2006
<b>UNCLAIMED FUNDS</b>				
<b>Assets</b>				
Cash and investments	\$ -	700		\$ 700
<b>Liabilities</b>				
Due to others	\$ -	700		\$ 700
<b>FLEXIBLE BENEFITS</b>				
<b>Assets</b>				
Cash and investments	\$ -	24,541	23,712	\$ 829
<b>Liabilities</b>				
Due to others	\$ -	24,541	23,712	\$ 829
<b>BOARD OF BUILDING STANDARDS</b>				
<b>Assets</b>				
Cash and investments	\$ 499	8,996	9,216	\$ 279
<b>Liabilities</b>				
Due to others	\$ 499	8,996	9,216	\$ 279
<b>ENGINEERING INSPECTIONS</b>				
<b>Assets</b>				
Cash and investments	\$ 684,004	129,464	356,938	\$ 456,530
<b>Liabilities</b>				
Due to others	\$ 684,004	129,464	356,938	\$ 456,530
<b>PLUMBING INSPECTION</b>				
<b>Assets</b>				
Cash and investments	\$ 1,981	12,700	13,641	\$ 1,040
<b>Liabilities</b>				
Due to others	\$ 1,981	12,700	13,641	\$ 1,040
<b>ESCROWED DEPOSITS</b>				
<b>Assets</b>				
Cash and investments	\$ 7,010	7,575	8,135	\$ 6,450
<b>Liabilities</b>				
Due to others	\$ 7,010	7,575	8,135	\$ 6,450
<b>TOTAL AGENCY FUNDS</b>				
<b>Assets</b>				
Cash and investments	\$ 693,494	\$ 183,976	\$ 411,642	\$ 465,828
<b>Liabilities</b>				
Due to others	\$ 693,494	\$ 183,976	\$ 411,642	\$ 465,828



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City of Powell, Ohio  
Statistical Section

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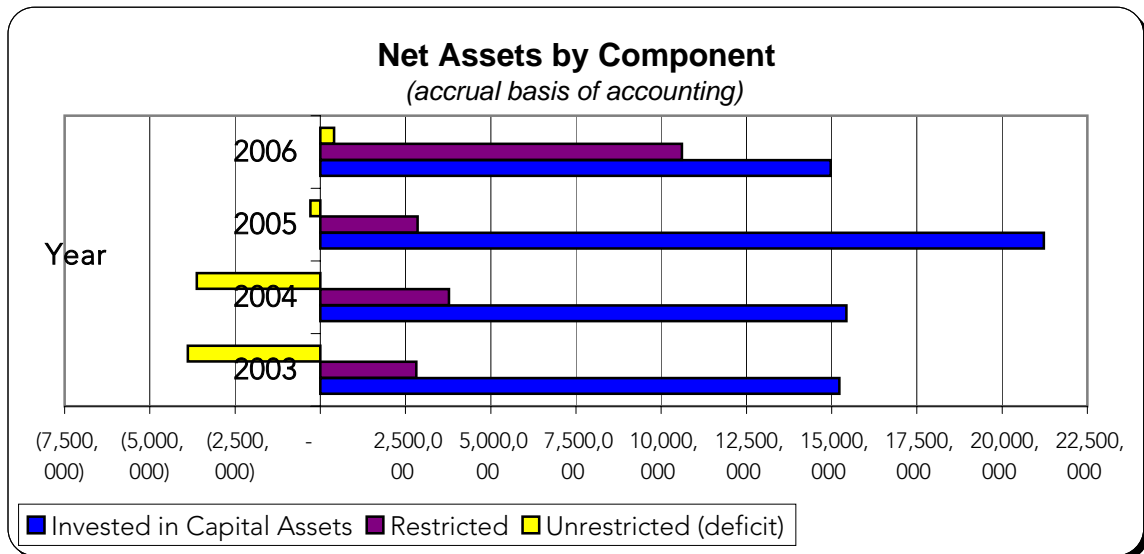
This part of the City's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health. These tables are presented in accordance with Governmental Accounting Standards Board (GASB) Statement No. 44, Economic Condition Reporting: *The Statistical Section*.

	<b><u>Tables</u></b>
<b><i><u>Financial Trends</u></i></b> These schedules contain trend information to help understand how the City's financial performance and well-being have changed over time.	A - G
<b><i><u>Revenue Capacity</u></i></b> These schedules contain information to help assess the City's most significant local revenue sources.	H - L
<b><i><u>Debt Capacity</u></i></b> 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.	M - P
<b><i><u>Demographic and Economic Information</u></i></b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	Q - T
<b><i><u>Operating Information</u></i></b> These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	U - W

Sources: Unless otherwise noted, the information in these tables is derived from the comprehensive annual financial report for the relevant year. The City of Powell implemented GASB Statement No. 34 in the fiscal year 2003.

City of Powell, Ohio  
**Net Assets by Component**  
**Last Four Fiscal Years <sup>(1)</sup>**  
*(accrual basis of accounting)*

	(as restated)		
	Fiscal Year		
	<u>2003</u>	<u>2004</u>	<u>2005</u>
Governmental activities			
Invested in capital assets, net of related debt	\$ 15,222,775	\$ 15,428,140	\$ 21,220,003
Restricted	2,819,724	3,769,723	2,856,770
Unrestricted (Deficit)	(3,886,106)	(3,621,400)	(293,513)
<b>Total governmental activities net assets</b>	<b>\$ <u>14,156,393</u></b>	<b>\$ <u>15,576,463</u></b>	<b>\$ <u>23,783,260</u></b>



Note:

(1) GASB Statement No. 44, Economic Condition Reporting: The Statistical Section recommended that this information be presented starting with the fiscal year in which a government implemented GASB Statement No. 34.

Sources:

1. City of Powell Finance Department

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Table A

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<u>Fiscal Year</u>	
	<u>2006</u>
\$	14,968,136
	10,607,213
	<u>401,936</u>
\$	<u><u>25,977,285</u></u>

**City of Powell, Ohio**  
**Changes in Net Assets**  
**Last Four Fiscal Years <sup>(1)</sup>**  
*(accrual basis of accounting)*

	Fiscal Year		
	2003	2004	2005
<b>Expenses</b>			
Governmental activities:			
Public Safety	\$ 1,400,471	\$ 1,485,194	\$ 1,669,072
Parks and Recreation	249,788	279,825	555,384
Community Development	488,123	517,027	831,796
Public Services/Transportation	1,214,517	1,508,520	1,133,601
General Government	1,005,800	1,073,846	1,207,091
Interest on long-term debt	1,034,196	1,157,462	1,120,174
Total governmental activities expenses	<u>\$ 5,392,895</u>	<u>\$ 6,021,874</u>	<u>\$ 6,517,118</u>
<b>Program Revenues</b>			
Governmental activities:			
Charges for services:			
Public Safety	\$ 5,870	\$ 7,299	\$ 10,950
Parks and Recreation	60,966	96,780	140,082
Community Development	1,318,846	1,110,945	1,886,062
Public Services/Transportation	64,415	76,317	
General Government	7,784	6,661	86,187
Operating grants and contributions	353,036	486,283	493,150
Capital grants and contributions	855,369	33,200	955,288
Total governmental activities program revenues	<u>\$ 2,666,286</u>	<u>\$ 1,817,485</u>	<u>\$ 3,571,719</u>
Net(expense)revenue			
Governmental activities	<u>\$ (2,726,609)</u>	<u>\$ (4,204,389)</u>	<u>\$ (2,945,399)</u>
<b>General Revenues and Other Changes in Net Assets</b>			
Governmental activities:			
Taxes:			
Property taxes	\$ 1,279,259	\$ 1,329,809	\$ 1,175,367
Municipal Income taxes	2,565,596	2,870,327	3,587,005
Estate taxes			120,033
Intergovernmental	870,603	628,268	382,852
Interest	57,758	92,453	284,191
Other	132,701	261,479	22,405
Transfers			
Total governmental activities	<u>\$ 4,905,917</u>	<u>\$ 5,182,336</u>	<u>\$ 5,571,853</u>
<b>Change in Net Assets</b>			
Governmental activities	<u>\$ 2,179,308</u>	<u>\$ 977,947</u>	<u>\$ 2,626,454</u>

Note:

(1) GASB Statement No. 44, Economic Condition Reporting: The Statistical Section recommended that this information be presented starting with the fiscal year in which a government implemented GASB Statement No. 34.

Sources:

1. City of Powell Finance Department

Table B

Fiscal year  
2006

\$ 1,769,938  
1,343,765  
1,377,920  
793,040  
943,962  
1,321,920  
\$ 7,550,545

\$ 14,729  
137,284  
1,750,039  
  
19,729  
564,235  
715,853  
\$ 3,201,869

\$ (4,348,676)

\$ 1,476,350  
3,699,738  
23,659  
632,249  
548,968  
161,737

\$ 6,542,701

\$ 2,194,025



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City of Powell, Ohio  
 Governmental Activities Tax Revenues by Source  
 Last Four Fiscal Years <sup>(1)</sup>  
*(accrual basis of accounting)*

Fiscal Year	Municipal Income Taxes	Property Taxes	Estate Taxes	Total
2003	\$ 2,565,596	\$ 1,279,259	\$ 379,170	4,224,025
2004	2,870,327	1,329,809	145,300	4,345,436
2005	3,587,005	1,175,367	120,033	4,882,405
2006	3,699,738	1,476,350	23,659	5,199,747

Note:

(1) GASB Statement No. 44, Economic Condition Reporting: The Statistical Section recommended that this information be presented starting with the fiscal year in which a government implemented GASB Statement No. 34.

Sources:

1. City of Powell Finance Department

**City of Powell, Ohio**  
**Program Revenues of Governmental Activities by Program**  
**Last Four Years**  
*(accrual basis of accounting)*

Program	Fiscal Year		
	2003	2004	2005
<b>General Government</b>			
<i>Charges for services:</i>			
Public Safety	\$ 5,870	\$ 7,299	\$ 10,950
Parks and Recreation	60,966	96,780	140,082
Community Environment	1,318,846	1,110,945	1,886,062
Public Services/Transportation	64,415	76,317	
General Government	7,784	6,661	86,187
<i>Operating grants and contributions:</i>			
Public Safety	51,808	19,672	8,325
Parks and Recreation	37,308	82,293	41,893
Community Environment		13,768	
Public Services/Transportation	263,920	370,550	442,932
General Government			
<i>Capital grants and contributions:</i>			
Public Safety			
Parks and Recreation	174,949		
Community Environment			
Public Services/Transportation	680,420	33,200	955,288
General Government			
<b>Total Program Revenues</b>	<b>\$ <u>2,666,286</u></b>	<b>\$ <u>1,817,485</u></b>	<b>\$ <u>3,571,719</u></b>

Note:

(1) GASB Statement No. 44, Economic Condition Reporting: The Statistical Section recommended that this information be presented starting with the fiscal year in which a government implemented GASB Statement No. 34.

Sources:

1. City of Powell Finance Department

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Table D

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<u>Fiscal Year</u>	
<u>2006</u>	
\$	14,729
	137,284
	1,750,039
	19,729
	7,823
	57,809
	498,603
	715,853
\$	<u>3,201,869</u>

---

**City of Powell, Ohio**  
**Governmental Tax Revenues by Source**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*

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Fiscal Year	Miscellaneous Taxes	Property Taxes	Income Taxes	Charges and Fees for Services
1997	\$ 1,610,205			\$ 468,994
1998	1,907,841			573,320
1999	2,276,941			440,316
2000	44,012	\$ 533,769	\$ 2,011,942	460,103
2001	37,144	601,877	2,298,958	713,895
2002	57,836	609,437	2,582,992	1,010,161
2003	53,306	1,272,963	2,472,209	1,432,494
2004	70,372	1,313,071	2,838,732	1,282,732
2005	120,033	1,186,474	3,108,450	1,261,934
2006	23,659	1,477,581	3,653,309	1,031,254

Note:

Modified accrual reports not prepared prior to FY2000; FY1997 - 1999 shown on cash basis; additional information on tax allocation is not available in FY1997-1999.

Sources:

1. City of Powell Finance Department

Table E

	<u>Intergovernmental</u>	<u>Other</u>	<u>Total</u>
\$	496,913	\$ 270,963	\$ 2,847,075
	529,527	261,920	3,272,608
	740,728	408,916	3,866,901
	993,207	481,274	4,524,307
	739,679	319,524	4,711,077
	949,816	490,675	5,700,917
	1,295,967	195,933	6,722,872
	958,350	398,746	6,862,003
	753,933	1,320,546	7,751,370
	818,101	1,835,312	8,839,216

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

	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
General fund				
Reserved	\$ 138,151	\$ 115,142	\$ 114,988	\$ 133,437
Unreserved	913,781	1,368,974	1,417,330	2,254,761
Total general fund	<u>\$ 1,051,932</u>	<u>\$ 1,484,116</u>	<u>\$ 1,532,318</u>	<u>\$ 2,388,198</u>
All other governmental funds				
Reserved	\$ 1,270,788	\$ 683,284	\$ 537,142	\$ 1,214,859
Unreserved, reported in:				
Special revenue funds	754,447	651,169	494,478	538,542
Capital projects funds (deficit)	943,592	658,795	2,662,612	507,646
Debt service funds	212,630	2,764,814	69,218	26,069
Total all other governmental funds	<u>\$ 3,181,457</u>	<u>\$ 4,758,062</u>	<u>\$ 3,763,450</u>	<u>\$ 2,287,116</u>

Note:

Modified accrual reports not prepared prior to FY2000; FY1997 - 1999 shown on cash basis from audited reports

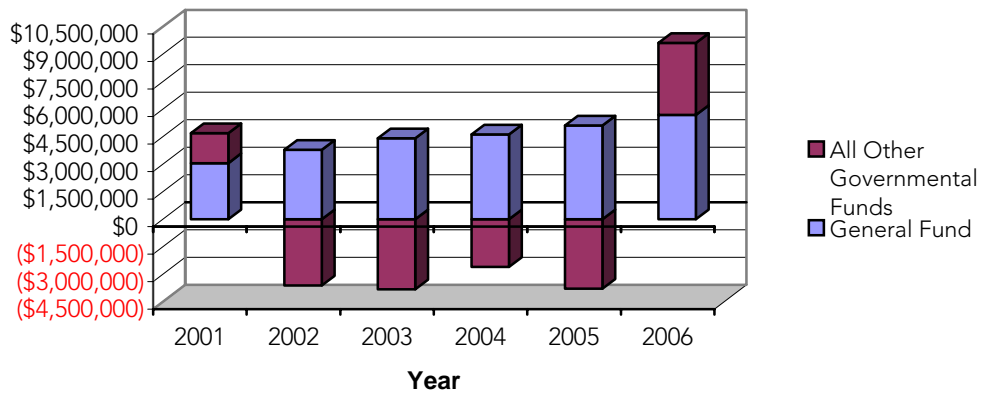
Sources:

1. City of Powell Finance Department

Table F

	2001	2002	2003	2004	2005	2006
\$	114,739	\$ 143,288	\$ 221,074	\$ 175,084	\$ 191,597	\$ 226,673
	<u>2,947,626</u>	<u>3,639,973</u>	<u>4,193,749</u>	<u>4,446,555</u>	<u>4,926,795</u>	<u>5,459,827</u>
\$	<u><u>3,062,365</u></u>	<u><u>3,783,261</u></u>	<u><u>4,414,823</u></u>	<u><u>4,621,639</u></u>	<u><u>5,118,392</u></u>	<u><u>5,686,500</u></u>
\$	436,247	\$ 179,906	\$ 704,828	\$ 1,305,501	\$ 352,351	\$ 642,600
	510,960	381,491	693,357	1,041,754	1,071,474	1,351,708
	643,661	(4,215,068)	(5,277,905)	(5,017,150)	(5,252,381)	1,900,299
	36,199	40,607	51,703	61,237	35,826	28,868
\$	<u><u>1,627,067</u></u>	<u><u>(3,613,064)</u></u>	<u><u>(3,828,017)</u></u>	<u><u>(2,608,658)</u></u>	<u><u>(3,792,730)</u></u>	<u><u>3,923,475</u></u>

General & All Other Governmental Fund Balances  
(modified accrual basis only)



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

	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
<b>Revenues</b>				
Property Taxes	\$	\$	\$	\$ 533,769
Municipal Income Taxes				2,011,942
Other Local Taxes	1,610,205	1,907,841	2,276,941	44,012
Charges for Services	109,321	152,757	3,600	56,642
Development Charges				
Fees, Licenses, and Permits	359,673	420,563	436,716	393,720
Fines and Forfeitures				9,741
Intergovernmental	496,913	529,527	740,728	993,207
Interest	214,812	146,920	291,952	306,642
Other	56,151	115,000	116,964	174,632
Total Revenues	<u>2,847,075</u>	<u>3,272,608</u>	<u>3,866,901</u>	<u>4,524,307</u>
<b>Expenditures</b>				
Public Safety	571,442	674,742	857,004	868,542
Parks and Recreation	78,595	54,005	75,764	156,002
Community Development	215,156	256,866	304,324	353,423
Public Services/Transportation	304,221	280,593	617,975	552,237
General Government	453,785	429,089	594,712	652,635
Capital outlay	651,526	1,696,527	1,534,014	1,065,764
Debt service:				
Principal	4,231,360	105,000	2,908,002	195,000
Interest	202,962	273,798	346,721	316,017
Other charges	1,941	4,158		
Total Expenditures	<u>6,710,988</u>	<u>3,774,778</u>	<u>7,238,516</u>	<u>4,159,620</u>
Excess of revenues over(under) expenditures	(3,863,913)	(502,170)	(3,371,615)	364,687
<b>Other financing sources (uses)</b>				
Transfers in	723,029	380,482	921,760	461,702
Transfers out	(723,029)	(380,482)	(921,760)	(461,702)
Refunding bonds issued				
Bonds issued	4,231,002	3,121,501	2,571,501	
Proceeds from issuance of notes				
Premium on notes issued				
Total other financing sources (uses)	<u>4,231,002</u>	<u>3,121,501</u>	<u>2,571,501</u>	<u>-</u>
Net change in fund balances	\$ 367,089	\$ 2,619,331	\$ (800,114)	\$ 364,687
Debt service as a percentage of noncapital expenditures	273.18%	22.34%	132.86%	19.79%

Note:

Modified accrual reports not prepared prior to FY2000; FY1997 - 1999 shown on cash basis

Sources:

1. City of Powell Finance Department

Table G

	2001	2002	2003	2004	2005	2006
\$	601,877	\$ 609,437	\$ 1,272,963	\$ 1,313,071	\$ 1,186,474	\$ 1,477,581
	2,298,958	2,582,992	2,472,209	2,838,732	3,108,450	3,653,309
	37,144	57,836	63,306	70,372	120,033	23,659
	55,101	381,905	566,407	234,689	15,330	19,729
				150,450	782,108	861,573
	644,673	617,863	857,125	889,517	1,246,604	1,011,525
	14,121	10,393	8,962	8,076	17,033	41,515
	739,679	949,816	1,295,967	958,350	874,395	994,872
	212,231	122,557	62,365	126,292	296,392	548,968
	107,293	368,118	133,568	272,454	104,551	206,485
	<u>4,711,077</u>	<u>5,700,917</u>	<u>6,732,872</u>	<u>6,862,003</u>	<u>7,751,370</u>	<u>8,839,216</u>
	1,011,334	1,281,760	1,386,237	1,461,605	1,602,864	1,729,631
	208,600	241,503	207,665	272,445	504,761	516,993
	368,968	444,120	487,558	514,002	827,663	939,814
	591,878	604,041	794,007	1,189,586	794,210	599,953
	818,897	879,362	974,851	1,020,681	1,157,487	1,280,222
	1,184,299	17,020,759	1,054,493	5,322,512	1,454,010	2,668,504
	200,000	210,000	370,000	510,000	975,000	1,145,000
	296,232	453,607	1,047,480	1,144,997	1,098,544	1,280,043
					24,150	68,617
	<u>4,680,208</u>	<u>21,135,152</u>	<u>6,322,291</u>	<u>11,435,828</u>	<u>8,438,689</u>	<u>10,228,777</u>
	30,869	(15,434,235)	410,581	(4,573,825)	(687,319)	(1,389,561)
	457,350	370,370	529,351	665,350	316,914	726,550
	(457,350)	(370,370)	(529,351)	(665,350)	(316,914)	(726,550)
		10,915,000		6,000,000		2,750,000
						6,900,000
						23,874
	<u>-</u>	<u>10,915,000</u>	<u>-</u>	<u>6,000,000</u>	<u>-</u>	<u>9,673,874</u>
\$	30,869	\$ (4,519,235)	\$ 410,581	\$ 1,426,175	\$ (687,319)	\$ 8,284,313
	16.54%	19.23%	36.81%	37.12%	42.43%	47.86%

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

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Fiscal <sup>1</sup> Year Ended December 31	Real Property				Total Real Property
	Residential Property	Agricultural Property	Commercial Property	Public Utility Property	
1997	134,500,950	571,920	9,940,040	6,980	145,019,890
1998	143,818,530	974,720	11,158,550	7,700	155,959,500
1999	174,894,300	268,210	14,669,620	6,940	189,839,070
2000	186,541,960	522,280	16,005,210	5,170	203,074,620
2001	196,653,760	461,570	17,249,840	4,840	214,370,010
2002	237,562,010	138,240	22,537,190	5,110	260,242,550
2003	262,345,910	898,850	25,628,270	5,300	288,878,330
2004	295,965,200	9,530	28,366,700	5,390	324,346,820
2005	376,005,140	68,220	35,201,380	5,330	411,280,070
2006	411,273,840	68,220	36,843,460	5,970	448,191,490

Note:

1. Fiscal year ended is the tax year assessed but collections are in following year, i.e. Tax year 2004 collected in '2005.
2. Assessed real property is 35% of estimated actual value; assessed public utility property is 50% of estimated actual value; tangible personal property is 25% of estimated actual value.

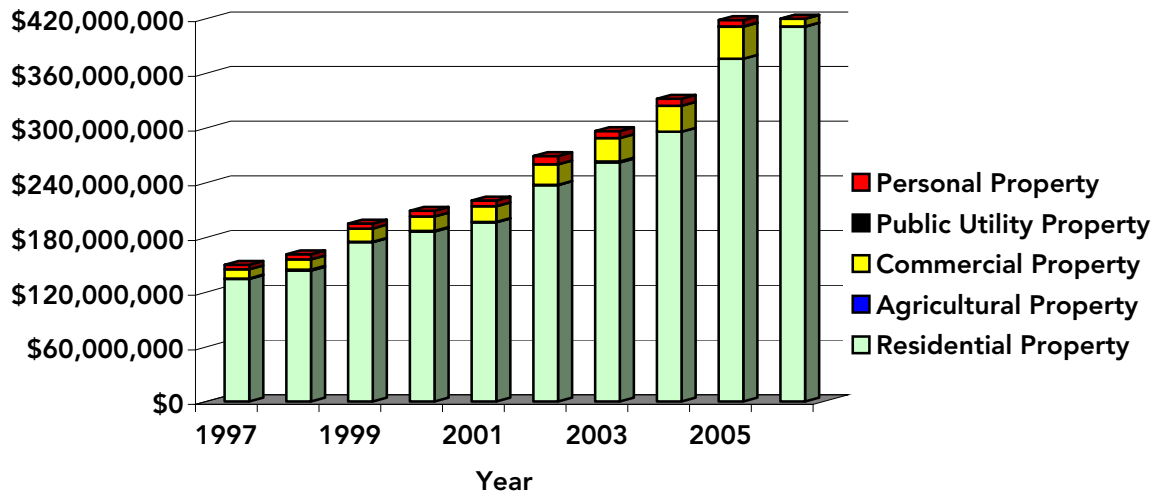
Source:

Delaware County Auditor's Office

Table H

<u>Personal Property</u> General	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
5,035,211	150,055,101	3.09	434,477,404	34.54%
5,506,067	161,465,567	2.93	467,616,239	34.53%
5,503,712	195,342,782	3.09	564,406,242	34.61%
6,083,614	209,158,234	3.25	604,543,225	34.60%
6,206,020	220,576,030	3.13	637,305,674	34.61%
9,002,984	269,245,534	5.30	779,557,699	34.54%
7,765,704	296,644,034	4.95	856,424,930	34.64%
7,685,849	332,032,669	4.01	957,443,976	34.68%
7,133,677	418,413,747	3.95	1,203,616,054	34.76%
7,788,137	455,979,627	3.76	1,307,766,211	34.87%

Assessed Valuation by Property Type Collections  
by Collection Year



City of Powell, Ohio  
 Property tax Rates  
 Direct and Overlapping Governments  
 Last Ten Fiscal Years

Fiscal Year	Direct			Overlapping		
	City of Powell			Delaware County		
	Operating Millage	Debt Service Millage	Total City Millage	Operating Millage	Debt Service Millage	Total County Millage
1997	1.20	1.89	3.09	4.50		4.50
1998	1.20	1.73	2.93	4.50		4.50
1999	1.20	1.89	3.09	4.70		4.70
2000	1.20	2.05	3.25	3.90		3.90
2001	1.20	1.93	3.13	3.90		3.90
2002	1.20	4.10	5.30	3.90		3.90
2003	1.20	3.75	4.95	3.90		3.90
2004	1.20	2.81	4.01	3.90		3.90
2005	1.20	2.75	3.95	4.10	0.17	4.27
2006	1.20	2.56	3.76	4.10	0.15	4.25

Note:

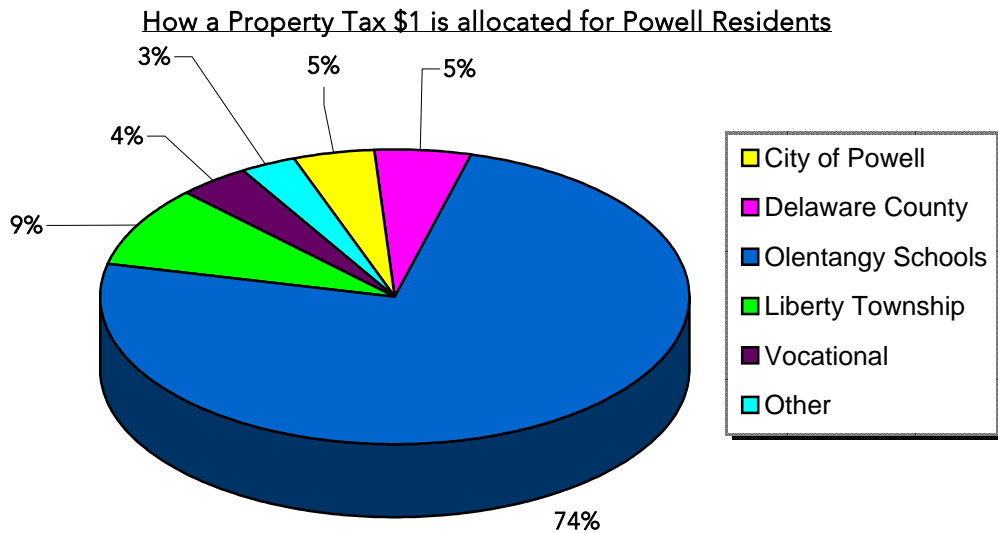
1. Other Operating Millage includes: Preservation Park District, 911 District, County Health Department, Mental Health District and Library.
2. JVSD - Joint Vocational School District

Sources:

1. Delaware County Auditor

Table I

Overlapping							Total Direct & Overlapping Rates
Olentangy Schools			Liberty Township Millage	JVSD <sup>2</sup> Millage	Other Millage <sup>1</sup>		
Operating Millage	Debt Service Millage	Total School Millage					
36.40	6.44	42.84	4.90	3.40	2.63	61.36	
36.40	5.17	41.57	4.90	3.40	2.61	59.91	
43.60	6.17	49.77	5.73	3.40	2.96	69.65	
43.60	6.20	49.80	5.22	3.40	2.91	68.48	
43.60	6.20	49.80	5.55	3.20	2.59	68.17	
43.60	6.96	50.56	7.50	3.20	2.56	73.02	
43.60	6.90	50.50	7.42	3.20	2.53	72.50	
54.10	6.90	61.00	7.40	3.20	2.50	82.01	
54.10	7.90	62.00	7.30	3.20	2.49	83.21	
54.10	7.90	62.00	7.29	3.20	2.62	83.12	



City of Powell, Ohio  
Income Tax Rates  
Direct and Overlapping Governments  
Last Four Years

Fiscal Year	Resident of the City of Powell <sup>1</sup>	Works in City of					
		Powell	Columbus	Gahanna	Worthington	Dublin	Delaware
2003	0.50%	0.25%	2.00%	1.50%	1.65%	2.00%	1.40%
2004	0.50%	0.25%	2.00%	1.50%	1.65%	2.00%	1.40%
2005	0.50%	0.25%	2.00%	1.50%	1.65%	2.00%	1.40%
2006	0.50%	0.25%	2.00%	1.50%	1.65%	2.00%	1.40%

## Note:

1. The City of Powell gives the resident a .25% credit if they work outside the city and pay taxes where they work.

## Sources:

City of Powell, Columbus, Gahanna, Worthington, Dublin and Delaware Finance/Income Tax Departments



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City of Powell, Ohio  
Property Tax Levies and Collection  
Last Ten Fiscal Years

Fiscal Year Ended <u>December 31</u>	Fiscal Year Received <u>In</u>	Total Tax Levy for <u>Fiscal Year</u>	Collected within the <u>Fiscal Year of the Levy</u>		Delinquent Tax <u>Collections</u> <sup>1</sup>	Total Tax <u>Collected</u>	Percent of Total Tax Collections to Current Tax Levy
			<u>Current Tax Collections</u>	<u>Percent of Levy</u>			
1997	1998	463,670	*		*	461,961	99.63%
1998	1999	473,094	464,101	98.10%	10,224	474,325	100.26%
1999	2000	603,609	598,819	99.21%	8,043	606,862	100.54%
2000	2001	679,764	673,204	99.03%	11,100	684,304	100.67%
2001	2002	690,402	681,951	98.78%	12,008	693,959	100.52%
2002	2003	1,427,001	1,407,999	98.67%	36,468	1,444,467	101.22%
2003	2004	1,468,387	1,459,524	99.40%	26,103	1,485,627	101.17%
2004	2005	1,331,451	1,323,631	99.41%	19,182	1,342,813	100.85%
2005	2006	1,652,734	1,620,199	98.03%	32,163	1,652,362	99.98%
2006	2007	1,709,090		<sup>2</sup>		<sup>2</sup>	

\*Information not available or kept

Note:

1. No County in the State of Ohio identifies delinquent tax collections by tax year.
2. Information not available at this time.

**City of Powell**  
**Principal Revenue Payers for Property Taxes**  
**December 31, 2006**

<b>Property Taxpayer</b>	<b>2005</b>			<b>1996</b>		
	<b>Taxable Assessed</b>	<b>Rank</b>	<b>Percentage of Total Taxable Assessed</b>	<b>Taxable Assessed</b>	<b>Rank</b>	<b>Percentage of Total Taxable Assessed</b>
	<b>Value</b>		<b>Value</b>	<b>Value</b>		<b>Value</b>
Kinsale Golf & Fitness Club LLC	3,607,600	1	0.86%			
Huffman Louis V				1,155,280	1	0.86%
Columbus Southern Power	2,572,490	2	0.61%	898,440	3	0.67%
Columbia Gas of Ohio				901,750	2	0.67%
Triangle Properties Inc.	2,109,570	3	0.50%			
LDH 2000 Family Ltd. Partnership	1,723,860	4	0.41%			
R P Estates				681,810	4	0.51%
M/I Homes of Central Ohio LLC	1,588,160	5	0.38%			
Bob Webb Lakes Edge LLC	1,292,890	6	0.31%			
Your Financial Community				490,530	6	0.36%
CV Real Property LLC	1,159,820	7	0.28%			
Scioto Run Associates				439,720	7	0.33%
Alcot, William M.	1,072,830	8	0.26%	667,800	5	0.50%
Rennob Inc.				416,420	8	0.31%
Virginia Homes Ltd.	835,830	9	0.20%			
VJP Ltd.	772,730	10	0.18%			
President's Club				414,200	9	0.31%
Bus				405,120	10	0.30%

**City of Powell**  
**Principal Revenue Payer Type for Income Taxes**  
**December 31, 2006**  
(cash basis of accounting)

<b>Year</b>	<b>Individual</b>			<b>Business</b>		<b>Total Income Tax</b>	
	<b>Withholding</b>	<b>% of total</b>	<b>Non-withholding</b>	<b>% of total</b>	<b>Net Profits</b>		<b>% of total</b>
1997	411,381	29.9%	927,784	67.3%	38,464	2.8%	1,377,629
1998	477,027	31.9%	954,316	63.8%	65,136	4.4%	1,496,479
1999	534,868	29.7%	1,146,583	63.7%	119,644	6.6%	1,801,095
2000	662,961	32.3%	1,328,672	64.8%	59,697	2.9%	2,051,330
2001	681,049	30.5%	1,476,055	66.1%	76,026	3.4%	2,233,130
2002	739,567	29.4%	1,642,261	65.2%	135,072	5.4%	2,516,900
2003	838,370	31.6%	1,634,050	61.6%	182,105	6.9%	2,654,525
2004	859,794	31.4%	1,670,349	60.9%	212,291	7.7%	2,742,434
2005	938,613	30.1%	1,931,808	62.0%	244,241	7.8%	3,114,662
2006	1,024,848	28.2%	2,345,698	64.5%	263,559	7.3%	3,634,105

## Sources:

1. City of Powell Finance Department
2. Delaware County, Ohio Auditor's Office
3. Regional Income Tax Agency

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

Governmental Activities						
Fiscal Year	General Obligation Bonds	Percentage of Personal Income	Per Capita	Bond Anticipation Notes	Percentage of Personal Income	Per Capita
1997	\$ 3,440,000	1.75%	\$ 757.04			\$ -
1998	3,310,000	1.68%	\$ 664.53	550,000	0.28%	\$ 110.42
1999	5,720,000	2.91%	\$ 1,017.25	375,000	0.19%	\$ 66.69
2000	5,525,000	2.81%	\$ 884.42	190,000	0.10%	\$ 30.41
2001	5,325,000	2.71%	\$ 797.75			
2002	16,030,000	7.48%	\$ 2,201.92	6,000,000	2.80%	\$ 824.18
2003	15,660,000	6.50%	\$ 1,914.66	7,000,000	2.91%	\$ 855.85
2004	21,150,000	7.93%	\$ 2,335.47	6,210,000	2.33%	\$ 685.73
2005	20,175,000	6.74%	\$ 1,986.31	6,900,000	2.31%	\$ 679.33
2006	21,780,000	6.27%	\$ 1,845.76	6,900,000	1.99%	\$ 584.75

City of Powell, Ohio  
 Ratios of General Bonded Debt Outstanding  
 Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Funds	Total	Percentage of Estimated Actual Taxable Value of Property	Per Capita
1997	\$ 3,440,000	212,630	3,227,370	0.743%	\$ 710.25
1998	3,310,000	2,764,814	545,186	0.117%	\$ 109.45
1999	5,720,000	69,218	5,650,782	1.001%	\$ 1,004.94
2000	5,525,000	26,069	5,498,931	0.910%	\$ 880.25
2001	5,325,000	36,199	5,288,801	0.830%	\$ 792.33
2002	16,030,000	40,607	15,989,393	2.051%	\$ 2,196.35
2003	15,660,000	51,703	15,608,297	1.822%	\$ 1,908.34
2004	21,150,000	61,237	21,088,763	2.203%	\$ 2,328.71
2005	20,175,000	35,826	20,139,174	1.673%	\$ 1,982.79
2006	21,780,000	28,868	21,751,132	1.663%	\$ 1,843.32

Note:

Modified accrual reports not prepared prior to FY2000; FY1997 - 1999 shown on cash basis

**City of Powell, Ohio**  
**Legal Debt Margin Information**  
*(accrual basis of accounting)*

	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
Overall debt limit	\$ 14,633,604	\$ 15,755,786	\$ 16,953,885	\$ 20,510,992
Total net debt applicable to limit	3,227,370	1,095,186	6,025,782	5,688,931
Legal debt margin	\$ 11,406,234	\$ 14,660,600	\$ 10,928,103	\$ 14,822,061
Total net debt applicable to the limit as a percentage of debt limit	22.1%	7.0%	35.5%	27.7%
-----				
Unvoted debt limit	\$ 7,665,221	\$ 8,253,031	\$ 8,880,606	\$ 10,743,853
Total net debt applicable to limit	-	-	-	-
Legal debt margin	\$ 7,665,221	\$ 8,253,031	\$ 8,880,606	\$ 10,743,853
Total net debt applicable to the limit as a percentage of debt limit	0.0%	0.0%	0.0%	0.0%

**Legal Debt Margin Calculation for Fiscal Year 2006**

<u>Overall (Voted and Unvoted) Debt Limitation:</u>	
Total assessed value	\$ 418,413,747
Debt limit (10 1/2% of total assessed value)	43,933,443
Debt applicable to limit:	
General obligation bonds & notes	28,680,000
Less: Amount set aside for repayment of general obligation debt	<u>28,868</u>
Total net debt applicable to limit	<u>28,651,132</u>
Legal debt margin	<u>\$ 15,282,311</u>

Sources:

1. City of Powell Finance Department
2. Inside debt limit information not currently available

Table O

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
\$	21,961,615	\$ 23,160,483	\$ 28,270,781	\$ 31,147,624	\$ 34,863,430	\$ 43,933,443
	5,288,801	21,989,393	22,608,297	27,298,763	27,039,174	28,651,132
\$	16,672,814	\$ 1,171,090	\$ 5,662,484	\$ 3,848,861	\$ 7,824,256	\$ 15,282,311
	24.1%	94.9%	80.0%	87.6%	77.6%	65.2%
-----						
\$	11,503,703	\$ 12,131,682	\$ 14,808,504	\$ 16,315,422	\$ 18,261,797	\$ 23,012,756
<sup>2</sup>	-	10,874,393	10,713,297	10,528,763	10,329,174	11,941,132
\$	11,503,703	\$ 23,006,075	\$ 25,521,801	\$ 26,844,185	\$ 28,590,971	\$ 34,953,888
	0.0%	89.6%	72.3%	64.5%	56.6%	51.9%

Unvoted Debt Limitation:

Total assessed value	\$ 418,413,747
Debt limit (5 1/2% of total assessed value)	23,012,756
Debt applicable to limit:	
General obligation bonds & notes	28,680,000
Less: Debt outside limitations	<u>16,710,000</u>
Debt within limitation	11,970,000
Less: Amount set aside for repayment of general obligation debt	<u>28,868</u>
Total net debt applicable to limit	<u>11,941,132</u>
Legal debt margin	<u><u>\$ 34,953,888</u></u>

City of Powell, Ohio  
 Computation of Direct and Overlapping  
 Debt Attributable to Governmental Activities  
 December 31, 2006

	Debt Outstanding	Percentage Applicable to City <sup>1</sup>	Amount of Direct and Overlapping Debt
Direct:			
City of Powell	\$ 28,680,000	100.00%	\$ 28,680,000
Overlapping:			
Delaware County	39,570,000	2.55%	1,009,035
Olentangy Schools <sup>2</sup>	317,307,701	14.54%	46,136,540
Liberty Township <sup>3</sup>	5,344,984	52.53%	2,807,720
Other Governments - Library	605,306	2.55%	15,435
Other Governments - JVSD	-	8.72%	-
	<u>391,507,991</u>		<u>78,648,730</u>
Total	\$ <u>391,507,991</u>		\$ <u>78,648,730</u>

## Note:

1. The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the government's taxable assessed value that is within the City's boundaries and dividing it by City's total taxable assessed value.
2. The school district debt is as of June 30, 2006.
3. Liberty Township debt is an estimated of December 31, 2006 based on the December 31, 2004 annual financial report. No current information was available.



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**City of Powell, Ohio**  
**General Demographic Characteristics**  
**Based on Census Years**

	<u>2000</u>	<u>1990</u>
<b>Population</b>	6,247	2,154
<b>Age Distribution</b>		
Under 5 years	736	241
5 to 19 years	1,590	401
20 to 64 years	3,681	1,462
65 years and older	240	50
<b>Race</b>		
White	5,890	2,088
Asian	186	28
Black	97	34
Other	74	4
<b>Education Attainment</b>		
No diploma	48	*
High School	321	*
Some college	599	*
College degree	1,914	*
Graduate	968	*
<b>Income of Households</b>		
Less than \$74,999	431	*
Over \$75,000	1,563	*
Median income	\$ 115,904	*
<b>Sex</b>		
Male	3,137	1,091
Female	3,110	1,063
<b>Housing Units</b>		
Total housing units	2,002	752
Owner-occupied units	1,835	637
Renter-occupied units	62	30
Median value of unit	\$259,200	\$236,600

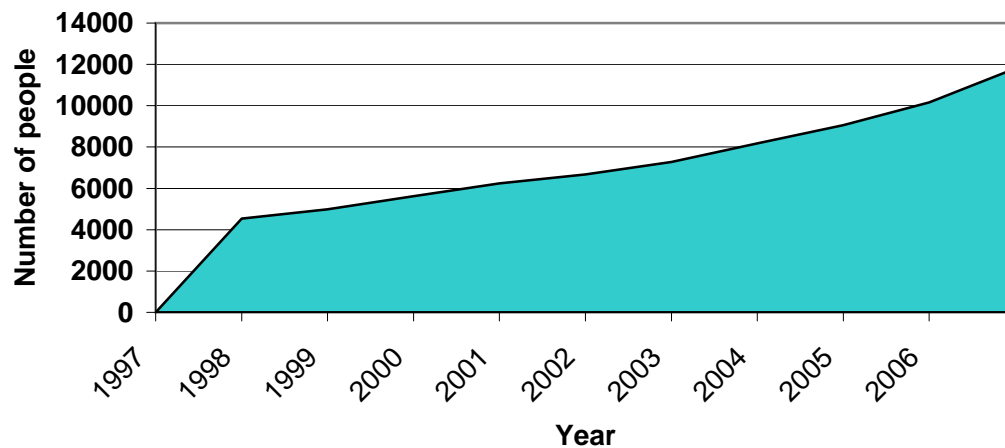
\*Information not available or kept

Source:  
U.S. Bureau of the Census

**City of Powell, Ohio  
Demographic and Economic Statistics  
Last Ten Fiscal Years**

Fiscal Year	Population <sup>1,3</sup>	Personal Income (amount expressed in thousands)	Per Capita Personal Income <sup>2</sup>	Media Age <sup>2</sup>	School Enrollment <sup>4</sup>	Unemployment		
						Delaware County Rate <sup>5</sup>	State Rate <sup>5</sup>	U.S. Rate <sup>5</sup>
1997	4,544	*	*	*	3,832	2.90%	4.60%	4.90%
1998	4,981	*	*	*	4,338	2.00%	4.30%	4.50%
1999	5,623	*	*	*	4,971	2.10%	4.20%	4.20%
2000	6,247	\$ 183,976	\$ 117,801	34.7	5,489	1.80%	4.10%	4.00%
2001	6,675	\$ 196,580	\$ 117,801	34.7	6,345	2.20%	4.30%	4.80%
2002	7,280	\$ 214,398	\$ 117,801	34.7	6,802	3.30%	5.70%	5.80%
2003	8,179	\$ 240,874	\$ 117,801	34.7	7,548	3.60%	6.10%	6.00%
2004	9,056	\$ 266,701	\$ 117,801	34.7	8,582	4.00%	6.10%	5.50%
2005	10,157	\$ 299,126	\$ 117,801	34.7	9,615	3.80%	5.90%	4.90%
2006	11,800	\$ 347,513	\$ 117,801	34.7	10,594	3.40%	5.60%	4.50%

### Population Growth



Source:

1. Non Census years are estimates from City of Powell Development Department
2. U.S. Census Bureau, 2000 Census
- \*Information not available or kept
4. Olentany Local School District, Audited Financial Statements
5. Ohio Workforce Informer and Delaware County, Ohio Audited Financial Statements

**City of Powell, Ohio**  
**Principal Employers**  
**As of December 31, 2005 and December 31, 1996**

<u>Employer</u>	<u>Principal Business</u>	<u>Rank</u>	<u>2005</u>		<u>Rank</u>	<u>1996</u>	
			<u>Number of Employees</u>	<u>% of Total Employment</u>		<u>Number of Employees</u>	<u>% of Total Employment</u>
State of Ohio	Government	1	30,009	4.52%	1	28,132	4.73%
The Ohio State University	Education	2	18,763	2.82%	2	15,347	2.58%
JP Morgan Chase & Co. (formerly Bank One)	Finance	3	13,707	2.06%	4	11,817	1.98%
Nationwide	Finance	4	11,002	1.66%	6	8,260	1.39%
United States Government Ohio Health (formerly Grant/Riverside)	Government	5	10,477	1.58%	3	14,500	2.44%
City of Columbus	Health Care	6	9,413	1.42%	9	6,328	1.06%
Columbus Public Schools	Government	7	8,106	1.22%	8	7,346	1.23%
Limited Brands	Education	8	7,432	1.12%	7	7,458	1.25%
AT&T Ohio (formerly SBC Ohio)	Trade	9	7,200	1.08%	5	9,500	1.60%
Wal-Mart Stores, Inc.	Utility	17	3,000	0.45%	10	6,200	1.04%
Franklin County	Trade	10	6,449	0.97%			
Kroger Co.	Government	11	6,164	0.93%			
Mount Carmel Health	Trade	12	4,799	0.72%			
American Electric Power	Health Care	13	4,660	0.70%			
Huntington Bancshares, Inc.	Utility	14	4,128	0.62%			
Children's Hospital, Inc.	Finance	15	4,000	0.60%			
Battelle	Health Care	16	3,307	0.50%			
Medco Health Solutions, Inc.	Techology	18	2,478	0.37%			
South-Western City Schools	Health Care	19	2,470	0.37%			
	Education	20	2,454	0.37%			
Total Principal Employers			160,018	24.08%		114,888	19.30%
			Franklin County Employment	588,100		552,400	
			Delaware County Employment	76,300		42,750	

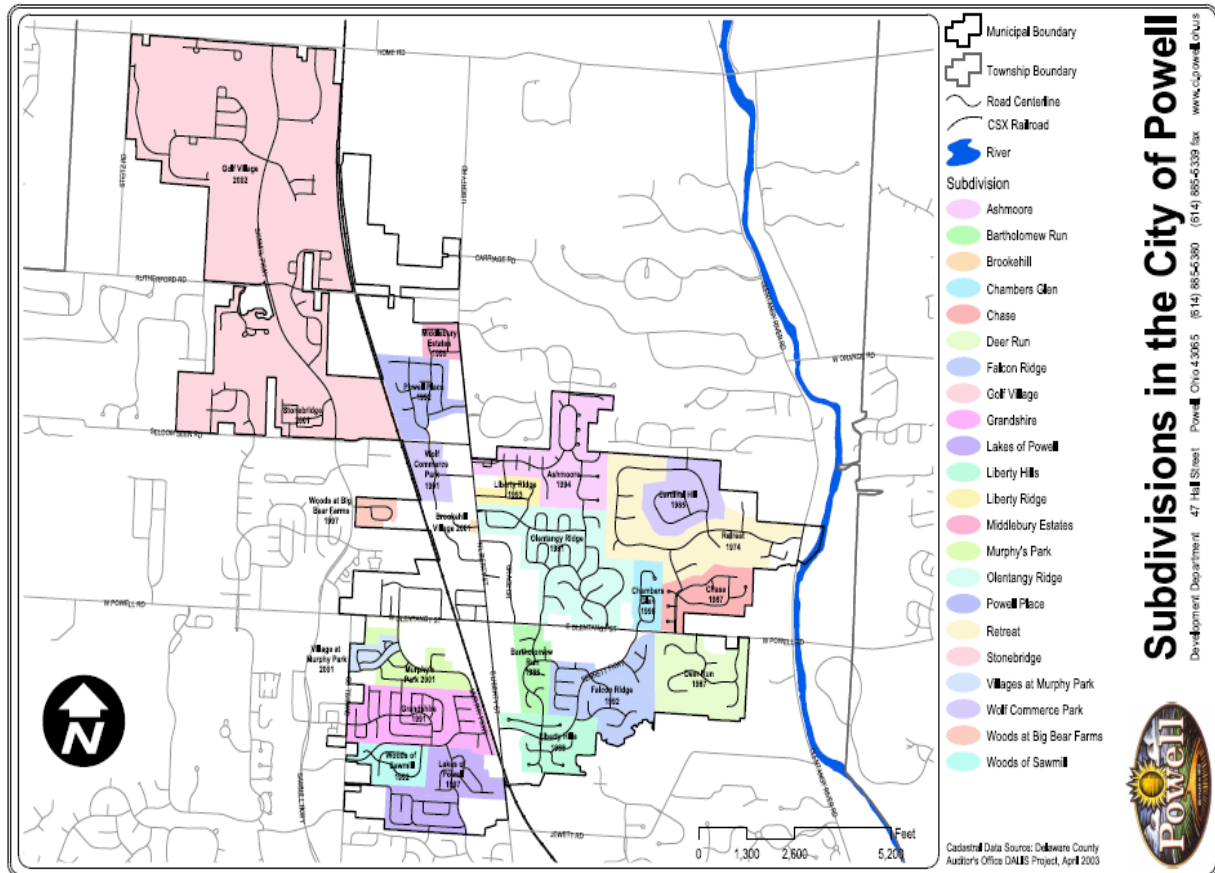
## Note:

The City of Powell receives over 90% of its income tax revenue from individuals who work outside the City of Powell. Therefore, the City has reported the largest employers within Delaware and Franklin County where the majority of its residents work.

## Source:

1. Franklin and Delaware County audited Financial Statements
2. Business First, Columbus Metropolitan book of lists

### City of Powell, Ohio Growth in Land Area For Selected Years



Years	Acres annexed	Total Acres	Square Miles
1947		263.000	0.411
1948 - 1975	480.523	743.523	1.162
1976 - 1980	56.300	799.823	1.250
1981 - 1985	28.077	827.900	1.294
1986 - 1990	450.866	1,278.766	1.998
1991 - 1995	487.395	1,766.161	2.760
1996 - 2000	212.009	1,978.170	3.091
2001 - 2005	1,157.114	3,135.284	4.899
2006	9.371	3,144.655	4.914

Source:  
City of Powell, Development Department  
City of Powell Codified Ordinances, Resolutions and Record of Proceedings

City of Powell, Ohio  
Operating Indicators by Function  
Last Ten Fiscal Years

	<u>1997</u>	<u>1998</u>	<u>1999</u>
<i>Public Safety</i>			
Traffic Citations	963	825	535
Arrests	129	129	111
Accidents	47	53	65
<i>Parks and Leisure</i>			
Programs offered	(1)	(1)	(1)
Program registrations	(1)	(1)	(1)
<i>Community Environment</i>			
<i>Building Dept.</i>			
Single-family building permits issued	150	165	141
Remodeling permits issued	29	27	32
Commercial building permits issued	66	47	28
<i>Development Dept.</i>			
Number of Planning & Zoning Projects Reviewed	18	11	6
Number of Board of Zoning Projects Reviewed	8	12	3
Number of Historical Downtown Projects Reviewed	10	12	9
<i>Engineering Dept.</i>			
Number of Engineering Plan Approvals	14	15	11
Number of Conditional Inspection Approvals	6	4	2
Number of Final Inspection Approvals	157	120	116
<i>Public Services</i>			
Snow accumulation per winter season (inches)	10.75	3.75	30.25
<i>General Government</i>			
<i>Community Affairs Dept.</i>			
Number of City sponsored events	(1)	(1)	(1)
<i>Finance Dept.</i>			
Vehicle registrations	5,208	5,815	5,672
Number of purchase orders issued	n/a	n/a	n/a
Finance Committee Meetings	n/a	n/a	n/a
<i>Council</i>			
Number of ordinances issued	55	67	61
Number of resolutions issued	12	23	18
Council meetings	24	24	24

n/a = information not kept or available

Note:

(1) Department didn't exist during this period

(2) Information is not for the complete year

Sources:

1. Ohio Department of Public Safety, License Statistics report
2. City of Powell various departments

Table U

2000	2001	2002	2003	2004	2005	2006
413	759	570	414	417	493	348
120	164	158	167	117	169	180
96	81	73	82	88	91	104
n/a	175	169	204	259	321	267
n/a	458	961	1,249	1,631	1,370	1,483
103	105	127	261	209	216	138
25	43	27	54	38	36	31
34	83	174	203	271	283	221
8	6	8	8	14	8	31
9	8	8	4	1	5	2
10	13	12	3	11	4	4
9	39	37	24	29	28	13
12	16	9	43	53	21	86
122	97	52	168	102	211	244
18.75	16.75	5.25	54.00	25.25	35.25	3.50
(1)	(1)	7	7	8	7	11
6,354	4,836	8,227	9,218	10,190	9,369	9,922
1,298	1,951	1,595	1,400	1,420	1,603	1,254
n/a	7	5	10	10	11	11
48	77	59	77	83	66	71
15	21	26	18	24	37	41
24	25	26	25	26	24	24

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City of Powell, Ohio  
Capital Assets Statistics by Function  
Last Ten Years

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	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
<b>Parks</b>				
Bike paths (feet) <sup>2</sup>	36,333	41,676	42,521	42,521
Buildings	1	1	1	1
Park Land (undeveloped)	2	2	3	3
Parks	2	2	2	2
<b>Public Service</b>				
Streets - Commercial (miles) <sup>2</sup>	9.99	9.99	9.99	9.99
Streets - Residential (miles) <sup>2</sup>	52.82	52.82	52.82	52.82
Vehicles				
Building <sup>1</sup>	1.3	1.3	1.3	1.5
<b>Police</b>				
Vehicles				
Police Station <sup>1</sup>	0.3	0.3	0.3	0.5
<b>Administration</b>				
Building <sup>1</sup>	1.3	1.3	1.3	1

Note:

- Administration, Public Service and Police shared a building prior to 2000; After 2000, only Public Service and Police shared the building because a building was purchased in 1997 and then renovated for the administration use.
- The City implemented GASB Statement No. 34 in 2002 which required the tracking of capital assets therefore only the balance at the beginning of the 2002 is known for many of the previous years. When the actual number is actually available it has been reflected.

Table V

2001	2002	2003	2004	2005	2006
48,782	62,166	63,888	63,888	64,036	64,841
1	1	1	1	1	1
4	6	7	7	3	3
2	2	2	2	9	9
9.99	21.82	21.82	21.82	21.82	21.82
52.82	92.06	95.22	95.22	96.32	96.32
		9	10	12	12
1.5	1.5	2.5	2.5	3.5	3.5
		10	10	9	10
0.5	0.5	0.5	0.5	0.5	0.5
1	1	1	1	1	1



**City of Powell, Ohio**  
**Full-time Equivalent Employees by Function**  
**Last Ten Fiscal Years**

Function	<u>Full-time Equivalent Employees as of December 31</u>				
	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
Public Safety	15.0	15.0	16.0	16.0	16.0
Parks and Recreation					
Park Maintenance	1.0	1.0	1.0	1.0	0.5
Recreation Programs				4.0	4.0
Community Environment					
Building Dept.	3.0	3.0	3.0	3.0	3.0
Development Dept.	2.0	2.0	2.0	2.0	2.0
Engineering Dept.	3.0	3.0	2.0	2.0	2.0
Public Services	3.0	3.0	3.0	4.0	4.0
General Government					
Administration	2.0	2.0	2.0	2.0	2.0
Community Affairs					
Finance	2.0	2.0	1.5	1.5	2.0
Mayor/Council	1.0	1.0	1.0	1.0	1.0
<b>Total</b>	<b>32.0</b>	<b>32.0</b>	<b>31.5</b>	<b>36.5</b>	<b>36.5</b>

Function	<u>Full-time Equivalent Employees as of December 31</u>				
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Public Safety	17.0	17.0	18.0	18.0	18.0
Parks and Recreation					
Park Maintenance	0.5	0.5	2.0	5.0	5.0
Recreation Programs	4.5	4.0	4.0	4.5	4.5
Community Environment					
Building Dept.	4.0	4.0	5.0	5.0	5.0
Development Dept.	2.0	2.0	2.0	2.0	2.5
Engineering Dept.	2.0	3.0	3.0	3.0	3.0
Public Services	4.0	4.0	5.0	5.0	5.0
General Government					
Administration	2.0	2.0	2.0	2.0	2.0
Community Affairs	1.0	1.0	1.0	1.0	1.0
Finance	2.0	2.0	2.0	3.0	3.0
Mayor/Council	1.0	1.0	1.0	1.0	1.0
<b>Total</b>	<b>40.0</b>	<b>40.5</b>	<b>45.0</b>	<b>49.5</b>	<b>50.0</b>

Note:

All part-time employees for the purposes of this chart is considered to be a 1/2 time employee.

Sources:

1. City of Powell Finance Department