

**CITY OF XENIA, OHIO**

**Single Audit Reports**

**December 31, 2002**





**Auditor of State  
Betty Montgomery**

City Council  
City of Xenia  
101 North Detroit Street  
Xenia, Ohio 45385

We have reviewed the Independent Auditor's Report of the City of Xenia, Greene County, prepared by Plattenburg & Associates, Inc., for the audit period January 1, 2002 through December 31, 2002. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The City of Xenia is responsible for compliance with these laws and regulations.

*Betty Montgomery*

BETTY MONTGOMERY  
Auditor of State

October 7, 2003

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**Report on compliance and on internal control over financial reporting  
based on an audit of financial statements performed in accordance with  
*Government Auditing Standards***

August 15, 2003

To the Honorable Mayor and City Council:

We have audited the basic financial statements of the City of Xenia, Ohio (the City), as of and for the year ended December 31, 2002, and have issued our report thereon dated August 15, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the City's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

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

A handwritten signature in black ink that reads "Plattenburg & Associates, Inc." in a cursive script.

Plattenburg & Associates, Inc.  
Certified Public Accountants



**Report on compliance with requirements applicable to each major program and internal control over compliance in accordance with OMB Circular A-133**

August 15, 2003

To the Honorable Mayor and City Council:

Compliance

We have audited the compliance of the City of Xenia, Ohio (the City) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal program for the year ended December 31, 2002. The City's major federal program is identified in the summary of auditor's results portion of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulation, contracts and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

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

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 2002.

### Internal Control Over Compliance

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

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

### Schedule of Federal Awards Expenditures

We have audited the basic financial statements of the City as of and for the year ended December 31, 2002, and have issued our report thereon dated August 15, 2003. Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by *OMB Circular A-133* and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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



Plattenburg & Associates, Inc.  
Certified Public Accountants



**CITY OF XENIA, OHIO**

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2002**

<b>Federal Grantor/Pass - Through Grantor, Program Title</b>	<b>Pass Through Entity Number</b>	<b>CFDA</b>	<b>Receipts</b>	<b>Disbursements</b>
<u>United States Department of Justice- Office of Justice Program</u>				
Domestic Violence Against Women	101-0300-0302	16.588	\$73,399	\$98,054
Internet Child Protection Grant	*	16.543	100,000	79,884
Safety Belt Program Grant	251-0300-0391	20.604	938	938
Cops More Grant	*	16.710	135,273	0
VOCA Grant	*	16.575	41,764	106,428
Subtotal - Department of Justice			<u>\$351,374</u>	<u>\$285,304</u>
<u>United States Department of HUD</u>				
Passed Through State Department of Development:				
Community Development Block Grant	A-F-203-1	14.228	\$298,108	\$221,307
Subtotal - Department of HUD			<u>\$298,108</u>	<u>\$221,307</u>
<u>Federal Emergency Management Agency</u>				
Passed Through State Ohio Emergency Management Agency:				
FEMA Grant	*	83.544	\$38,089	\$13,430
Subtotal - Federal Emergency Management Agency			<u>\$38,089</u>	<u>\$13,430</u>
<b>TOTALS</b>			<u><u>\$687,571</u></u>	<u><u>\$520,041</u></u>

**NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES**

**NOTE A -- SIGNIFICANT ACCOUNTING POLICIES**

The accompanying schedule of federal awards expenditures is a summary of the activity of the City's federal award programs.

The schedule has been prepared on the cash basis of accounting.

**NOTE B -- OUTSTANDING LOANS RECEIVABLE**

The City has outstanding loans receivable of \$930,998 in the Business-Type Activities and \$108,576 in the component unit.

The loan programs are funded through Community Development Block Grant funds and Urban Development Action Grant funds.

\*Information unavailable

**CITY OF XENIA, OHIO  
DECEMBER 31, 2002**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
OMB CIRCULAR A-133 SECTION .505**

**1. SUMMARY OF AUDITOR'S RESULTS**

<i>(d)(1)(i)</i>	<i>Type of Financial Statement Opinion</i>	Unqualified
<i>(d)(1)(ii)</i>	<i>Were there any material control weakness conditions reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(ii)</i>	<i>Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(iii)</i>	<i>Was there any reported material non-compliance at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any material internal control weakness conditions reported for major federal programs?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any other reportable internal control weakness conditions reported for major federal programs?</i>	No
<i>(d)(1)(v)</i>	<i>Type of Major Programs' Compliance Opinion</i>	Unqualified
<i>(d)(1)(vi)</i>	<i>Are there any reportable findings under Section .510?</i>	No
<i>(d)(1)(vii)</i>	<i>Major Programs (list):</i>	Community Development Block Grant
<i>(d)(1)(viii)</i>	<i>Dollar Threshold: Type A/B Programs</i>	Type A: > \$300,000 Type B: all others
<i>(d)(1)(ix)</i>	<i>Low Risk Auditee?</i>	Yes

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

None Noted

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

None Noted

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**CITY OF XENIA, OHIO  
DECEMBER 31, 2002**

**SCHEDULE OF PRIOR AUDIT AND QUESTIONED COSTS  
*OMB CIRCULAR A-133***

The City had no prior audit findings or questioned costs.

*Greene County, Ohio*



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED  
DECEMBER 31, 2002



***THE CITY OF XENIA, OHIO***

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GREENE COUNTY

**COMPREHENSIVE  
ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED  
DECEMBER 31, 2002**

**Prepared by:  
Department of Finance**

**James E. Freeman  
Finance Director**

**Mark A. Bazalak  
Assistant Finance Director**

**Rebecca Louderback  
Finance Technician**

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GREENE COUNTY, OHIO

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## *INTRODUCTORY SECTION*

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## CITY OF XENIA

101 North Detroit Street • Xenia, Ohio 45385  
James Freeman, Director of Finance

phone (937) 376-7235

fax (937)-374-1818

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August 15, 2003

President of City Council,  
Honorable Mayor and Council  
City of Xenia, Ohio

Dear Ladies and Gentlemen:

The Comprehensive Annual Financial Report of the City of Xenia, Ohio for the fiscal year ended December 31, 2002 is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City's Finance Department. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the City. All disclosures necessary to enable the reader to gain an understanding of the City of Xenia's financial activities have been included.

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

The City of Xenia has implemented the new financial model based upon GASB 34. Infrastructure assets acquired prior to 2002 have not been included in this report. The City of Xenia is in the process of identifying those assets for future reporting.

The City of Xenia is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996 and U.S. Office of Management and Budget Circular A-133, "Audits of State and Local Governments". Information related to this single audit can be found in a separate audit report.

The City of Xenia provides a full range of services. These services include police and fire protection; ambulance and paramedic services; water, sewer and sanitation services; the construction and maintenance of highways, streets and infrastructure; zoning and planning services; and recreational activities. In addition to general government activities, the reporting entity of the City of Xenia includes the Xenia Economic Growth Corporation (XEGC), a discretely presented component unit.

***Letter of Transmittal  
For the Year Ended December 31, 2002***

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**MAJOR INITIATIVES**

**For the Year**

The City has continued to establish and work towards clearly defined goals and objectives. During the budget review process, goals and objectives are developed and prioritized by the City Council and City staff. The goal and objective setting process drives the organization. It is a continuing cycle of reviewing short and long-term goals, setting goals and objectives, evaluating the results, and reassessing short and long-term goals and their priority. In preparing the 2002 budget, the City identified several major programs/projects needed to meet citizens' needs for cost effective services, to comply with applicable mandated federal and state requirements and to maintain the City's infrastructure. These programs/projects include:

- Continued development of a plan and legislation to protect the City's well fields.
- Continued planning and implementation of projects funded by Project Impact.
- Completed phase 2 of the reconstruction of East Third Street.
- Completed phase 1 of the reconstruction of North Detroit Street.
- Started phase 2 of the reconstruction of North Detroit Street.
- Started the U.S. 68 (N. Detroit St., S. Detroit St., and Home Ave.) repaving project.
- Completed the repair of the City's Public Service Center damaged by the 2000 tornado.
- Replaced the Sycamore Street Bridge.
- Replaced curb and sidewalk on Cincinnati Avenue from W. Third St. to Industrial Blvd.
- Implemented Ambulance/EMS and Motor Vehicle Accident charges for the Fire Division.

**For the Future**

Maintenance and future expansion of the City's infrastructure remain a major concern of the City Council and City administration. The City has continued to maintain, review and update yearly a five-year capital improvement program that provides a framework for the maintenance and expansion of the infrastructure to meet current and future needs. The City Council has taken a strong leadership role in this area to insure that public infrastructures are maintained and will be in place to facilitate continuing economic development.

The City has continued an aggressive program to improve and increase services and to repair, replace and expand its public facilities, streets and utilities systems. The utilization of the State's Issue 2 and Local Transportation Improvement Program has helped fund fifteen (15) such projects totaling \$3,410,753 since their inception.



***Letter of Transmittal  
For the Year Ended December 31, 2002***

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The major projects planned and budgeted for 2003 are completion of phase 2 of the North Detroit Street reconstruction project; complete the repaving of U.S. 68 north and south; replace curb and sidewalk on Home Avenue (from S. Detroit St. to S. Monroe St.); install ultraviolet disinfection equipment at the Ford Road and Gladly Run wastewater treatment plants; and complete implementation of the Project Impact program. In the area of economic development, the City of Xenia will continue to provide financial and marketing assistance to promote retention and expansion of existing businesses and to attract new business. The City is aggressively pursuing annexation to increase the availability of suitable sites for economic development. The sites will be developed as environmentally clean industrial/commercial parks. Finally, with the enactment of legislation in 1989 designating the entire City as a rural enterprise zone for possible partial tax abatement for property and personal property taxes, all the economic development tools and resources are in place for the future. The City is optimistic that the investment made in its infrastructure and economic development program will continue to increase its economic base and quality of life for its citizens.

The dream of a hike/bike trail between Xenia and Yellow Springs became a reality with its completion in October, 1992 as part of the Little Miami Scenic Trail. The Little Miami Scenic Trail is part of an 80-mile network that extends from eastern Cincinnati to Springfield. During 1993 the H-Connector hike/bike transportation system design was started and the design work was completed in 1996. The H-Connector will utilize railroad right-of-way purchased by the City and other local jurisdictions to connect the Little Miami Scenic Trail commencing at Hedges Road South of Xenia, with the Mad River Bikeway and the Great Miami Trail in Dayton. The construction of the H-Connector spoke to link it with the Ohio to Erie bicycle trail was completed in 1998. In conjunction with the H-Connector project, the City acquired approximately seven acres of railroad property in southern Xenia adjacent to the Little Miami Scenic Trail bikeway and constructed the "Xenia Station" bicycle transportation hub, a replica railway telegraph office which opened in May of 1998. The construction of the Little Miami Scenic Trail bikeway from Hedges Road to the Xenia Station site was completed in June, 1997 and the construction of the H-Connector bikeway from the Little Miami Scenic Trail to the Mad River bikeway was completed in the fall of 1997. Besides providing recreation to the citizens of Xenia, the bikeways have attracted many biking and hiking enthusiasts from outside the Xenia area, which will continue to bolster the local economy into future years.

The City of Xenia will celebrate its bicentennial in 2003 along with Greene County and the State of Ohio. All of whom were founded in 1803. Also, the City will participate with other Dayton area jurisdictions in the "Inventing Flight" celebration recognizing the Wright Brothers first powered flight in 1903.

The current slumping national, state and local economies will continue to be a concern in 2003 and require increased financial stewardship to maintain current services levels for the citizens of Xenia.

**FINANCIAL INFORMATION**

Management of the City of Xenia is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the government are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these goals are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

**Letter of Transmittal  
For the Year Ended December 31, 2002**

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**Single Audit**

As a recipient of federal and state financial assistance, the City also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation and internal audit by City management. As part of the City's single audit, described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal and state assistance programs, as well as to determine that the City has complied with applicable state and local laws and regulations. The results of the City's single audit for the fiscal year ended December 31, 2002 provided no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations.

**Budgeting Controls**

The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the level of personnel services, operating expenses, and capital outlay through an appropriations ordinance passed by City Council. The appropriation ordinance controls expenditures by fund except for the general fund where it is controlled by department. Only City Council may transfer appropriations between personnel services and operating expenses, or between operating and capital outlay, or between capital outlay and personnel services. In addition, the City maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriations budget approved by the City Council. Activities of all of the City's funds are included in the appropriations budget. The City's budget is based upon accounting for transactions on a basis of cash receipts and cash disbursements rather than on the basis of generally accepted accounting principles which measure revenues and expenditures using the accrual or modified accrual basis of accounting. The City also maintains a purchase order and encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts carry-over at year end and are re-appropriated as part of the following year's budget.

**Cash Management**

The City invests in bank savings accounts, treasuries, agencies, instrumentalities, and certificates of deposits having maturities of not more than five years. The City requires collateral for public funds on deposit in accordance with the Ohio Revised Code and City Ordinances.

The following is a summary of the City's investment activities:

	<u>2002</u>	<u>2001</u>
Average monthly investments	\$11,141,329	\$11,235,270
Average yield	5.47%	5.91%
Total investment earnings	\$609,044	\$664,254

***Letter of Transmittal  
For the Year Ended December 31, 2002***

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This is an decrease in investment earnings of \$55,210 or 9% from 2001. This was due to lower interest rates.

The City's investment policy is to minimize credit and market risks while earning a competitive yield on its surplus balances. Accordingly, deposits were either insured by federal depository insurance or collateralized. All collateral on deposits was held either by the City's agent or a financial institution's trust department with the pledged securities not in the City's name, surety bond, or by single financial institution's collateralized pool as permitted by Section 135.181 of the Ohio Revised Code. Essentially all the City's investments are in the State Treasury Asset Reserve of Ohio, treasuries, agencies, and instrumentalities.

**Risk Management**

The City of Xenia is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, and natural disasters for which the City of Xenia participates in the Ohio Government Risk Management Plan. This program is a fully reinsured product that provides for 100% "transfer" of risk over the prior year. The amount of any settlements have not exceeded insurance coverage over the past three years.

**OTHER INFORMATION**

**Independent Audit**

State statutes require an annual audit by the State Auditor's Office or, at the State Auditor's discretion, an independent certified public accounting firm. The City and the State Auditor's Office selected the firm of Plattenburg & Associates, Inc. to perform the 2002 audit of the City. In addition to meeting the requirements set forth in state statutes, the audit also covers the requirements of the federal Single Audit Act of 1996 and related OMB Circular A-133. The auditors' unqualified opinion is included in the Financial Section of this report.

**Awards**

The Government Finance Officer's Association (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting to the City of Xenia for its comprehensive annual financial report for the year ended December 31, 2001. This was the nineteenth consecutive year that the City has received the prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized comprehensive annual financial report. The report satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of only one year. We believe our current report will also conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

**CITY OF XENIA, OHIO**

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**Letter of Transmittal**  
**For the Year Ended December 31, 2002**

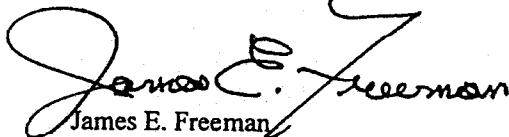
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**Acknowledgments**

The preparation of the comprehensive annual financial report on a timely basis was made possible by the dedicated service of the entire staff of the Finance Department. I would like to express my appreciation to all members of the Finance Department and especially to the Assistant Finance Director.

In closing, without the leadership and support of the Mayor and City Council and support of the entire City staff, preparation of this report would not have been possible.

Respectfully submitted,

  
James E. Freeman  
Finance Director

**List of Principal Officials  
For the Year Ended December 31, 2002**

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**CITY COUNCIL**

William R. Miller	President
Dr. Lee G. Esprit, Jr.	Vice President
John T. Saraga	Mayor
Patricia L. Felton	
Phyllis A. Pennewitt	
Dr. Eric V. A. Winston	
Lawrence W. Gordon	

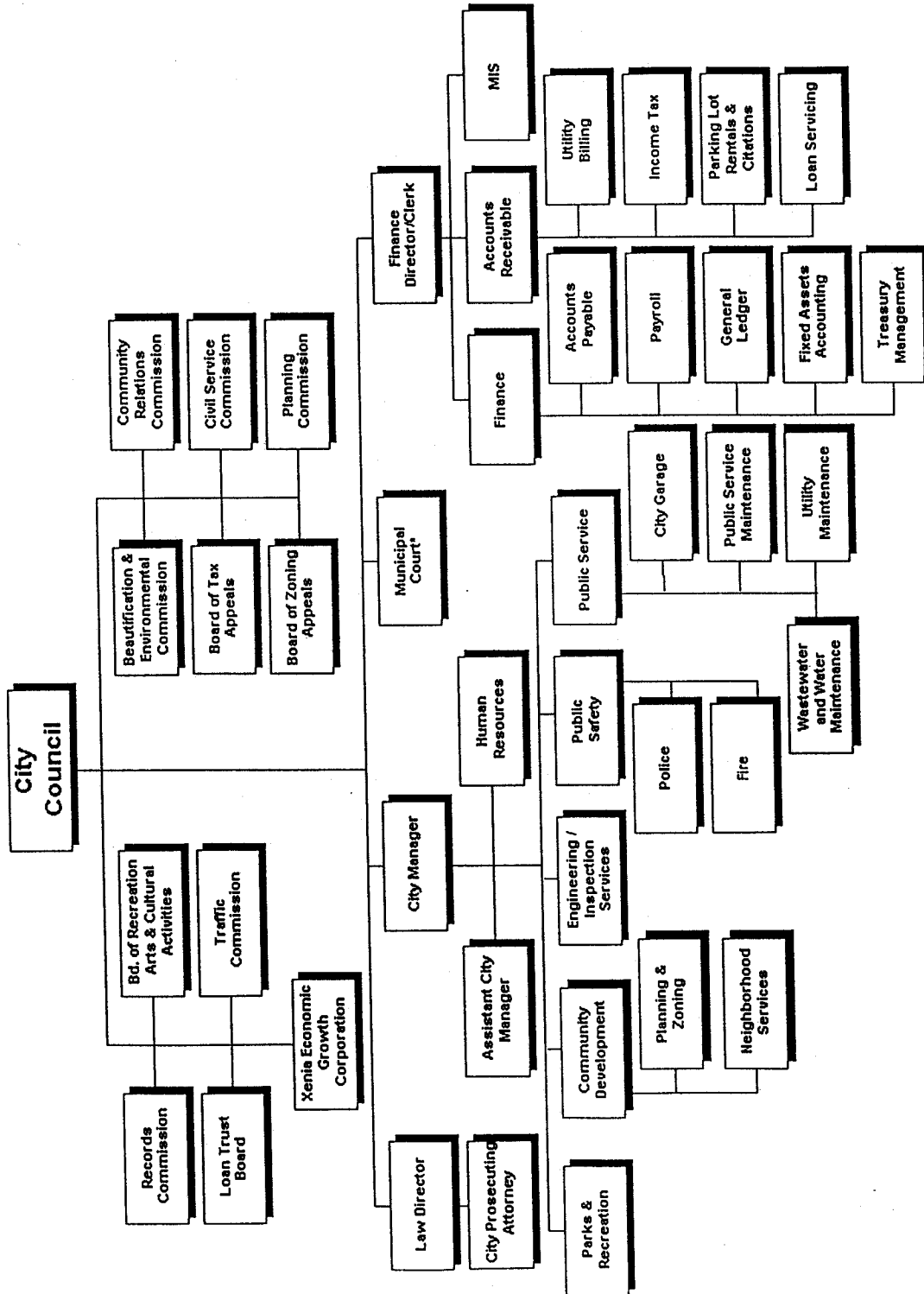
**APPOINTED OFFICIALS**

James E. Freeman	Finance Director
James W. Percival	City Manager
Ronald C. Lewis	Law Director

**DEPARTMENT OF FINANCE  
STAFF**

James E. Freeman	Finance Director
Mark A. Bazelak	Assistant Finance Director
John S. Anderson	Accounts Receivable Manager
Edgar Cardenas	Programmer/Analyst/MIS
Grant Kelly	Computer Technician
Connie J. Irwin	Secretary to Finance Director/City Clerk
Rebecca A. Louderback	Finance Technician/Finance Office
Mary E. Jordan	Finance Clerk/Finance Office
Bill McCarthy	Finance Clerk/Finance Office
Gus L. Wade	Finance Clerk/Income Tax
Kathy A. Andrews	Finance Clerk/Income Tax
Anne Free	Finance Clerk/Income Tax
Mary Ann Richardson	Finance Clerk/Income Tax
Dennis W. Evans	Finance Clerk/Utility Billing
Rebecca Moore	Finance Clerk/Utility Billing
Andrea Lewis	Finance Clerk/Utility Billing
Julie Willis	Finance Clerk/Utility Billing

City Organizational Chart  
For the Year Ended December 31, 2002



Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

City of Xenia,  
Ohio

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2001

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



*William Patrick Pate*  
President

*Jeffrey L. Essler*  
Executive Director





## *FINANCIAL SECTION*

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August 15, 2003

## REPORT OF INDEPENDENT ACCOUNTANTS

To the Honorable Mayor and  
City Council of the City of Xenia

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Xenia, Ohio, (the City) as of and for the year ended December 31, 2002, 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 an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred, to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Xenia, Ohio, as of December 31, 2002 and, the respective changes in financial position and cash flow, where applicable therefore, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in the Notes, the City has implemented a new financial reporting model, as required by the provisions of GASB statement No. 34, Basic financial statements – and Management Discussion and Analysis – for state and local governments as of December 31, 2002.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 15, 2003 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

### **Required Supplementary Information**

The Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information required by the 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.

### **Combining Financial Statements and Individual Fund Schedules**

Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the City's basic financial statements. The accompanying information identified in the table of contents as combining and individual nonmajor fund financial statements is presented for purposes of additional analysis and is not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements 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.

### **Introductory and Statistical Sections**

The information identified in the table of contents as the Introductory and Statistical Sections is presented for purposes of additional analysis and is not a required part of the basic financial statements of the City. Such information has not be subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion thereon.



Plattenburg & Associates, Inc.  
Certified Public Accountants

The discussion and analysis of Xenia City's financial performance provides an overall review of the City's financial activities for the year ended December 31, 2002. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and financial statements to enhance their understanding of the City's financial performance.

## **FINANCIAL HIGHLIGHTS**

### **Key financial highlights for 2002 are as follows:**

- ❑ In total, net assets increased \$2.5 million. Net assets of governmental activities increased \$2.3 million which represents a 13.9% increase from 2001. Net assets of business-type activities increased by \$159,069 or .8% from 2001.
- ❑ General revenues accounted for \$13.1 million in revenue or 50.7% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$12.8 million or 49.3% of total revenues of \$25.9 million
- ❑ Total assets of governmental activities increased by \$2.9 million as capital assets increased by \$3.3 million while cash and other receivables declined by \$.4 million.
- ❑ The City had \$15.6 million in expenses related to governmental activities; only \$4.8 million of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$13.1 million were adequate to provide for these programs.
- ❑ Among major funds, the general fund had \$8.7 million in revenues and \$12.8 million in expenditures. The general fund's fund balance declined \$206,062 to \$733,553.
- ❑ Net assets for enterprise funds increased slightly. This increase resulted from revenues of \$7.96 million exceeding expenses of \$7.8 million.

## **OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of three parts – *management's discussion and analysis*, the *basic financial statements* and an optional section that presents *combining statements* for nonmajor governmental funds, nonmajor enterprise funds and internal service funds. The basic financial statements include two kinds of statements that present different views of the City:

These statements are as follows:

1. *The Government-Wide Financial Statements* – These statements provide both long-term and short-term information about the City's overall financial status.
2. *The Fund Financial Statements* – These statements focus on individual parts of the City, reporting the City's operations in more detail than the government-wide statements.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

### **Government-wide Statements**

The government-wide statements report information about the City as a whole, including the Xenia Economic Growth Corporation (XEGC) the City's discretely presented component unit, using accepting methods similar to those used by private-sector companies. The statement of net assets includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the City's net assets and how they have changed. Net-assets (the difference between the City's assets and liabilities) are one way to measure the City's financial health or position.

- Over time, increases or decreases in the City's net assets are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the City you need to consider additional nonfinancial factors such as property tax base and current property tax laws as well as diversification in income tax base.

The government-wide financial statements of the City (primary government) are divided into two categories:

- *Governmental Activities* – Most of the City's program's and services are reported here including security of persons and property, public health and welfare services, leisure time activities, community environment, transportation and general government.
- *Business-Type Activities* – These services are provided on a charge for goods or services basis to recover all of the expenses of the goods or services provided. All of the City's enterprise activities are reported as business-type activities.

A separately issued audit report containing financial statements is available from XEGC at 181 W. Main Street, Xenia, Ohio 45385.

### **Fund Financial Statements**

The fund financial statements provide more detailed information about the City's most significant funds, not the City as a whole. Funds are accounting devices that the City uses to keep track of specific sources of funding and spending for particular purposes.

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

**Proprietary Funds** – Proprietary funds use the same basis of accounting as business-type activities; therefore, these statements will essentially match.

**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. All of the City’s fiduciary activities are reported in separate Statements of Fiduciary Net Assets.

**FINANCIAL ANALYSIS OF THE CITY AS A WHOLE**

This is the first year for government-wide financial statements using the full accrual basis of accounting, therefore a comparison with prior year’s information is not available. A comparative analysis will be provided in future years when prior year’s information is available.

	Governmental Activities	Business-type Activities	Total
	2002	2002	2002
Current and other assets	\$12,287,233	\$6,517,678	\$18,804,911
Capital assets, Net	13,011,878	23,311,664	36,323,542
Total assets	25,299,111	29,829,342	55,128,453
Long-term debt outstanding	2,645,858	10,019,654	12,665,512
Other liabilities	3,280,614	362,021	3,642,635
Total liabilities	5,926,472	10,381,675	16,308,147
Net assets			
Invested in capital assets, net of related debt	11,480,035	14,970,070	26,450,105
Restricted	5,794,172	0	5,794,172
Unrestricted	2,098,432	4,477,597	6,576,029
Total net assets	<u>\$19,372,639</u>	<u>\$19,447,667</u>	<u>\$38,820,306</u>

**Changes in Net Assets** – The following table shows the changes in net assets for the year 2002:

	Governmental Activities	Business-type Activities	Total
	2002	2002	2002
Revenues			
Program revenues:			
Charges for Services and Sales	\$2,426,858	\$6,938,424	\$9,365,282
Operating Grants and Contributions	406,583	0	406,583
Capital Grants and Contributions	1,989,900	1,016,757	3,006,657
General revenues:			
Income taxes	7,594,854		7,594,854
Other local taxes	1,584,911	0	1,584,911
Motor vehicle and gasoline taxes	1,381,595	0	1,381,595
Shared revenues	1,577,316	0	1,577,316
Investment earnings	336,298	0	336,298
Miscellaneous	749,596	0	749,596
Loss on disposal of fixed assets	(93,414)	(11,266)	(104,680)
Total revenues	<u>17,954,497</u>	<u>7,943,915</u>	<u>25,898,412</u>
Program Expenses			
General government	3,107,951	0	3,107,951
Public safety	9,990,485	0	9,990,485
Health	43,564	0	43,564
Highways and streets	1,537,488	0	1,537,488
Community development	279,349	0	279,349
Recreation	541,558	0	541,558
Debt Service:			
Interest and fiscal charges	84,862	0	84,862
Water	0	2,486,774	2,486,774
Sewer	0	3,472,553	3,472,553
Sanitation	0	1,423,249	1,423,249
Other enterprise funds	0	413,014	413,014
Total expenses	<u>15,585,257</u>	<u>7,795,590</u>	<u>23,380,847</u>
Change in Net Assets before transfers	2,369,240	148,325	2,517,565
Transfers	(10,744)	10,744	0
Total Change in Net Assets	2,358,496	159,069	2,517,565
Beginning Net Assets	17,014,143	19,288,598	36,302,741
Ending Net Assets	<u>\$19,372,639</u>	<u>\$19,447,667</u>	<u>\$38,820,306</u>

**Governmental Activities**

Net assets of the City's governmental activities increased by \$2,358,496. This was due primarily to an increase in capital assets due in part to the new service center building and infrastructure dedication for new city developments.

The City receives an income tax, which is based on 1.75% of all salaries, wages, commissions and other compensation and on net profits earned from residents living within the City.

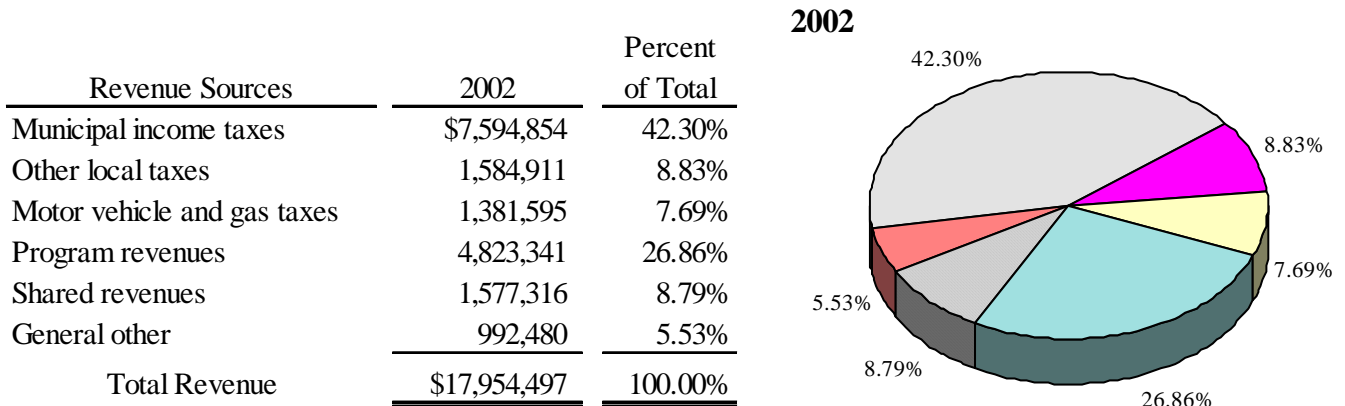


**CITY OF XENIA, OHIO**

**Management's Discussion and Analysis  
For the Year Ended December 31, 2002**

**Unaudited**

Other local taxes and income taxes made up 8.83% and 42.30% respectively of revenues for governmental activities for the City in 2002. The City's reliance upon tax revenues is demonstrated by the following graph indicating 58.82% of total revenues from general tax revenues:



**Business-Type Activities**

Net assets of the business-type activities increased by \$159,069. This increase was the result of higher grants receivable in our other enterprises funds, specifically in our CDBG fund.

**FINANCIAL ANALYSIS OF THE CITY'S FUNDS**

The City's governmental funds reported a combined fund balance of \$6,027,011, which is a decrease from last year's balance of \$7,047,123. The schedule below indicates the fund balance and the total change in fund balance by fund type as of December 31, 2002 and 2001:

	Fund Balance December 31, 2002	Fund Balance December 31, 2001	Increase (Decrease)
General	\$733,553	\$939,615	(\$206,062)
Municipal Income Tax	2,568,648	2,674,516	(105,868)
State Gas and Vehicle License	89,117	110,992	(21,875)
Capital Improvements	1,195,957	2,091,969	(896,012)
Other Governmental	1,439,736	1,230,031	209,705
<b>Total</b>	<b>\$6,027,011</b>	<b>\$7,047,123</b>	<b>(\$1,020,112)</b>

**CITY OF XENIA, OHIO**

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**Management's Discussion and Analysis  
For the Year Ended December 31, 2002**

**Unaudited**

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*General Fund* – The City's General Fund balance decrease is due to many factors. The tables that follow assist in illustrating the financial activities and balance of the General Fund:

	2002	2001	Increase
	<u>Revenues</u>	<u>Revenues</u>	<u>(Decrease)</u>
Municipal income taxes	\$3,230,210	\$3,322,939	(\$92,729)
Other local taxes	1,271,696	1,327,647	(55,951)
State shared taxes and permits	1,807,697	2,208,531	(400,834)
Special assessments	12,230	28,498	(16,268)
Intergovernmental grants	177,999	167,379	10,620
Charges for services	188,187	59,378	128,809
Fines, costs, forfeitures, licenses and permits	1,071,508	1,142,144	(70,636)
Miscellaneous receipts including interest earnings	<u>913,580</u>	<u>928,482</u>	<u>(14,902)</u>
Total	<u>\$8,673,107</u>	<u>\$9,184,998</u>	<u>(\$511,891)</u>

General Fund revenues in 2002 decreased approximately 5.6% compared to revenues in 2001. The most significant factor contributing to this decrease was lower state shared taxes due to the economy.

	2002	2001	Increase
	<u>Expenditures</u>	<u>Expenditures</u>	<u>(Decrease)</u>
General government	\$2,263,842	\$2,082,234	\$181,608
Public safety	9,501,873	8,843,377	658,496
Health	42,132	66,533	(24,401)
Highways and streets	259,367	239,443	19,924
Community development	256,039	277,850	(21,811)
Recreation	<u>456,373</u>	<u>480,479</u>	<u>(24,106)</u>
Total	<u>\$12,779,626</u>	<u>\$11,989,916</u>	<u>\$789,710</u>

General Fund expenditures increased by \$789,710 or 6.6% over the prior year mostly due to increases in salary and wages, retirement contributions, and health insurance premiums for the City's employees and additional staffing needs of the City. The additional staffing needs were primarily in the fire department where significant overtime costs caused the high expenditures for public safety.

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund.

During the course of 2002 the City amended its General Fund budget several times, none significant.

For the General Fund, final budget basis revenue of \$9.2 million did not significantly change over the original budget estimates of \$9.3 million. The General Fund had an adequate fund balance to cover expenditures.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

At the end of 2002 the City had \$36,323,542 net of accumulated depreciation invested in land, buildings, equipment and vehicles. Of this total, \$13,011,878 was related to governmental activities, and \$23,311,664 to business-type activities. The following table shows 2002 and 2001 balances:

	Governmental Activities		Increase (Decrease)
	2002	2001	
Land	\$4,048,205	\$3,567,655	\$480,550
Land Improvements	1,065,107	854,662	210,445
Buildings and Improvements	5,517,053	4,540,162	976,891
Machinery and Equipment	7,125,323	6,175,295	950,028
Infrastructure	408,007	0	408,007
Construction In Progress	1,029,296	232,140	797,156
Less: Accumulated Depreciation	(6,181,113)	(5,653,719)	(527,394)
Totals	<u>\$13,011,878</u>	<u>\$9,716,195</u>	<u>\$3,295,683</u>

	Business-Type Activities		Increase (Decrease)
	2002	2001	
Land	\$406,252	\$406,252	\$0
Land Improvements	392,539	393,478	(939)
Buildings and Improvements	8,233,646	8,233,646	0
Machinery and Equipment	35,101,669	33,325,157	1,776,512
Construction in Progress	15,112	544,453	(529,341)
Less: Accumulated Depreciation	<u>(20,837,554)</u>	<u>(19,427,780)</u>	<u>(1,409,774)</u>
Totals	<u>\$23,311,664</u>	<u>\$23,475,206</u>	<u>(\$163,542)</u>

The primary increases occurred in the governmental activities. The increase in governmental activities resulted from the acquisition of the infrastructure and the completion of our public service center.

As of December 31, 2002, the City has no contractual commitments for construction. Additional information on the City's capital assets can be found in Note 10.

**Debt**

At December 31, 2002, the City had \$1.3 million in bonds outstanding, \$45,000 due within one year. The following table summarizes the City's debt outstanding as of December 31, 2002 and 2001:

	<u>2002</u>	<u>2001</u>
Governmental Activities:		
General Obligation Bonds	\$1,315,000	\$1,360,000
Capital Leases Payable	216,843	279,090
Compensated Absences	1,114,015	1,048,979
Total Governmental Activities	<u>2,645,858</u>	<u>2,688,069</u>
Business-Type Activities:		
Landfill Liability	1,300,000	1,300,000
Compensated Absences	378,060	354,305
Loans Payable	8,341,594	8,780,308
Total Business-Type Activities	<u>10,019,654</u>	<u>10,434,613</u>
Totals	<u><u>\$12,665,512</u></u>	<u><u>\$13,122,682</u></u>

Under current state statutes, the City's general obligation bonded debt issues are subject to a legal limitation based on 10.5% of the total assessed value of real and personal property. At December 31, 2002, the City's outstanding debt was below the legal limit. Additional information on the City's long-term debt can be found in Notes 12, 13 and 14.

**ECONOMIC FACTORS**

The Dayton metropolitan area with the opening of the I-675 interstate beltway is continuing to experience development of new industrial parks and research centers to support the automotive industrial base around the area, the large military operations at Wright Patterson Air Force Base and the education and research activities at Wright State, Central State, Wilberforce and Cedarville Universities. In 1990, the Ohio Department of Transportation started the completion of the U.S. Route 35 East By-pass around the southeastern part of the City and has continued the reconstruction of U.S. Route 35 to a four-lane limited access highway from Xenia to the West Virginia border. The City is hopeful that reconstruction of U.S. Route 35 will foster economic development activities in the Xenia area in the near future.

The City continued during 2002 to attract several new businesses and to have several existing businesses expand. In addition, the water and sewer utilities along with the main entrance road have been designed and engineered to serve the 277 plus acres of undeveloped land that was annexed to the City in 2001 for future commercial/industrial development. State funding has been approved to assist in the financing of the construction of the infrastructure for the newly annexed land. There are currently sixteen (16) approved single family and condominium residential housing projects in various stages of development in Xenia. At "build out" these projects will add 2,458 single family and condominium units to the City's housing stock and will increase the City's population by a projected 6,600 residents. This growth will continue to increase the City's property tax and income tax base. The community currently has a 4.5 percent unemployment rate as compared to a statewide rate of 5.7 percent and a national average of 5.8 percent.

On September 20, 2000, an F4 tornado struck the City leaving a quarter-mile wide path of damage and destruction from its southwest to northeast corporate boundaries. The tornado damaged or destroyed approximately 20 businesses, 300 houses and severely damaged the Xenia Public Service Center that houses most of the City's public service departments. The tornado also destroyed several buildings at the Greene County Fairgrounds. Most of the structures destroyed or damaged were rebuilt or repaired during 2001 and 2002. The Public Service, Community Development, and Engineering Departments moved back into the City's Public Service Center in the spring of 2002.

On October 20, 2000, the City was designated a Project Impact Community by the Federal Emergency Management Agency (FEMA). This designation was unique because Xenia was the first community in the history of the program to be designated a Project Impact Community immediately following a disaster. The City has embraced the philosophy of Project Impact and proven its commitment to disaster resistance by requiring hurricane straps in all new homes and exploring several safe room concepts. Partnerships have been developed with a broad cross section of the community to achieve identified project goals such as: protective window film for schools, weather radios, electrical hook ups for generators to supply power at emergency shelters, and new tornado sirens. The City has been awarded a \$200,000 grant from FEMA to provide the financial resources needed to accomplish the Project Impact goals of a more disaster resistant community.

## **REQUESTS FOR INFORMATION**

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information contact James E. Freeman, Finance Director of Xenia City.



**CITY OF XENIA, OHIO**

**Statement of Net Assets  
December 31, 2002**

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	XEGC
<b>Assets:</b>				
Cash and cash equivalents	\$ 564,624	\$ 455,364	\$ 1,019,988	\$ 720,053
Investments	4,410,800	4,169,527	8,580,327	135,000
Receivables:				
Taxes, including interest, penalties and liens	3,637,976	0	3,637,976	0
Intergovernmental	1,452,177	0	1,452,177	0
Accounts	588,923	786,071	1,374,994	597
Special assessments, including liens	92,121	11,217	103,338	0
Loans	0	930,998	930,998	108,576
Accrued interest	108,411	99,320	207,731	2,804
Grants	1,472,214	472,000	1,944,214	0
Allowance for uncollectible accounts	(205,948)	(625,626)	(831,574)	0
Interfund balances	(11,084)	11,084	0	0
Inventories	52,705	151,045	203,750	0
Prepaid items	124,314	56,678	180,992	3,954
Capital Assets, net of accumulated depreciation	13,011,878	23,311,664	36,323,542	7,383
<b>Total Assets</b>	<b>25,299,111</b>	<b>29,829,342</b>	<b>55,128,453</b>	<b>978,367</b>
<b>Liabilities:</b>				
Accounts payable	463,056	148,807	611,863	2,744
Accrued payroll	880,769	213,214	1,093,983	69,789
Deferred revenue	1,929,010	0	1,929,010	0
Accrued interest payable	7,779	0	7,779	0
Long-term liabilities:				
Due within one year	110,116	511,386	621,502	0
Due in more than one year	2,535,742	9,508,268	12,044,010	0
<b>Total Liabilities</b>	<b>5,926,472</b>	<b>10,381,675</b>	<b>16,308,147</b>	<b>72,533</b>
<b>Net Assets:</b>				
Invested in Capital Assets, Net of Related Debt	11,480,035	14,970,070	26,450,105	7,383
Restricted For:				
Capital Projects	1,991,798	0	1,991,798	0
Debt Service	44,440	0	44,440	0
Other Purposes	3,757,934	0	3,757,934	0
Unrestricted (Deficit)	2,098,432	4,477,597	6,576,029	898,451
<b>Total Net Assets</b>	<b>\$ 19,372,639</b>	<b>\$ 19,447,667</b>	<b>\$ 38,820,306</b>	<b>\$ 905,834</b>

See accompanying notes to the basic financial statements

**CITY OF XENIA, OHIO**

**Statement of Activities  
For the Year Ended December 31, 2002**

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government:</b>				
<b>Governmental Activities:</b>				
General government	\$ 3,107,951	\$ 1,386,171	\$ 117,134	\$ 213,329
Public safety	9,990,485	935,454	289,449	236,115
Health	43,564	40,931	0	0
Highways and streets	1,537,488	3,312	0	1,133,640
Community development	279,349	25,159	0	163,488
Recreation	541,558	35,831	0	243,328
Interest and fiscal charges	84,862	0	0	0
<b>Total Governmental Activities</b>	<b>15,585,257</b>	<b>2,426,858</b>	<b>406,583</b>	<b>1,989,900</b>
<b>Business-Type Activities:</b>				
Water	2,486,774	2,183,911	0	280,831
Sewer	3,472,553	3,071,346	0	359,832
Sanitation	1,423,249	1,445,382	0	0
Other enterprise funds	413,014	237,785	0	376,094
<b>Total Business-Type Activities</b>	<b>7,795,590</b>	<b>6,938,424</b>	<b>0</b>	<b>1,016,757</b>
<b>Total primary government</b>	<b>\$ 23,380,847</b>	<b>\$ 9,365,282</b>	<b>\$ 406,583</b>	<b>\$ 3,006,657</b>
<b>Component Unit:</b>				
XEGC	\$ 298,628	\$ 207,598	\$ 0	\$ 0
<b>General Revenues:</b>				
Income taxes				
Other local taxes				
Motor vehicle and gas taxes				
Shared revenues				
Investment earnings				
Miscellaneous				
Operating transfers				
Loss on disposal of fixed assets				
Total General Revenues				
Change in Net Assets				
Net Assets Beginning of Year				
Net Assets End of Year				

See accompanying notes to the basic financial statements



**CITY OF XENIA, OHIO**

Net (Expense) Revenue and Changes in Net Assets			
Governmental Activities	Business-Type Activities	Total	XEGC
\$ (1,391,317)	\$ 0	\$ (1,391,317)	
(8,529,467)	0	(8,529,467)	
(2,633)	0	(2,633)	
(400,536)	0	(400,536)	
(90,702)	0	(90,702)	
(262,399)	0	(262,399)	
(84,862)	0	(84,862)	
<u>(10,761,916)</u>	<u>0</u>	<u>(10,761,916)</u>	
0	(22,032)	(22,032)	
0	(41,375)	(41,375)	
0	22,133	22,133	
0	200,865	200,865	
<u>0</u>	<u>159,591</u>	<u>159,591</u>	
<u>(10,761,916)</u>	<u>159,591</u>	<u>(10,602,325)</u>	
			\$ (91,030)
7,594,854	0	7,594,854	0
1,584,911	0	1,584,911	0
1,381,595	0	1,381,595	0
1,577,316	0	1,577,316	0
336,298	0	336,298	0
749,596	0	749,596	0
(10,744)	10,744	0	0
(93,414)	(11,266)	(104,680)	0
<u>13,120,412</u>	<u>(522)</u>	<u>13,119,890</u>	<u>0</u>
2,358,496	159,069	2,517,565	(91,030)
<u>17,014,143</u>	<u>19,288,598</u>	<u>36,302,741</u>	<u>996,864</u>
<u>\$ 19,372,639</u>	<u>\$ 19,447,667</u>	<u>\$ 38,820,306</u>	<u>\$ 905,834</u>

**CITY OF XENIA, OHIO**

**Balance Sheet  
Governmental Funds  
December 31, 2002**

	General	Municipal Income Tax	State Gas and Vehicle License	Capital Improvements
<b>Assets:</b>				
Cash and cash equivalents	\$ 80,861	\$ 194,182	\$ 2,021	\$ 121,548
Investments	122,003	1,778,026	18,506	1,139,774
Receivables:				
Taxes, including interest, penalties and liens	2,248,197	1,047,871	0	5,108
Intergovernmental	959,819	0	363,097	0
Accounts	555,620	0	773	23,230
Special assessments, including liens	92,070	0	0	51
Accrued interest	0	0	411	81,739
Grants	129,431	0	0	1,144,528
Allowance for uncollectible accounts	(195,378)	0	0	(10,570)
Interfund receivables	0	0	0	5,140
Inventories	5,768	0	22,144	0
Prepaid items	102,595	996	3,924	0
Advances to other funds	0	0	0	15,536
<b>Total Assets</b>	<b>\$ 4,100,986</b>	<b>\$ 3,021,075</b>	<b>\$ 410,876</b>	<b>\$ 2,526,084</b>
<b>Liabilities:</b>				
Accounts payable	\$ 67,493	\$ 1,285	\$ 5,164	\$ 244,714
Accrued payroll	788,895	17,866	51,431	0
Deferred revenue	2,511,045	433,276	265,164	1,085,413
<b>Total Liabilities</b>	<b>3,367,433</b>	<b>452,427</b>	<b>321,759</b>	<b>1,330,127</b>
<b>Fund Balances:</b>				
Reserved for:				
Encumbrances	56,337	8,257	20,485	859,780
Inventories	5,768	0	22,144	0
Prepaid items	102,595	996	3,924	0
Advances to other funds	0	0	0	15,536
Debt service	0	0	0	0
Unreserved and undesignated in:				
General Fund	568,853	0	0	0
Special revenue funds	0	2,559,395	42,564	0
Capital projects funds	0	0	0	320,641
<b>Total Fund Balances</b>	<b>733,553</b>	<b>2,568,648</b>	<b>89,117</b>	<b>1,195,957</b>
<b>Total Liabilities and Funds Balances</b>	<b>\$ 4,100,986</b>	<b>\$ 3,021,075</b>	<b>\$ 410,876</b>	<b>\$ 2,526,084</b>

See accompanying notes to the basic financial statements

Other Governmental Funds	Total Governmental Funds	<b>Reconciliation Of Total Governmental Fund Balances To Net Assets Of Governmental Activities December 31, 2002</b>	
		<b>Total Governmental Fund Balances</b>	\$ 6,027,011
\$ 161,719	\$ 560,331	<i>Amounts reported for governmental activities in the statement of net assets are different because:</i>	
1,313,185	4,371,494	Capital Assets used in governmental activities are not resources and therefore are not reported in the funds.	13,011,878
336,800	3,637,976	Other long-term assets are not available to pay for current- period expenditures and therefore are deferred in the funds.	2,964,248
129,261	1,452,177	Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(2,653,637)
8,088	587,711	The City Garage internal service fund is used by management to charge the costs of vehicle maintainance to individual departments. The assets and liabilities of the City Garage fund is allocated between the governmental and business-type activities in the statement of net assets. This is the amount that applies to the governmental activities.	23,139
0	92,121	<b>Net Assets of Governmental Funds</b>	<b>\$ 19,372,639</b>
26,261	108,411		
198,255	1,472,214		
0	(205,948)		
0	5,140		
0	27,912		
13,391	120,906		
0	15,536		
<u>\$ 2,186,960</u>	<u>\$ 12,245,981</u>		
\$ 135,577	\$ 454,233		
13,287	871,479		
598,360	4,893,258		
<u>747,224</u>	<u>6,218,970</u>		
351,018	1,295,877		
0	27,912		
13,391	120,906		
0	15,536		
44,249	44,249		
0	568,853		
859,934	3,461,893		
171,144	491,785		
<u>1,439,736</u>	<u>6,027,011</u>		
<u>\$ 2,186,960</u>	<u>\$ 12,245,981</u>		

**CITY OF XENIA, OHIO**

**Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the Year Ended December 31, 2002**

	General	Municipal Income Tax	State Gas and Vehicle License	Capital Improvements
<b>Revenues:</b>				
Municipal income tax	\$ 3,230,210	\$ 4,452,040	\$ 0	\$ 0
Other local taxes	1,271,696	0	0	42,598
State shared taxes and permits	1,807,697	0	675,205	0
Special assessments	12,230	0	0	219
Intergovernmental grants	177,999	0	0	113,870
Charges for services	188,187	0	2,500	19,673
Fines, costs, forfeitures, licenses and permits	1,071,508	0	0	0
Miscellaneous receipts and reimbursements, including interest	913,580	188	1,955	839,703
<b>Total Revenue</b>	<b>8,673,107</b>	<b>4,452,228</b>	<b>679,660</b>	<b>1,016,063</b>
<b>Expenditures:</b>				
Current:				
General government	2,263,842	316,596	0	0
Public safety	9,501,873	0	0	0
Health	42,132	0	0	0
Highways and streets	259,367	0	978,551	0
Community development	256,039	0	0	0
Recreation	456,373	0	0	0
Capital outlay	0	0	0	1,813,150
Debt service:				
Principal retirement	0	0	0	62,247
Interest & fiscal charges	0	0	0	11,678
<b>Total Expenditures</b>	<b>12,779,626</b>	<b>316,596</b>	<b>978,551</b>	<b>1,887,075</b>
Excess (deficiency) of revenues over expenditures	(4,106,519)	4,135,632	(298,891)	(871,012)
<b>Other financing sources (uses):</b>				
Operating transfers in	3,900,000	0	279,000	0
Operating transfers out	0	(4,241,500)	0	(25,000)
<b>Total other financing sources (uses)</b>	<b>3,900,000</b>	<b>(4,241,500)</b>	<b>279,000</b>	<b>(25,000)</b>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(206,519)	(105,868)	(19,891)	(896,012)
<b>Fund Balances at Beginning of Year</b>	<b>939,615</b>	<b>2,674,516</b>	<b>110,992</b>	<b>2,091,969</b>
Increase (decrease) in inventory reserve	457	0	(1,984)	0
<b>Fund Balances End of Year</b>	<b>\$ 733,553</b>	<b>\$ 2,568,648</b>	<b>\$ 89,117</b>	<b>\$ 1,195,957</b>

See accompanying notes to the basic financial statements

**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, 2002**

Other Governmental Funds	Total Governmental Funds		
\$ 0	\$ 7,682,250	<b>Net Change in Fund Balances - Total Governmental Funds</b>	\$ (1,018,585)
270,617	1,584,911	<i>Amounts reported for governmental activities in the statement of activities are different because</i>	
711,368	3,194,270		
0	12,449	Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays and capital contributions exceeded depreciation.	3,366,389
751,579	1,043,448		
2,200	212,560	Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. This is the amount of the loss on the disposal of fixed assets net of proceeds received.	(93,414)
262,074	1,333,582		
<u>95,808</u>	<u>1,851,234</u>	Revenues and transfers in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	63,065
2,093,646	16,914,704	The repayment of bond and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	107,247
		In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	824
285,659	2,866,097	Some expenses reported in the statement of activities, such as change in inventory and compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.	(66,563)
130,601	9,632,474		
0	42,132	The City Garage Internal Service Fund, which is used to charge the cost of services to individual funds, are not included in the statement of activities. Governmental fund expenditures and related internal service fund revenues are eliminated. The net revenue (expense) of the City Garage Internal Service Fund is allocated among the governmental and business-type activities.	(467)
248,271	1,486,189		
0	256,039		
27,245	483,618		
1,135,657	2,948,807		
45,000	107,247		
74,008	85,686		
<u>1,946,441</u>	<u>17,908,289</u>		
147,205	(993,585)		
76,286	4,255,286		
(13,786)	(4,280,286)		
<u>62,500</u>	<u>(25,000)</u>		
209,705	(1,018,585)		
1,230,031	7,047,123		
0	(1,527)		
<u>\$ 1,439,736</u>	<u>\$ 6,027,011</u>	<b>Change in Net Assets of Governmental Activities</b>	<u>\$ 2,358,496</u>

**CITY OF XENIA, OHIO**

**Statement of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
General Fund  
For the Year Ended December 31, 2002**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>				
Municipal Income Tax	\$ 3,344,300	\$ 3,344,300	\$ 3,293,682	\$ (50,618)
Other Local Taxes	1,223,457	1,230,376	1,206,696	(23,680)
State Shared Taxes and Permits	1,981,293	1,927,294	1,807,340	(119,954)
Special Assessments	12,230	12,230	12,230	0
Intergovernmental Grants	191,610	193,445	152,452	(40,993)
Charges for Services	114,420	120,520	105,867	(14,653)
Fines, Costs, Forfeitures, Licenses and Permits	1,232,000	1,213,550	1,072,582	(140,968)
Miscellaneous Receipts and Reimbursements, including Interest	1,190,852	1,198,990	1,030,527	(168,463)
Total Revenues	<u>9,290,162</u>	<u>9,240,705</u>	<u>8,681,376</u>	<u>(559,329)</u>
<b>Expenditures:</b>				
Current:				
General Government	2,457,578	2,412,378	2,279,379	132,999
Public Safety	9,567,567	9,675,140	9,478,469	196,671
Health	71,898	46,726	43,365	3,361
Highways and Streets	249,075	257,243	257,243	0
Community Development	275,890	276,192	257,662	18,530
Recreation	498,095	504,709	473,560	31,149
Total Expenditures	<u>13,120,103</u>	<u>13,172,388</u>	<u>12,789,678</u>	<u>382,710</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,829,941)	(3,931,683)	(4,108,302)	(176,619)
<b>Other Financing Sources (Uses):</b>				
Operating Transfers In	<u>3,900,000</u>	<u>3,900,000</u>	<u>3,900,000</u>	<u>0</u>
Total Other Financing Sources (Uses):	<u>3,900,000</u>	<u>3,900,000</u>	<u>3,900,000</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	70,059	(31,683)	(208,302)	<u>\$ (176,619)</u>
Fund Balance at Beginning of Year	310,415	310,415	310,415	
Encumbrances	<u>0</u>	<u>0</u>	<u>103,481</u>	
Fund Balance at End of Year	<u>\$ 380,474</u>	<u>\$ 278,732</u>	<u>\$ 205,594</u>	

See accompanying notes to the basic financial statements

**CITY OF XENIA, OHIO**

**Statement of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Special Revenue Fund – Municipal Income Tax Fund  
For the Year Ended December 31, 2002**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Municipal Income Tax	\$ 4,670,366	\$ 4,670,366	\$ 4,541,994	\$ (128,372)
Miscellaneous Receipts and Reimbursements, including Interest	<u>3,128</u>	<u>2,253</u>	<u>2,253</u>	<u>0</u>
Total Revenues	<u>4,673,494</u>	<u>4,672,619</u>	<u>4,544,247</u>	<u>(128,372)</u>
<b>Expenditures:</b>				
Current:				
General Government	<u>356,943</u>	<u>356,943</u>	<u>321,866</u>	<u>35,077</u>
Total Expenditures	<u>356,943</u>	<u>356,943</u>	<u>321,866</u>	<u>35,077</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,316,551	4,315,676	4,222,381	(93,295)
<b>Other Financing Sources (Uses):</b>				
Operating Transfers Out	<u>(4,262,500)</u>	<u>(4,262,500)</u>	<u>(4,241,500)</u>	<u>21,000</u>
Total Other Financing Sources (Uses):	<u>(4,262,500)</u>	<u>(4,262,500)</u>	<u>(4,241,500)</u>	<u>21,000</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	54,051	53,176	(19,119)	<u>\$ (72,295)</u>
Fund Balance at Beginning of Year	1,982,138	1,982,138	1,982,138	
Encumbrances	<u>0</u>	<u>0</u>	<u>9,189</u>	
Fund Balance at End of Year	<u>\$ 2,036,189</u>	<u>\$ 2,035,314</u>	<u>\$ 1,972,208</u>	

See accompanying notes to the basic financial statements

**CITY OF XENIA, OHIO**

**Statement of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Special Revenue Fund – State Gas and Vehicle License Fund  
For the Year Ended December 31, 2002**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
State Shared Taxes and Permits	\$ 670,000	\$ 685,000	\$ 671,697	\$ (13,303)
Charges for Services	1,000	2,500	2,500	0
Miscellaneous Receipts and Reimbursements, including Interest	15,198	9,061	8,950	(111)
Total Revenues	<u>686,198</u>	<u>696,561</u>	<u>683,147</u>	<u>(13,414)</u>
<b>Expenditures:</b>				
Current:				
Highways and Streets	<u>999,486</u>	<u>1,014,486</u>	<u>990,457</u>	<u>24,029</u>
Total Expenditures	<u>999,486</u>	<u>1,014,486</u>	<u>990,457</u>	<u>24,029</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(313,288)	(317,925)	(307,310)	10,615
<b>Other Financing Sources (Uses):</b>				
Operating Transfers In	<u>300,000</u>	<u>300,000</u>	<u>279,000</u>	<u>(21,000)</u>
Total Other Financing Sources (Uses):	<u>300,000</u>	<u>300,000</u>	<u>279,000</u>	<u>(21,000)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(13,288)	(17,925)	(28,310)	<u>\$ (10,385)</u>
Fund Balance at Beginning of Year	24,649	24,649	24,649	
Encumbrances	<u>0</u>	<u>0</u>	<u>24,188</u>	
Fund Balance at End of Year	<u>\$ 11,361</u>	<u>\$ 6,724</u>	<u>\$ 20,527</u>	

See accompanying notes to the basic financial statements





**CITY OF XENIA, OHIO**

**Statement of Net Assets  
Proprietary Funds  
December 31, 2002**

**Business-type activities - Enterprise Funds**

	<u>Water</u>	<u>Sewer</u>	<u>Sanitation</u>
<b>Assets:</b>			
<b>Current Assets:</b>			
Cash and cash equivalents	\$ 166,922	\$ 181,981	\$ 72,218
Investments	1,528,424	1,666,300	661,265
Receivables:			
Accounts	276,899	415,464	92,602
Special assessments, including liens	0	0	0
Loans	0	0	0
Accrued interest	33,503	40,573	13,733
Grants	0	0	0
Allowance for uncollectible accounts	(2,100)	(2,100)	(1,100)
Inventories	134,370	16,675	0
Prepaid items	27,194	21,298	7,292
<b>Total Current Assets</b>	<b><u>2,165,212</u></b>	<b><u>2,340,191</u></b>	<b><u>846,010</u></b>
<b>Noncurrent Assets:</b>			
<b>Unrestricted:</b>			
Loans receivable (net of current)	0	0	0
Allowance for uncollectible loans	0	0	0
Capital Assets (net of accumulated depreciation)	6,956,176	15,807,235	351,313
<b>Total Noncurrent Assets</b>	<b><u>6,956,176</u></b>	<b><u>15,807,235</u></b>	<b><u>351,313</u></b>
<b>Total Assets</b>	<b><u>9,121,388</u></b>	<b><u>18,147,426</u></b>	<b><u>1,197,323</u></b>
<b>Liabilities:</b>			
<b>Current Liabilities:</b>			
Accounts payable	21,638	39,671	82,949
Accrued payroll	100,494	91,045	18,047
Interfund payable	0	0	0
Loan payable	0	451,386	0
Landfill liability - current	0	0	60,000
<b>Total Current Liabilities</b>	<b><u>122,132</u></b>	<b><u>582,102</u></b>	<b><u>160,996</u></b>
<b>Noncurrent Liabilities</b>			
Accrued payroll	195,894	144,341	33,568
Advances from other funds	0	0	0
Loans payable	0	7,890,208	0
Landfill liability - noncurrent	0	0	1,240,000
<b>Total Noncurrent Liabilities</b>	<b><u>195,894</u></b>	<b><u>8,034,549</u></b>	<b><u>1,273,568</u></b>
<b>Total Liabilities</b>	<b><u>318,026</u></b>	<b><u>8,616,651</u></b>	<b><u>1,434,564</u></b>
<b>Net Assets:</b>			
Invested in Capital Assets, net of debt	6,956,176	7,465,641	351,313
Unrestricted	1,847,186	2,065,134	(588,554)
<b>Total Net Assets</b>	<b><u>\$ 8,803,362</u></b>	<b><u>\$ 9,530,775</u></b>	<b><u>\$ (237,241)</u></b>

Adjustment to consolidate the net assets of the Utility Billing Internal Service Fund.

Adjustment to consolidate the allocated portion of net assets of the City Garage Internal Service Fund.

Total net assets per the government-wide Statement of Net Assets

See accompanying notes to the basic financial statements

**CITY OF XENIA, OHIO**

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Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
\$ 32,005	\$ 453,126	\$ 6,531
293,044	4,149,033	59,800
1,106	786,071	1,212
11,217	11,217	0
28,500	28,500	0
11,511	99,320	0
472,000	472,000	0
0	(5,300)	0
0	151,045	24,793
390	56,174	3,912
<u>849,773</u>	<u>6,201,186</u>	<u>96,248</u>
902,498	902,498	0
(620,326)	(620,326)	0
<u>195,251</u>	<u>23,309,975</u>	<u>14,039</u>
<u>477,423</u>	<u>23,592,147</u>	<u>14,039</u>
<u>1,327,196</u>	<u>29,793,333</u>	<u>110,287</u>
4,008	148,266	9,364
3,628	213,214	9,290
0	0	5,140
0	451,386	0
0	60,000	0
<u>7,636</u>	<u>872,866</u>	<u>23,794</u>
4,257	378,060	15,785
0	0	15,536
0	7,890,208	0
0	1,240,000	0
<u>4,257</u>	<u>9,508,268</u>	<u>31,321</u>
<u>11,893</u>	<u>10,381,134</u>	<u>55,115</u>
195,251	14,968,381	14,039
<u>1,120,052</u>	<u>4,443,818</u>	<u>41,133</u>
<u>\$ 1,315,303</u>	<u>19,412,199</u>	<u>\$ 55,172</u>
	24,384	
	11,084	
	<u>\$ 19,447,667</u>	

**CITY OF XENIA, OHIO**

**Statement of Revenues, Expenses and Changes in Fund Net Assets  
Proprietary Funds  
For the Year Ended December 31, 2002**

	<u>Business-type activities - Enterprise Funds</u>		
	<u>Water</u>	<u>Sewer</u>	<u>Sanitation</u>
<b>Operating revenues:</b>			
Charges for services	\$ 2,060,618	\$ 2,924,573	\$ 1,345,979
<b>Operating expenses:</b>			
Personnel services	1,418,135	1,359,822	253,141
General operating	2,865	6,691	256
Contractual services	494,783	595,341	1,091,437
Materials and supplies	173,699	133,160	5,398
Depreciation	376,202	1,094,595	76,396
Repairs and maintenance	9,064	24,914	0
Non-governmental	15,327	15,484	1,054
Total expenditures	<u>2,490,075</u>	<u>3,230,007</u>	<u>1,427,682</u>
Operating loss	(429,457)	(305,434)	(81,703)
<b>Non-operating revenues:</b>			
Interest revenue	74,063	96,584	36,538
Capital contributions	280,831	359,832	0
Other	49,230	50,189	62,865
Intergovernmental	<u>0</u>	<u>0</u>	<u>0</u>
Total Non-operating revenue	<u>404,124</u>	<u>506,605</u>	<u>99,403</u>
<b>Non-operating expenses:</b>			
Interest expense	0	245,753	0
Loss on disposal	<u>1,273</u>	<u>9,993</u>	<u>0</u>
Total Non-Operating Expenses	<u>1,273</u>	<u>255,746</u>	<u>0</u>
<b>Income (loss) before operating transfers</b>	(26,606)	(54,575)	17,700
<b>Operating transfers</b>			
Operating transfers in	0	0	0
Operating transfers out	<u>(14,256)</u>	<u>0</u>	<u>0</u>
Total Operating Transfers	<u>(14,256)</u>	<u>0</u>	<u>0</u>
<b>Net income (loss)</b>	(40,862)	(54,575)	17,700
<b>Restated net assets, beginning of year</b>	<u>8,844,224</u>	<u>9,585,350</u>	<u>(254,941)</u>
<b>Net assets, end of year</b>	<u>\$ 8,803,362</u>	<u>\$ 9,530,775</u>	<u>\$ (237,241)</u>

Change in net assets - total enterprise funds

Adjustment to consolidate the Utility Billing Internal Service Fund activities.

Adjustment to consolidate the allocated portion of the City Garage Internal Service Fund activities

Total change in net assets of business-type activities

See accompanying notes to the basic financial statements

**CITY OF XENIA, OHIO**

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<u>Other Enterprise Funds</u>	<u>Total Enterprise Funds</u>	<u>Internal Service Funds</u>
\$ 171,627	\$ 6,502,797	\$ 483,174
58,873	3,089,971	140,879
24	9,836	3,422
255,662	2,437,223	140,498
2,715	314,972	211,877
6,416	1,553,609	5,092
0	33,978	0
89,306	121,171	0
<u>412,996</u>	<u>7,560,760</u>	<u>501,768</u>
(241,369)	(1,057,963)	(18,594)
15,577	222,762	0
0	640,663	0
50,581	212,865	18,224
376,094	376,094	4,345
<u>442,252</u>	<u>1,452,384</u>	<u>22,569</u>
0	245,753	0
<u>0</u>	<u>11,266</u>	<u>0</u>
<u>0</u>	<u>257,019</u>	<u>0</u>
200,883	137,402	3,975
25,000	25,000	0
0	(14,256)	0
<u>25,000</u>	<u>10,744</u>	<u>0</u>
225,883	148,146	3,975
<u>1,089,420</u>	<u>19,264,053</u>	<u>51,197</u>
<u>\$ 1,315,303</u>	<u>\$ 19,412,199</u>	<u>\$ 55,172</u>
	\$ 148,146	
	14,831	
	(3,908)	
	<u>\$ 159,069</u>	

**CITY OF XENIA, OHIO**

**Statement of Cash Flows  
Proprietary Funds  
For the Year Ended December 31, 2002**

	Business-Type Activities - Enterprise Funds					Internal Service Funds
	Water	Sewer	Sanitation	Other Enterprise Funds	Total	
<u>Cash Flows from Operating Activities:</u>						
Cash Received from Customers	\$2,037,779	\$2,956,451	\$1,350,384	\$175,627	\$6,520,241	\$488,736
Cash Payments for Goods and Services	(677,885)	(701,641)	(1,031,846)	(229,449)	(2,640,821)	(343,280)
Cash Payments to Employees	(1,376,777)	(1,345,979)	(243,042)	(67,270)	(3,033,068)	(137,878)
Net Cash Provided (Used) by Operating Activities	(16,883)	908,831	75,496	(\$121,092)	846,352	\$7,578
<u>Cash Flows from Noncapital Financing Activities:</u>						
Transfers In from Other Funds	0	0	0	25,000	25,000	0
Transfers Out to Other Funds	0	0	0	0	0	(6,001)
Net Cash Provided (Used) by Noncapital Financing Activities	0	0	0	25,000	25,000	(6,001)
<u>Cash Flows from Capital and Related Financing Activities:</u>						
Intergovernmental Grants	0	0	0	163,000	163,000	4,345
Acquisition and Construction of Assets	(709,186)	(138,811)	0	(23,820)	(871,817)	0
Principal Paid on Loans	0	(438,714)	0	0	(438,714)	0
Interest Paid on All Debt	0	(245,753)	0	0	(245,753)	0
Net Cash Provided (Used) by Capital and Related Financing Activities	(709,186)	(823,278)	0	139,180	(1,393,284)	4,345
<u>Cash Flows from Investing Activities:</u>						
Sale of Investments	673,838	0	0	0	673,838	0
Purchase of Investments	0	(84,824)	(69,278)	(38,582)	(192,684)	(2,278)
Receipts of Interest	108,621	101,878	36,288	14,727	261,514	0
Net Cash Provided (Used) by Investing Activities	782,459	17,054	(32,990)	(23,855)	742,668	(2,278)
Net Increase in Cash and Cash Equivalents	56,390	102,607	42,506	19,233	220,736	3,644
Cash and Cash Equivalents at Beginning of Year	110,532	79,374	29,712	12,772	232,390	2,887
Cash and Cash Equivalents at End of Year	\$166,922	\$181,981	\$72,218	\$32,005	\$453,126	\$6,531

(Continued)

**CITY OF XENIA, OHIO**

	Business-Type Activities - Enterprise Funds					
	Water	Sewer	Sanitation	Other Enterprise Funds	Total	Internal Service Funds
<u>Reconciliation of Operating (Loss) to Net Cash</u>						
<u>Provided (Used) by Operating Activities:</u>						
Operating (Loss)	(\$429,457)	(\$305,434)	(\$81,703)	(\$241,369)	(\$1,057,963)	(\$18,594)
Adjustments to Reconcile Operating (Loss) to						
Net Cash Provided (Used) by Operating Activities:						
Depreciation Expense	376,201	1,094,595	76,396	6,416	1,553,608	5,092
Allowance for Uncollectibles	1,627	1,784	1,054	77,521	81,986	0
Income - Other Nonoperating	62,515	59,560	64,416	51,084	237,575	18,224
Changes in Assets and Liabilities:						
Increase in Principal Receivable	0	0	0	(1,974)	(1,974)	0
Decrease in Interest Receivable	0	0	0	31	31	0
Decrease in Accounts Receivable	0	0	0	300	300	5,562
Decrease (Increase) in Utilities Receivable	(22,839)	31,878	4,405	0	13,444	0
Decrease (Increase) in Prepaid Items	(8,029)	(4,134)	869	603	(10,691)	(1,878)
Increase in Inventory	(34,923)	(7,460)	0	0	(42,383)	(1,457)
Increase (Decrease) in Accounts Payable	(3,336)	24,199	(40)	(5,007)	15,816	(2,372)
Increase (Decrease) in Accrued Payroll	41,358	13,843	10,099	(8,697)	56,603	3,001
Total Adjustments	412,574	1,214,265	157,199	120,277	1,904,315	26,172
Net Cash Provided (Used) by Operating Activities	(\$16,883)	\$908,831	\$75,496	(\$121,092)	\$846,352	\$7,578

Schedule of Noncash Investing, Capital and Financing Activities:

During 2002, the Water and Sewer Funds received \$280,831 and \$359,832 of capital assets respectively, contributed by other funds.

See accompanying notes to the basic financial statements

**CITY OF XENIA, OHIO**

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**Statement of Net Assets  
Fiduciary Funds  
December 31, 2002**

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	<u>Agency Funds</u>
<b>Assets:</b>	
Cash and cash equivalents	\$ 323,128
<b>Total Assets</b>	<u>323,128</u>
<b>Liabilities:</b>	
Accounts payable	98,958
Restricted deposits	<u>224,170</u>
<b>Total Liabilities</b>	<u>323,128</u>
<b>Net Assets</b>	<u><u>\$ 0</u></u>

See accompanying notes to the basic financial statements



***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2002***

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

The City of Xenia, Ohio, was incorporated in 1817, became a city in 1834, and operates under a Council-Manager form of government.

The financial statements are presented as of December 31, 2002 and for the year then ended, and have been prepared in conformity with generally accepted accounting principles (GAAP) applicable to local governments. The Governmental Accounting Standards Board (the "GASB") is the standard-setting body for establishing governmental accounting and financial reporting principles, which are primarily set forth in the GASB's Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification).

**A. Reporting Entity**

The accompanying basic financial statements comply with the provisions of the GASB Statement No. 14, *"The Financial Reporting Entity,"* in that the financial statements include all organizations, activities, functions and component units for which the City (the primary government) is financially accountable. Generally, component units are legally separate organizations for which the elected officials of the primary government (i.e. the City) are financially accountable. The City would consider an organization to be a component unit if:

- (1) The City appoints a voting majority of the organization's governing body AND (a) is able to impose its will on that organization OR (b) there is a potential for the organization to provide specific financial burdens on the City; OR
- (2) The organization is fiscally dependent upon the City; OR
- (3) The nature of the relationship between the City and the organization is such that the exclusion from the financial reporting entity would render the financial statements of the City misleading.

Based on the foregoing, the City's financial reporting entity has one component unit, the Xenia Economic Growth Corporation (XEGC), and includes all funds, agencies, boards and commissions that are part of the primary government, including the following services: public safety (police and fire), highways and streets, water, sewer, sanitation, recreation, public improvements, planning and zoning, and general administrative services.

Discretely Presented Component Unit - The component unit column in the government-wide financial statements includes the financial data of the City's component unit. It is reported in a separate column to emphasize that it is legally separate from the City.

The Xenia Economic Growth Corporation (XEGC) provides loan servicing and economic development services solely to the City of Xenia. XEGC's board is appointed by the City Council and XEGC is considered legally separate from the City. The City has the ability to impose its will on XEGC by removing XEGC board members and modifying their budget. The City is legally entitled to access XEGC's resources and provides a majority of its funding, making XEGC fiscally dependant on the City. A separately issued audit report containing financial statements is available from XEGC at 181 W. Main Street, Xenia, Ohio 45385.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2002***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Basis of Presentation - Fund Accounting**

The accounting system is organized and operated on the basis of funds each of which 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. The various funds are summarized by type in the basic financial statements. The following fund types are used by the City:

***Governmental Funds***

Governmental funds are those funds through which most governmental functions typically are financed. The acquisition, use and balances of the City's expendable financial resources and the related current liabilities (except those accounted for in the proprietary funds) are accounted for through governmental funds. The measurement focus is on determination of "financial flow" (sources and use and balances of financial resources). The following are the City's major governmental funds:

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

Municipal Income Tax Fund - This fund is used to account for the collections of the municipal income tax.

State Gas and Vehicle License Fund - This fund is required by State law to account for that portion of gasoline tax and motor vehicle license fees designated for maintenance of streets within the City.

Capital Improvements Fund - This fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities or equipment (other than those financed by proprietary funds or municipal court capital improvements fund).

***Proprietary Funds***

All proprietary funds are accounted for on an "economic resources" measurement focus. This measurement focus provides that all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Proprietary fund type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2002***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Basis of Presentation - Fund Accounting** (Continued)

Enterprise Funds - These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The City's major enterprise funds are:

Water Fund – This fund is used to account for providing water service to the City and surrounding areas.

Sewer Fund – This fund is used to account for providing sewer service to the City and surrounding areas.

Sanitation Fund – This fund is used to account for providing sanitation service to the City's residents.

Internal Service Funds - These funds are used to account for the financing of services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis. The internal service funds account for the utility billing operations of the City and for the maintenance of all City vehicles.

***Fiduciary Funds***

Agency Funds - These funds are used to account for assets held by a governmental unit as an agent for individuals, private organizations or other governmental units. The agency funds account for municipal court collections that are distributed to various local governments, petty cash funds and insurance deposits. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

**C. Basis of Presentation – Financial Statements**

**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 and its discretely presented component unit, except for fiduciary funds. The statements distinguish between those activities of the primary government that are governmental and those that are considered business-type activities.

The government-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2002***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Basis of Presentation – Financial Statements (Continued)**

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the City and for each function or program 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 and contributions 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 business segment or governmental function is self-financing or draws from the general revenues of the City.

**Fund Financial Statements** – Fund financial statements report detailed information about the City. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Internal service funds are combined and the totals are presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by fund type.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

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

**D. Basis of Accounting**

Basis of accounting represents the methodology utilized in the recognition of revenues and expenditures or expenses reported in the financial statements. The accounting and reporting treatment applied to a fund is determined by its measurement focus.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2002***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Basis of Accounting** (Continued)

The modified accrual basis of accounting is followed by the governmental funds. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. The term "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, which the City considers to be 60 days after year end. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which is recognized when due.

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. Revenue from income taxes is recognized in the period in which the income is earned and is available. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied and the revenue is available. 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 specific purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. Revenues considered susceptible to accrual are intergovernmental grants, interest on investments, state shared taxes, fines and forfeitures, and municipal income tax. Other revenues, including licenses, permits, certain charges for services, and miscellaneous revenues are recorded when received in cash, because generally these revenues are not measurable until received.

Property taxes measurable as of December 31, 2002 but which are not intended to finance 2002 operations and delinquent property taxes, whose availability is indeterminate, are recorded as deferred revenues.

The accrual basis of accounting is utilized for reporting purposes by the proprietary funds and fiduciary funds. Revenues are recognized when they are earned and expenses are recognized when they are incurred.

Pursuant to GASB Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting," the City follows GASB guidance as applicable to proprietary funds and FASB Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins issued on or before November 30, 1989 that do not conflict with or contradict GASB pronouncements.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2002***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Budgets and Budgetary Accounting**

The City follows procedures prescribed by State law in establishing the budgetary data shown in the financial statements, as follows:

- (1) The City must submit a budget of estimated cash receipts and disbursements for all governmental funds to the County Budget Commission by July 20 of each year for the following calendar year.
- (2) The County Budget Commission certifies its actions by September 1, and issues a "Certificate of Resources" limiting the maximum amount the City may expend from a given fund during the year.
- (3) About January 1, this Certificate is amended to include any unencumbered balances from the preceding year. The City must prepare its appropriations so that the total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the Certificate of Resources.
- (4) A temporary appropriation measure is passed at the second City Council meeting in December. The permanent appropriation measure is normally passed at the first City Council meeting in January of the budget year. The permanent appropriation may not exceed estimated resources certified by the County Budget Commission.
- (5) Unused appropriations lapse at year-end and encumbrances are reappropriated in the ensuing year's budget.
- (6) All funds have annual budgets legally adopted by City Council.

The City Manager acts as budget officer for the City and submits a proposed operating budget to the City Council on an annual basis. Public hearings are held to obtain taxpayer comments. The Council enacts the budget through passage of an appropriations ordinance. The appropriations ordinance controls expenditures at the level of personnel services, operating and capital expenditures/expenses by fund except for the general fund where the control is by department within the general fund. Only City Council may transfer appropriations between personnel services and operating expenses, or between operating and capital outlay, or between capital outlay and personnel services. Supplemental appropriations are made to the budget and original appropriations ordinance during the year by Council passage of supplemental appropriations ordinances. Supplemental appropriations to the original appropriations ordinance were made during the year, but were not material in relation to the original appropriations.

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

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2002**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Budgets and Budgetary Accounting (Continued)**

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

- (1) Revenues are recorded when received in cash (budget) as opposed to when they are both measurable and available (GAAP).
- (2) Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).

The adjustments necessary to convert the results of operations for the year ended December 31, 2002 on the GAAP basis to the budget basis are as follows:

	Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses		
	General Fund	Municipal Income Tax Fund	State Gas and Vehicle License Fund
GAAP Basis (as reported)	(\$206,519)	(\$105,868)	(\$19,891)
Increase (Decrease):			
Accrued Revenues at December 31, 2002 received during 2003	(1,275,984)	(614,595)	(99,117)
Accrued Revenues at December 31, 2001 received during 2002	1,284,253	706,614	102,604
Accrued Expenditures at December 31, 2002 paid during 2003	856,388	19,151	56,595
Accrued Expenditures at December 31, 2001 paid during 2002	(746,198)	(15,060)	(43,551)
2001 Prepays for 2002	85,834	824	3,162
2002 Prepays for 2003	(102,595)	(996)	(3,924)
Outstanding Encumbrances	(103,481)	(9,189)	(24,188)
Budget Basis	<u>(\$208,302)</u>	<u>(\$19,119)</u>	<u>(\$28,310)</u>

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2002***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**F. Cash and Cash Equivalents**

Cash and cash equivalents include amounts in demand deposits, certificates of deposit, treasuries, agencies, and instrumentalities with a maturity of three months or less when purchased to be cash equivalents.

The City pools its cash for investment and resource management purposes. Each fund's equity in pooled cash and investments represents the balance on hand as if each fund maintains its own cash and investment account. See Note 5, "Cash, Cash Equivalents and Investments."

**G. Investments**

Investment procedures and interest allocations are restricted by provisions of the Ohio Constitution and the Ohio Revised Code. In accordance with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools", the City reports its investments at fair value, except for nonparticipating investment contracts (certificates of deposit and repurchase agreements) which are reported at cost, which approximates fair value. All investment income, including changes in the fair value of investments, are recognized as revenue in the operating statements. Fair value is determined by quoted market prices. During 2002, the Capital Improvements Fund was allocated approximately \$175,000 of investment earnings in excess of the amount the fund would have received if earnings were based on each fund's share of pooled investments.

The City has invested funds in the STAR Ohio during 2002. STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on December 31, 2002. See Note 5, "Cash, Cash Equivalents and Investments."

**H. Inventory**

Inventory is valued at cost, using the first-in/first-out (FIFO) method. The proprietary fund inventories are recorded as expenses when used. Inventory in governmental funds consists of expendable supplies held for consumption. The cost is recorded as an expenditure at the time individual inventory items are purchased. Governmental inventories are equally offset by a fund balance reserve that indicates they do not constitute "available spendable resources" and are not available for appropriation.

**I. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond December 31, 2002, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.



***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2002***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**J. Capital Assets and Depreciation**

Capital assets are defined by the City as assets with an initial, individual cost of more than \$1,000.

**1. Property, Plant and Equipment**

Governmental activities capital assets are those not directly related to the business type funds. These generally are acquired or constructed for governmental activities and are recorded as expenditures in the governmental funds and are capitalized at cost (or estimated historical cost for assets not purchased in recent years). These assets are reported in the Governmental Activities column of the Government-wide Statement of Net Assets, but they are not reported in the Fund Financial Statements.

Contributed capital assets are recorded at fair market value at the date received. Capital assets include land, land improvements, buildings, building improvements, machinery, equipment and infrastructure. Infrastructure is defined as long-lived capital assets that normally are stationary in nature and normally can be preserved for a significant number of years. Examples of infrastructure include roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems. The City has elected to do prospective reporting for infrastructure assets as of December 31, 2002. The City plans to have all infrastructure assets on the statement of net assets for the year ended December 31, 2003. Estimated historical costs for governmental activities capital asset values were initially determined by identifying historical costs when such information was available. In cases where information supporting original cost was not obtainable, estimated historical costs were developed. For certain capital assets, the estimates were arrived at by indexing estimated current costs back to the estimated year of acquisition.

Property, plant and equipment acquired by the proprietary funds are stated at cost (or estimated historical cost), including interest capitalized during construction and architectural and engineering fees where applicable. These assets are reported in both the Business-Type Activities column of the Government-wide Statement of Net Assets and in the respective funds.

**2. Depreciation**

All capital assets are depreciated, excluding land. Depreciation has been provided using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Governmental and Business-Type Activities Estimated Lives (in years)</u>
Land Improvements	20 - 25
Buildings and Improvements	20 - 40
Machinery and Equipment	2 - 25
Infrastructure	50 - 65

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2002**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**K. Long-Term Obligations**

Long-term liabilities are being repaid from the following funds:

<u>Obligation</u>	<u>Fund</u>
General Obligation Bonds	City Motor Vehicle License Tax Fund, Debt Service Fund
Loan Payable	Sewer Fund
Landfill Liability	Sanitation Fund
Compensated Absences	General Fund, Municipal Income Tax Fund, State Gas and Vehicle License Fund, Law Enforcement Fund, Municipal Court Victim Fund, Water Fund, Sewer Fund, Sanitation Fund, Parking Revenue Fund, Housing Rehabilitation Loan Fund
Capital Leases	Capital Improvements Fund

**L. Compensated Absences**

Compensated absences are accrued as they are earned by employees if both of the following conditions are met:

- (1) The employee's rights to receive compensation are attributable to services already rendered.
- (2) It is probable that the employer will compensate the employee for the benefits through paid time off or cash payment.

Compensated absences accumulated by governmental fund type and proprietary fund type employees are reported as an expense when earned in the government-wide financial statements. For governmental fund financial statements, that portion of unpaid compensated absences expected to be paid using expendable, available resources is reported as an expenditure in the fund from which the individual earning the leave is paid. The noncurrent portion of the liability is not reported.

**M. Net Assets**

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2002***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**N. Pensions**

The provision for pension costs is recorded when the related payroll is accrued and the obligation is incurred.

**O. Interfund Activity**

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

**P. Reservations of Fund Balance**

Reserves indicate that a portion of fund balance is not available for expenditure or is legally segregated for a specific future use. Fund balances are reserved for inventories of supplies, prepaid items, debt service, advances and encumbrances (excluding encumbered amounts reflected as payables).

**Q. Operating Revenues and Expenses**

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services for water treatment and distribution, wastewater collection and treatment, collection of solid waste refuse, parking meter collections and loan repayments. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**R. 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.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2002***

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**NOTE 2 – DEFICIT FUND EQUITY**

The fund deficit at December 31, 2002 of \$237,241 in the Sanitation Fund arises from the recognition of expenses on the accrual basis which are greater than expenses recognized on a cash basis. The deficit does not exist under the cash basis of accounting. Operating transfers are provided when cash is required, not when accruals occur.

**NOTE 3 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

**A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets**

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net assets of governmental funds as reported in the government-wide statement of net assets. The following is a detailed listing of those reconciling items that are net adjustments or a combination of several transactions:

*Capital assets not reported in the funds:*

Capital Assets used in governmental activities	\$12,999,528
Capital Assets related to City Garage Internal Service Fund	12,350
	<u>\$13,011,878</u>

*Other long-term assets not available to pay for current-period expenditures:*

Income Tax Revenue	\$739,001
Shared Revenues	1,120,702
Special Assessment Revenue	79,267
Intergovernmental Grants	855,963
Charges for Services	125,965
Miscellaneous	43,350
	<u>\$2,964,248</u>

*Long-Term liabilities not reported in the funds:*

General Obligation Bonds Payable	\$1,315,000
Accrued Interest on Long-Term Debt	7,779
Capital Leases Payable	216,843
Compensated Absences - governmental activities	1,098,230
Compensated Absences - City Garage Internal Service Fund	15,785
	<u>\$2,653,637</u>

*Amount of City Garage Internal Service Fund applicable to governmental activities:*

City Garage Fund Net Assets at Year End	\$30,788
City Garage Fund capital assets accounted for above	(12,350)
City Garage Fund compensated absences accounted for above	15,785
Portion of City Garage Fund allocated to business-type activities	(11,084)
	<u>\$23,139</u>

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2002***

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**NOTE 3 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)**

**B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities**

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net assets of governmental activities as reported in the government – wide statement of activities.

The following is a detailed listing of those reconciling items that are net adjustments or a combination of several transactions:

*Amount capital outlay exceeded depreciation in the current period:*

Capital Outlay	\$2,948,807
Depreciation expense - governmental capital assets	(662,219)
Depreciation expense - City Garage Internal Service Fund	(4,881)
Capital Contributions received by governmental activities	1,084,682
	<hr/> \$3,366,389

*Governmental revenues not reported in the funds:*

Decrease in Income Tax Revenue	(\$87,396)
Decrease in Shared Revenue	(235,359)
Increase in Special Assessment Revenue	26,300
Increase in Intergovernmental Grants	268,418
Increase in Charges for Services	125,965
Decrease in Miscellaneous Revenues	(49,119)
Net Transfer In (Out) for Fixed Assets	14,256
	<hr/> \$63,065

*Expenses not requiring the use of current financial resources:*

Increase in Compensated Absences - governmental activities	(\$63,436)
Increase in Compensated Absences - City Garage Internal Service Fund	(1,600)
Decrease in supplies inventory	(1,527)
	<hr/> (\$66,563)

*Net loss of the City Garage Internal Service Fund reported in governmental activities:*

City Garage Internal Service Fund change in net assets	(\$10,856)
City Garage Internal Service Fund depreciation accounted for above	4,881
City Garage Internal Service Fund change in compensated absences accounted for above	1,600
Portion of City Garage Internal Service Fund change in net assets allocated to Business-type activities	3,908
	<hr/> (\$467)

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2002***

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**NOTE 4 – CHANGES IN ACCOUNTING PRINCIPLE AND RESTATEMENT OF FUND BALANCE**

**A. Changes in Accounting Principles**

For 2002, the City has implemented GASB Statement No. 34, “*Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*”; GASB Statement No. 37, “*Basic Financial Statements for State and Local Governments: Omnibus*”; GASB Statement No. 38, “*Certain Financial Statement Note Disclosures*”; and GASB Interpretation No. 6, “*Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statement.*” At December 31, 2001, there was no effect on fund balance as a result of implementing GASB Statements 36, 37 and 38, or Interpretation No. 6.

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

The government-wide financial statements split the City’s programs between business-type and governmental activities. Except for the restatement explained below, the beginning net asset amount for the business-type activities equals fund equity of the enterprise funds from last year. The beginning net asset amount for governmental programs reflects the change in fund balance for governmental funds at December 31, 2001, caused by the conversion to the accrual basis of accounting.

**B. Prior Period Adjustments**

During the year ended December 31, 2002, the City determined that it had an accrued liability (per GASB 18) for post-closure costs for the closed City landfill. The landfill closed in 1991. Post-closure costs for the remaining 19 years are estimated to be \$1,300,000. The restatement had the following effect on retained earnings:

	Sanitation Fund
Retained Earnings at December 31, 2001 as reported	\$1,045,059
Correction of Accounting Error	<u>(1,300,000)</u>
Retained Earnings at December 31, 2001 as restated	<u><u>(\$254,941)</u></u>

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2002**

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**NOTE 4 – CHANGES IN ACCOUNTING PRINCIPLE AND RESTATEMENT OF FUND BALANCE (Continued)**

**C. Restatement of Fund Balance/Retained Earnings**

The changes to the beginning fund balance/retained earnings, as well as the transition from fund balance/retained earnings to net assets of the governmental activities and the business-type activities are as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Fund Balance/Retained Earnings December 31, 2001	\$7,047,123	\$19,357,513
Prior Period Adjustments:		
Correction of Accounting Error	<u>0</u>	<u>(1,300,000)</u>
Total Prior Period Adjustments	<u>0</u>	<u>(1,300,000)</u>
GASB 34 Adjustments:		
Capital Assets	9,707,416	0
Internal Service Funds	26,652	24,545
Contributed Capital	0	1,206,540
Long-Term Liabilities	(2,682,487)	0
Long-Term (Deferred) Assets	<u>2,915,439</u>	<u>0</u>
Net Assets, December 31, 2001	<u><u>\$17,014,143</u></u>	<u><u>\$19,288,598</u></u>

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***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2002***

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**NOTE 5 - CASH, CASH EQUIVALENTS AND INVESTMENTS**

The City maintains a cash deposit and investment pool for all funds. Each fund's share of cash deposits and investments is shown separately on the combined balance sheets as "cash and cash equivalents" and "investments," respectively. Cash and cash equivalents shown in the combined balance sheets include certificates of deposit, agencies and instrumentalities, and treasury securities with maturities of three months or less when purchased. For disclosure under Statement No. 3 of the Government Accounting Standards Board, all certificates of deposit are included under the caption "cash deposits" and treasury, agency, and instrumentality securities are listed as "investments". Income accrued on cash deposits and investments is shown collectively by fund on the combined balance sheets as "accrued interest receivable."

The GASB has established risk categories for deposits and investments, as follows:

*Deposits:*

- Category 1 Insured or collateralized with securities held by the City or by its agent in the City's name.
- Category 2 Collateralized with securities held by the pledging financial institution's trust department or agent in the City's name.
- Category 3 Collateralized with securities held by the pledging financial institution's trust department or agent but not in the City's name.

*Investments:*

- Category 1 Insured or registered, or securities held by the City or its agent in the City's name.
- Category 2 Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the City's name.
- Category 3 Uninsured and unregistered, with securities held by the counterparty or by its trust department or agent but not in the City's name.

**A. Deposits**

At December 31, 2002, the carrying amount of the City and Component Unit cash deposits was \$2,708,147 and \$855,053 respectively and the bank balance was \$3,492,022 and \$867,937 respectively. Of the bank balance, federal depository insurance coverage was \$200,000 for the City and \$100,000 for the Component Unit.

For the remaining bank balance not covered by depository insurance, the State of Ohio by statute has established a collateral pooling system for financial institutions acting as public depositories. The public depositories must pledge qualified securities with a market value at least equal to 105 percent of the total amount of all public deposits to be secured by the collateral pool. The securities so pledged provide the equivalent of a deposit insurance fund. This approach protects all public entities against a single public depository collapse. The state has implemented collateral pools to minimize the interest penalty to public entities for protecting public deposits. Deposits collateralized under the collateral pool system are defined as Risk Category 3 by GASB Statement 3. The cash deposits are held in certificates of deposit and interest-bearing demand deposit and savings accounts.



**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2002**

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**NOTE 5 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)**

**B. Investments**

The City of Xenia, Ohio Investment Policy adopted by the City Council in 1998 authorize the City to invest in the State Treasury Asset Reserve of Ohio (STAR Ohio), certificates of deposit, repurchase agreements, United States treasury bills and notes, obligations of federal agencies and instrumentalities, bankers' acceptances, and commercial paper of the highest rating. The above legislative investment policy applies to all funds and fund types.

The City's investments at December 31, 2002 are summarized below:

<u>Categorized Investments</u>	<u>Category 2</u>	<u>Fair Value</u>
U.S. Government Securities	\$7,197,302	\$7,197,302
Total Categorized Investments	<u>7,197,302</u>	<u>7,197,302</u>
 <u>Non-Categorized Investments</u>		
Star Ohio	0	332
Money Market	<u>0</u>	<u>17,662</u>
Total Non-categorized Investments	<u>0</u>	<u>17,994</u>
Total Investments	<u><u>\$7,197,302</u></u>	<u><u>\$7,215,296</u></u>

**C. Reconciliation of Cash, Cash Equivalents and Investments**

The classification of cash, cash equivalents and investments on the combined financial statements were based on criteria set forth in GASB Statement No. 9. Certificates of deposit with an original maturity of three months or less were treated as cash equivalents. The classification of cash and cash equivalents (deposits) for purposes of this note were based on criteria set forth in GASB Statement No. 3.

A reconciliation between classifications of cash and investments on the combined financial statements and classifications per items A and B of this note are as follows:

	<u>Cash and Cash Equivalents *</u>	<u>Investments *</u>
Per Combined Balance Sheet	\$2,063,169	\$8,715,327
Certificates of Deposit (with maturities of more than 3 months)	<u>1,500,031</u>	<u>(1,500,031)</u>
Per GASB Statement No. 3	<u><u>\$3,563,200</u></u>	<u><u>\$7,215,296</u></u>

\* Includes XEGC Balances.

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2002**

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**NOTE 6 - TAXES**

**A. Property Taxes**

Property taxes consist of amounts levied against real and tangible property (used in business) located in the City. Real property taxes are levied each January 1 on the assessed value listed as of the prior January 1. Assessed values are established by the County Auditor at 35% of appraised market value. Property values are required to be updated every three years and revalued every six years. The last revaluation was completed in 2002.

The property tax calendar is as follows:

Levy date	January 1, 2001
Lien date	January 1, 2002
Tax bill mailed	January 19, 2002
First installment payment due	February 21, 2002
Second installment payment due	July 12, 2002

The assessed values upon which 2002 tax receipts were based, are as follows:

	<u>Assessed Values</u> <u>January 1, 2001</u>
Real Estate	\$257,363,900
Tangible Personal	39,286,360
Total	<u>\$296,650,260</u>

The County Treasurer collects property taxes on behalf of taxing districts in the County, including the City of Xenia. Property taxes may be paid in full on February 21 or one-half on February 21 and July 12. The County Auditor remits to the City, in April and August, its portion of taxes collected.

Ohio law prohibits taxation of property in excess of \$10.00 per \$1,000 (10.0 mills) of assessed value without a vote of the citizens. Under current procedures, the City's share is \$2.80 per \$1,000 (2.8 mills) of assessed value. The City also receives an additional .4 mills to pay debt service for our general obligation bonds.

An additional property tax levy of 3.5 mills was renewed by a vote of the citizens of Xenia in November, 1999. The additional levy is for five years, to be assessed for tax-duplicate years 1999 to 2003, and collected in the fiscal years 2000 through 2004.

**B. Income Tax**

Effective January 1, 1992, the City income tax rate changed from 1.5% to 1.75% on substantially all income earned within the City. In addition, City residents pay City tax on income earned outside the City; however, a credit of up to 1.5% is allowed for income taxes paid to other municipalities.

Employers within the City withhold income tax on employee compensation and remit at least quarterly. Corporations and other individual taxpayers pay estimated taxes quarterly and file an annual declaration.

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2002**

**NOTE 7 – LOANS RECEIVABLE**

The City operates three long-term enterprise fund loan programs (loan fund, the Community Development Block Grant (CDBG) and Urban Development Action Grant (UDAG) revolving loan fund and the housing rehabilitation loan fund). Other loans receivable are held by the Xenia Economic Growth Corporation, a component unit of the City.

Loans receivable at December 31, 2002 were:

Loan Type	Loan Fund	Housing Rehabilitation Loan Fund	Xenia Economic Growth Corp.
Down payment assistance loans	\$0	\$35,034	\$0
Mortgage grants	125,826	141,485	0
Rehabilitation loans	0	620,054	0
Job development loans	8,599	0	0
Economic development loans	0	0	108,576
Sub-Total	<u>134,425</u>	<u>796,573</u>	<u>108,576</u>
Less: Allowance for uncollectible loans	<u>(2,847)</u>	<u>(617,479)</u>	<u>0</u>
Total Loans receivable	<u>\$131,578</u>	<u>\$179,094</u>	<u>\$108,576</u>

Loan Fund - In 1983, the City assumed the assets, liabilities and loan commitments of Xenia Environmental Neighborhood Improvement Association, Inc. (X.E.N.I.A., Inc.). X.E.N.I.A., Inc. provided mortgage grants and low or zero interest loans to encourage economic and neighborhood development. The loans are payable in monthly installments to 2004 and are repaid in full when the homeowner moves or dies.

The City no longer issues mortgage grants or loans from this fund. The City uses loan payments to make facade improvement loans.

Housing Rehabilitation Loan Fund - The City operated a housing rehabilitation program from 1985 to 1987 to improve housing located within the City. This program was funded through Community Development Block Grant funds and offered mortgage grants and low interest loans. The loans were payable in installments through 1995 and are repaid in full when the homeowner moves or dies.

The City operated a housing rehabilitation program from 1992 to 1993 that offered deferred loans, mortgage grants, and low interest loans to qualified applicants. The grants and loans were for a ten year period and will be completed by the year 2003. The deferred grants and loans become due prior to the ten year period should the homeowner move or die.

The City was awarded a \$600,000 Community Housing Improvement Program (CHIP) Grant in August, 1998. The grant was to end in July of 2000, however, an extension was granted through 2001. The program has an owner-occupied rehabilitation activity, rental rehabilitation activity, and down payment assistance. These activities will offer deferred loans, direct low interest loans or a combination thereof.

There are no loan commitments at December 31, 2002.

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2002**

**NOTE 8 - TRANSFERS**

Following is a summary of operating transfers in and out for all funds for 2002:

Fund	Transfer In	Transfer Out
Governmental Funds:		
General Fund	\$3,900,000	\$0
Municipal Income Tax Fund	0	4,241,500
State Gas and Vehicle License Tax Fund	279,000	0
Capital Improvements Fund	0	25,000
Nonmajor Governmental Funds	76,286	13,786
Total Governmental Funds	<u>4,255,286</u>	<u>4,280,286</u>
Proprietary Funds:		
Water Fund	0	14,256
Nonmajor Enterprise Funds	25,000	0
Total Proprietary Funds	<u>25,000</u>	<u>14,256</u>
Totals	<u>\$4,280,286</u>	<u>\$4,294,542</u>

For the year ended December 31, 2002, the Water Fund reports an operating transfer out of \$14,256. This amount is a "one-sided" transfer transaction. The transfer out was made to account for the net book value of certain fixed assets that were transferred to Governmental Activities. Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and unrestricted revenues collected in the income tax fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; to segregate money for anticipated capital projects; to provide additional resources for current operations or debt service; and to return money to the fund from which it was originally provided once a project is completed.

**NOTE 9 - INTERFUND TRANSACTIONS**

During the course of normal operations, the City has numerous transactions among funds, most of which are accounted for as transfers among funds, with the exception of internal service funds. These funds are used to account for various supplies and services which are charged back to the appropriate fund on an "as used" basis. The internal service funds record such charges as operating revenues. City funds record payments to internal service funds as operating expenditures or expenses. Current portion of long-term interfund loans are classified as "interfund receivables/payables." Noncurrent portions of long-term interfund loans are classified as "advances to/from other funds."

The following is a summary of interfund transactions at December 31, 2002:

	Interfund Receivable	Interfund Payable
Capital Improvements Fund - Capital Projects	\$5,140	\$0
City Garage Fund - Internal Service	0	5,140
Totals	<u>\$5,140</u>	<u>\$5,140</u>
	Advances to Other Funds	Advances from Other Funds
Capital Improvements Fund - Capital Projects	\$15,536	\$0
City Garage Fund - Internal Service	0	15,536
Totals	<u>\$15,536</u>	<u>\$15,536</u>

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2002**

**NOTE 10 - FIXED ASSETS**

**A. Governmental Activities Capital Assets**

Summary by category of changes in governmental activities capital assets at December 31, 2002:

*Historical Cost:*

Class	December 31, 2001	Additions	Deletions	December 31, 2002
<i>Capital assets not being depreciated:</i>				
Land	\$3,567,655	\$480,550	\$0	\$4,048,205
Construction in Progress	232,140	1,017,848	(220,692)	1,029,296
<i>Capital assets being depreciated:</i>				
Land improvements	854,663	228,158	(17,714)	1,065,107
Buildings and improvements	4,540,162	1,037,361	(60,470)	5,517,053
Machinery and Equipment	6,175,295	1,104,896	(154,868)	7,125,323
Infrastructure	0	408,007	0	408,007
Total Cost	\$15,369,915	\$4,276,820	(\$453,744)	\$19,192,991

*Accumulated Depreciation:*

Class	December 31, 2001	Additions	Deletions	December 31, 2002
Land improvements	(\$410,823)	(\$26,745)	\$8,116	(\$429,452)
Buildings and improvements	(1,463,937)	(117,780)	12,094	(1,569,623)
Machinery and Equipment	(3,778,959)	(522,505)	119,426	(4,182,038)
Total Depreciation	(\$5,653,719)	(\$667,030) *	\$139,636	(\$6,181,113)
<i>Net Value:</i>	\$9,716,196			\$13,011,878

\* Depreciation expenses were charged to governmental functions as follows:

General Government	\$223,065
Public Safety	314,321
Health	392
Highways and Streets	41,054
Community Development	16,907
Recreation	66,480
Total Depreciation Expense recorded within the Governmental Activities	662,219
Amount of depreciation expense recorded in the internal service fund	4,811
Grand total Depreciation Additions	\$667,030

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2002**

**NOTE 10 - FIXED ASSETS (Continued)**

**B. Business-Type Activities Capital Assets**

Summary by Category at December 31, 2002:

*Historical Cost:*

Class	December 31, 2001	Additions	Deletions	December 31, 2002
<i>Capital assets not being depreciated:</i>				
Land	\$406,252	\$0	\$0	\$406,252
Construction in Progress	544,453	15,112	(544,453)	15,112
<i>Capital assets being depreciated:</i>				
Land improvements	393,478	0	(939)	392,539
Buildings and improvements	8,233,646	0	0	8,233,646
Machinery and Equipment	33,325,157	1,945,141	(168,629)	35,101,669
Total Cost	\$42,902,986	\$1,960,253	(\$714,021)	\$44,149,218

*Accumulated Depreciation:*

Class	December 31, 2001	Additions	Deletions	December 31, 2002
Land Improvements	(\$209,615)	(\$13,213)	\$939	(\$221,889)
Buildings and Improvements	(2,907,971)	(246,277)	0	(3,154,248)
Machinery and Equipment	(16,310,194)	(1,294,330)	143,107	(17,461,417)
Total Depreciation	(\$19,427,780)	(\$1,553,820)	\$144,046	(\$20,837,554)
<i>Net Value:</i>	\$23,475,206			\$23,311,664

**C. Component Unit (XEGC) Capital Assets**

Summary by Category at December 31, 2002:

*Historical Cost:*

Class	December 31, 2001	Additions	Deletions	December 31, 2002
<i>Capital assets being depreciated:</i>				
Machinery and Equipment	\$31,921	\$1,525	(\$2,581)	\$30,865
Total Cost	\$31,921	\$1,525	(\$2,581)	\$30,865

*Accumulated Depreciation:*

Class	December 31, 2001	Additions	Deletions	December 31, 2002
Machinery and Equipment	(\$21,529)	(\$4,534)	\$2,581	(\$23,482)
Total Depreciation	(\$21,529)	(\$4,534)	\$2,581	(\$23,482)
<i>Net Value:</i>	\$10,392			\$7,383

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2002***

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**NOTE 11 – DEFINED BENEFIT PENSION PLANS**

All of the City’s full-time employees participate in one of two separate retirement systems which are cost-sharing multiple employer defined benefit pension plans.

**A. Ohio Public Employees Retirement System (the “Ohio PERS”)**

The following information was provided by the Ohio PERS to assist the City in complying with GASB Statement No. 27, “*Accounting for Pensions by State and Local Government Employers.*”

All employees of the City, except full-time uniformed police officers and firefighters, participate in the Ohio PERS, a cost-sharing multiple employer defined benefit pension plan. The Ohio PERS provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. Chapter 145 of the Ohio Revised Code provides statutory authority to establish and amend benefits. The Ohio Public Employees Retirement System issues a stand-alone financial report that includes financial statements and required supplementary information for the Ohio PERS. Interested parties may obtain a copy by making a written request to 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-6705 or 1-800-222-7377.

The Ohio Revised Code provides statutory authority for employee and employer contributions. The employee contribution rate is 8.5%. The 2002 employer contribution rate for local government employer units was 13.55%, of covered payroll, 8.55% to fund the pension and 5.0% to fund health care. The contribution requirements of plan members and the City are established and may be amended by the Public Employees Retirement Board. The City's contributions to the Ohio PERS for the years ending December 31, 2002, 2001 and 2000 were \$801,954, \$763,077 and \$601,789, respectively, which were equal to the required contributions for each year.

The Ohio PERS provides postemployment health care benefits to age and service retirants with ten or more years of qualifying Ohio service credit and to primary survivor recipients of such retirants. Health care coverage for disability recipients is also available. The health care coverage provided by the Ohio PERS is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. A portion of each employer's contribution to the Ohio PERS is set aside for the funding of post retirement health care. The Ohio Revised Code provides statutory authority requiring public employers to fund postemployment health care through their contributions to the Ohio PERS. The portion of the 2002 employer contribution rate (identified above) that was used to fund health care for the year 2002 was 5.0% of covered payroll which amounted to \$295,924.

The significant actuarial assumptions and calculations relating to postemployment health care benefits were based on the Ohio Public Employees Retirement System’s latest actuarial review performed as of December 31, 2001. 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 unfunded actuarial accrued liability. All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach assets are adjusted annually to reflect 25% of unrealized

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2002***

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

**A. Ohio Public Employees Retirement System (the “Ohio PERS”) (Continued)**

market appreciation or depreciation on investment assets. The investment assumption rate for 2001 was 8.0%. An annual increase of 4.0% 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% base increase, were assumed to range from 0.5% to 6.3%. Health care costs were assumed to increase 4.0% annually.

Benefits are advanced-funded on an actuarially determined basis. The number of active contributing participants was 402,041. The actuarial value of the Ohio PERS net assets available for OPEB at December 31, 2001 is \$11.6 billion. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$16.4 billion and \$4.8 billion, respectively.

**B. Ohio Police and Fire Pension Fund (the “OP&F Fund”)**

All City full-time police officers and full-time firefighters participate in the OP&F Fund, a cost-sharing multiple-employer defined benefit pension plan. The OP&F Fund provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members and beneficiaries. Contribution requirements and benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. The Ohio Police and Fire Pension Fund issues a stand-alone financial report that includes financial statements and required supplementary information for the OP&F Fund. Interested parties may obtain a copy by making a written request to 140 East Town Street, Columbus, Ohio 43215-5164 or by calling (614) 228-2975.

Plan members are required to contribute 10.0% of their annual covered salary, while employers are required to contribute 19.5% and 24.0% respectively for police officers and firefighters. The City's contributions to the OP&F Fund for the years ending December 31, 2002, 2001 and 2000 were \$470,382, \$459,430 and \$445,256 for police and \$647,789, \$574,129 and \$537,974 for firefighters, respectively, which were equal to the required contributions for each year.

The OP&F Fund provides postemployment health care coverage to any person who received or is eligible to receive a monthly benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school, or under the age of 22 if attending school on a full-time or two-thirds basis. The health care coverage provided by the OP&F Fund is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. The Ohio Revised Code provides that health care costs paid from the funds of the OP&F Fund shall be included in the employer's contribution rate. The Ohio Revised Code also provides statutory authority allowing the Fund's Board of Trustees to provide postemployment health care coverage to all eligible individuals from the employer's contributions to the OP&F Fund.



**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2002**

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

**B. Ohio Police and Fire Pension Fund (the “OP&F Fund”) (Continued)**

The portion of the 2002 covered payroll that was used to fund postemployment health care benefits was \$186,947 representing 7.75% of covered payroll for police and \$209,182 representing 7.75% of covered payroll for fire. Health care funding and accounting was on a pay-as-you-go basis. 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. As of December 31, 2001, the date of the last actuarial evaluation available, the number of participants eligible to receive health care benefits was 13,174 for police and 10,239 for firefighters. The OP&F Fund does not provide separate data on the funded status and funding progress of postemployment health care benefits. The Fund's total health care expenses for the year ended December 31, 2001 were \$122,298,771, which was net of member contributions of \$6,874,699.

**NOTE 12 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS**

Long-term debt and other long-term obligations of the City at December 31, 2002 were as follows:

		Balance December 31, 2001	Additions	(Reductions)	Balance December 31, 2002	Due Within One Year	
<b>Business-Type Activities:</b>							
Loans Payable:							
3.04%	Sewer Loan Payable	1993	\$1,561,859	\$0	(\$135,847)	\$1,426,012	\$140,009
2.79%	Sewer Loan Payable	1999	7,218,449	0	(302,867)	6,915,582	311,377
	Total Loans Payable		8,780,308	0	(438,714)	8,341,594	451,386
	Landfill Liability		1,300,000	0	0	1,300,000	60,000
	Compensated Absences		354,305	378,060	(354,305)	378,060	0
	Total Business-Type Long-Term Debt		\$10,434,613	\$378,060	(\$793,019)	\$10,019,654	\$511,386
<b>Governmental Activities Long-Term Debt:</b>							
4.70 - 5.75%	General Obligation Bond Payable	2000	\$1,360,000	\$0	(\$45,000)	\$1,315,000	\$45,000
	Capital Leases Payable		279,090	0	(62,247)	216,843	65,116
	Compensated Absences		1,048,979	1,114,015	(1,048,979)	1,114,015	0
	Total Governmental Activities Long-Term Debt		\$2,688,069	\$1,114,015	(\$1,156,226)	\$2,645,858	\$110,116

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2002**

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**NOTE 12 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)**

**A. Principal and Interest Requirements**

Principal and interest requirements to retire long-term obligations outstanding at December 31, 2002 are as follows:

<u>Years</u>	<u>General Obligation Bond</u>		<u>Sewer Loans Payable</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2003	\$45,000	\$71,825	\$451,386	\$233,082
2004	50,000	69,473	464,421	220,046
2005	50,000	66,960	477,835	206,632
2006	50,000	64,422	491,637	192,830
2007	55,000	61,731	505,838	178,629
2008-2012	325,000	259,848	2,573,312	666,722
2013-2017	425,000	154,531	2,172,631	338,191
2018-2020	315,000	27,744	1,204,534	50,875
Totals	<u>\$1,315,000</u>	<u>\$776,534</u>	<u>\$8,341,594</u>	<u>\$2,087,007</u>

**B. General Obligation Bond**

In 2000, the City issued \$1,400,000 of general obligations bonds to fund street improvements in our Industrial park and to pay off our unfunded police and fire pension liability. The bonds mature at different times and rates over a 20-year period. The City received a discount from the Police and Fire Pension Fund for paying off the unfunded police and fire pension obligation. The discount combined with the refinancing through the issuance of general obligation bonds will result in a projected cash savings of over \$420,000 and a projected present value savings of over \$86,000.

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**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2002**

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**NOTE 13 - CAPITALIZED LEASES**

Under capital leases the City has leases for the City Building Energy Project and for a fire pumper. The cost of the improvements and equipment obtained under capital leases is included in Governmental Activities capital assets as machinery and equipment. The related liabilities are included in amounts due within one year and amounts due in more than one year within the Governmental Activities liabilities. The original cost of the assets acquired under capital lease was \$443,947 and have a book value at December 31, 2002 of \$426,391.

The following is a schedule of future minimum lease payments under the capital leases together with the present value of the net minimum lease payments as of December 31, 2002:

<u>Year Ending December 31,</u>	<u>Governmental Activities</u>
2003	\$73,926
2004	51,580
2005	29,233
2006	29,233
2007	29,233
2008	29,233
Minimum Lease Payments	242,438
Less amount representing interest at the City's incremental borrowing rate of interest	(25,595)
Present value of minimum lease payments	<u>\$216,843</u>

The City leases office and machinery equipment and parking lots under operating agreements that expire at various dates through 2003. Payments on operating leases were \$133,933 during 2002.

**NOTE 14 - SOLID WASTE LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS**

In 1991, the City stopped accepting waste at the City of Xenia Landfill. EPA required the City to place a final cover on the landfill site as well as perform certain maintenance and monitoring functions at the site for thirty years after closure. During 2002, the City determined that it has a \$1,300,000 accrued liability (per GASB 18) for post-closure costs for the closed City landfill. These costs are funded by a component of the city Sanitation rate. The estimated costs of postclosure care are subject to changes corresponding to the effects of inflation, revision of laws and other variable.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2002***

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**NOTE 15 - RISK MANAGEMENT**

The City of Xenia is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, and natural disasters for which the City of Xenia participates in the Ohio Government Risk Management Plan. This program is a fully reinsured product that provides for 100% “transfer” of risk. Members do not retain or share any risk. There were no significant reductions in insurance coverage in any category of risk over the prior year. The amount of any settlements have not exceeded insurance coverage over the past three years.

**NOTE 16 - CONTINGENCIES**

The City is defendant in various court actions, but it is either covered by insurance or the amount involved is not material in relation to the financial statements.

The City participates in several federally assisted programs (principally Community Development Block Grants and Urban Development Action Grants) which are subject to program compliance audits by the grantors or their representatives. A single financial and compliance audit of the City has been completed with no findings for recovery. The grantor agencies, at their option, may perform economy and efficiency audits, program results audits or conduct monitoring visits. Such audits and visits could lead to reimbursement to the grantor agencies. Management believes such reimbursements, if any, would not be material.

*COMBINING AND INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES*

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*THE FOLLOWING COMBINING STATEMENTS AND SCHEDULES INCLUDE  
THE MAJOR AND NONMAJOR GOVERNMENTAL FUNDS, NONMAJOR  
ENTERPRISE FUNDS, INTERNAL SERVICE FUNDS AND FIDUCIARY  
FUNDS.*

***Nonmajor Governmental Funds***

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***Special Revenue Funds***

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These funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes.

**Recreation Special Fund**

To account for specific recreation activities funded by fees.

**Indigent Driver Alcohol Treatment Fund**

To account for fine monies collected under DUI and driving under license suspension offenses cited under state law. The purpose of the fund is to provide funding for an indigent driver treatment program.

**Law Enforcement and Education Fund**

To account for fine monies collected under DUI offenses cited under state law. The purpose of the fund is to fund costs incurred while enforcing DUI laws and educate the public concerning DUI.

**State Route Repair Fund**

Required by State law to account for that portion of gasoline tax and motor vehicle license fees designated for maintenance of State highways within the City.

**City Motor Vehicle License Tax Fund**

To account for specific local street repairs approved by the City and funded by the permissive municipal motor vehicle license tax.

**County Motor Vehicle License Tax Fund**

To account for specific major street repairs approved by Greene County, Ohio and funded by the permissive County motor vehicle license tax.

**Special Miscellaneous Improvements Fund**

To account for revenues from lease of the Xenia Towne Square. Restricted by local ordinance for permanent improvements.

**Tax Increment Equivalent Fund**

To account for State payments in lieu of property taxes in the Urban Renewal Zone (Xenia Towne Square). Restricted by State law and local ordinance for improvements other than those directly benefiting the Urban Renewal zone.

(Continued)

***Special Revenue Funds***

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**Law Enforcement Fund**

To account for the proceeds from sales of contraband seized during arrests on felony charges.

**Drug Law Enforcement Fund**

To account for drug offenses, fines and bond forfeitures.

**Municipal Court Victim Fund**

To account for revenues and expenditures related to the special fee assessed and collected by the Court to provide funding for the Victim Advocate Program for Xenia Municipal Court.

***Debt Service Fund***

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**Debt Service Fund**

This fund is used to account for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources.

***Capital Projects Funds***

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The Capital Projects Funds are used to account for the financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary or trust funds.

**Municipal Court Capital Improvements Fund**

This fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities or equipment associated with the municipal court. This fund was established during 1991.

**Issue II Fund**

This fund is used to account for revenues and expenditures related to Issue II money which is used for infrastructure projects funded and approved by the State of Ohio Public Works Commission. This fund was established during 1989.

**CITY OF XENIA, OHIO**

**Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2002**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Assets:</b>				
Cash and cash equivalents	\$ 116,962	\$ 4,357	\$ 40,400	\$ 161,719
Investments	993,123	39,892	280,170	1,313,185
Receivables:				
Taxes, including interest, penalties and liens	271,000	65,800	0	336,800
Intergovernmental	129,261	0	0	129,261
Accounts	8,088	0	0	8,088
Accrued interest	20,012	0	6,249	26,261
Grants	150,310	0	47,945	198,255
Prepaid items	877	0	12,514	13,391
<b>Total Assets</b>	<b>\$ 1,689,633</b>	<b>\$ 110,049</b>	<b>\$ 387,278</b>	<b>\$ 2,186,960</b>
<b>Liabilities:</b>				
Accounts payable	\$ 99,119	\$ 0	\$ 36,458	\$ 135,577
Accrued payroll	13,287	0	0	13,287
Deferred revenue	517,353	65,800	15,207	598,360
<b>Total Liabilities</b>	<b>629,759</b>	<b>65,800</b>	<b>51,665</b>	<b>747,224</b>
<b>Fund Balances:</b>				
Reserved for:				
Encumbrances	199,063	0	151,955	351,018
Prepaid items	877	0	12,514	13,391
Debt service	0	44,249	0	44,249
Unreserved and undesignated in:				
Special revenue funds	859,934	0	0	859,934
Capital projects funds	0	0	171,144	171,144
<b>Total Fund Balances</b>	<b>1,059,874</b>	<b>44,249</b>	<b>335,613</b>	<b>1,439,736</b>
<b>Total Liabilities and Funds Balances</b>	<b>\$ 1,689,633</b>	<b>\$ 110,049</b>	<b>\$ 387,278</b>	<b>\$ 2,186,960</b>



**CITY OF XENIA, OHIO**

***Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
Nonmajor Governmental Funds  
For the Year Ended December 31, 2002***

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Revenues:</b>				
Other local taxes	\$ 151,305	\$ 119,312	\$ 0	\$ 270,617
State shared taxes and permits	711,368	0	0	711,368
Intergovernmental grants	200,408	0	551,171	751,579
Charges for services	2,200	0	0	2,200
Fines, costs, forfeitures, licenses and permits	130,613	0	131,461	262,074
Miscellaneous receipts and reimbursements, including interest	77,520	0	18,288	95,808
<b>Total Revenue</b>	<b>1,273,414</b>	<b>119,312</b>	<b>700,920</b>	<b>2,093,646</b>
<b>Expenditures:</b>				
Current:				
General government	285,659	0	0	285,659
Public safety	130,601	0	0	130,601
Highways and streets	248,271	0	0	248,271
Recreation	27,245	0	0	27,245
Capital outlay	456,072	0	679,585	1,135,657
Debt service:				
Principal retirement	14,850	30,150	0	45,000
Interest & fiscal charges	24,423	49,585	0	74,008
<b>Total Expenditures</b>	<b>1,187,121</b>	<b>79,735</b>	<b>679,585</b>	<b>1,946,441</b>
Excess (deficiency) of revenues over expenditures	86,293	39,577	21,335	147,205
<b>Other financing sources (uses):</b>				
Operating transfers in	76,286	0	0	76,286
Operating transfers out	0	0	(13,786)	(13,786)
<b>Total other financing sources (uses)</b>	<b>76,286</b>	<b>0</b>	<b>(13,786)</b>	<b>62,500</b>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	162,579	39,577	7,549	209,705
<b>Fund Balances at Beginning of Year</b>	<b>897,295</b>	<b>4,672</b>	<b>328,064</b>	<b>1,230,031</b>
<b>Fund Balances End of Year</b>	<b>\$ 1,059,874</b>	<b>\$ 44,249</b>	<b>\$ 335,613</b>	<b>\$ 1,439,736</b>

**CITY OF XENIA, OHIO**

**Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2002**

	Recreation Special	Indigent Driver Alcohol Treatment	Law Enforcement and Education	State Route Repair	City Motor Vehicle License Tax
<b>Assets:</b>					
Cash and cash equivalents	\$ 523	\$ 30,084	\$ 4,355	\$ 8,880	\$ 9,977
Investments	4,788	257,985	38,150	81,315	91,359
Receivables:					
Taxes, including interest, penalties and liens	0	0	0	0	0
Intergovernmental	0	0	0	27,954	101,307
Accounts	0	8,088	0	0	0
Accrued interest	0	5,733	888	1,792	1,904
Grants	0	0	0	0	0
Prepaid items	0	0	0	101	0
<b>Total Assets</b>	<b>\$ 5,311</b>	<b>\$ 301,890</b>	<b>\$ 43,393</b>	<b>\$ 120,042</b>	<b>\$ 204,547</b>
<b>Liabilities:</b>					
Accounts payable	\$ 0	\$ 0	\$ 525	\$ 592	\$ 18,448
Accrued payroll	0	0	0	0	0
Deferred revenue	0	2,292	355	20,717	75,762
<b>Total Liabilities</b>	<b>0</b>	<b>2,292</b>	<b>880</b>	<b>21,309</b>	<b>94,210</b>
<b>Fund Balances:</b>					
Reserved for:					
Encumbrances	0	0	1,113	44,078	0
Prepaid items	0	0	0	101	0
Unreserved and undesignated	5,311	299,598	41,400	54,554	110,337
<b>Total Fund Balances</b>	<b>5,311</b>	<b>299,598</b>	<b>42,513</b>	<b>98,733</b>	<b>110,337</b>
<b>Total Liabilities and Funds Balances</b>	<b>\$ 5,311</b>	<b>\$ 301,890</b>	<b>\$ 43,393</b>	<b>\$ 120,042</b>	<b>\$ 204,547</b>

**CITY OF XENIA, OHIO**

**Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2002**

County Motor Vehicle License Tax	Special Miscellaneous Improvements	Tax Increment Equivalent	Law Enforcement	Drug Law Enforcement	Municipal Court Victim	Total Nonmajor Special Revenue Funds
\$ 17,875	\$ 166	\$ 8,345	\$ 8,426	\$ 3,614	\$ 24,717	\$ 116,962
163,673	1,523	76,405	77,155	33,094	167,676	993,123
111,000	0	160,000	0	0	0	271,000
0	0	0	0	0	0	129,261
0	0	0	0	0	0	8,088
4,357	0	0	857	731	3,750	20,012
0	0	0	118,986	0	31,324	150,310
0	0	0	536	0	240	877
<u>\$ 296,905</u>	<u>\$ 1,689</u>	<u>\$ 244,750</u>	<u>\$ 205,960</u>	<u>\$ 37,439</u>	<u>\$ 227,707</u>	<u>\$ 1,689,633</u>
\$ 54,677	\$ 0	\$ 17,885	\$ 6,928	\$ 0	\$ 64	\$ 99,119
0	0	0	6,843	0	6,444	13,287
112,742	0	160,000	119,329	292	25,864	517,353
167,419	0	177,885	133,100	292	32,372	629,759
151,614	0	820	1,438	0	0	199,063
0	0	0	536	0	240	877
(22,128)	1,689	66,045	70,886	37,147	195,095	859,934
129,486	1,689	66,865	72,860	37,147	195,335	1,059,874
<u>\$ 296,905</u>	<u>\$ 1,689</u>	<u>\$ 244,750</u>	<u>\$ 205,960</u>	<u>\$ 37,439</u>	<u>\$ 227,707</u>	<u>\$ 1,689,633</u>

**CITY OF XENIA, OHIO**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2002**

	Recreation Special	Indigent Driver Alcohol Treatment	Law Enforcement and Education	State Route Repair	City Motor Vehicle License Tax
<b>Revenues:</b>					
Other local taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
State shared taxes and permits	0	0	0	54,746	181,622
Intergovernmental grants	0	0	0	0	0
Charges for services	2,200	0	0	0	0
Fines, costs, forfeitures, licenses and permits	0	38,135	3,636	0	0
Miscellaneous receipts and reimbursements, including interest	9,280	14,768	3,810	4,807	7,655
<b>Total Revenue</b>	<b>11,480</b>	<b>52,903</b>	<b>7,446</b>	<b>59,553</b>	<b>189,277</b>
<b>Expenditures:</b>					
Current:					
General government	0	0	0	0	0
Public safety	0	0	7,131	0	0
Highways and streets	0	0	0	68,271	180,000
Recreation	27,245	0	0	0	0
Capital outlay	0	0	4,400	0	0
Debt service:					
Principal retirement	0	0	0	0	14,850
Interest & fiscal charges	0	0	0	0	24,423
<b>Total Expenditures</b>	<b>27,245</b>	<b>0</b>	<b>11,531</b>	<b>68,271</b>	<b>219,273</b>
Excess (deficiency) of revenues over expenditures	(15,765)	52,903	(4,085)	(8,718)	(29,996)
<b>Other financing sources (uses):</b>					
Operating transfers in	17,500	0	0	0	0
<b>Total other financing sources (uses)</b>	<b>17,500</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	1,735	52,903	(4,085)	(8,718)	(29,996)
<b>Fund Balances at Beginning of Year</b>	<b>3,576</b>	<b>246,695</b>	<b>46,598</b>	<b>107,451</b>	<b>140,333</b>
<b>Fund Balances End of Year</b>	<b>\$ 5,311</b>	<b>\$ 299,598</b>	<b>\$ 42,513</b>	<b>\$ 98,733</b>	<b>\$ 110,337</b>

**CITY OF XENIA, OHIO**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2002**

County Motor Vehicle License Tax	Special Miscellaneous Improvements	Tax Increment Equivalent	Law Enforcement	Drug Law Enforcement	Municipal Court Victim	Total Nonmajor Special Revenue Funds
\$ 0	\$ 0	\$ 151,305	\$ 0	\$ 0	\$ 0	\$ 151,305
475,000	0	0	0	0	0	711,368
0	0	0	151,684	0	48,724	200,408
0	0	0	0	0	0	2,200
0	0	0	0	1,435	87,407	130,613
10,116	600	2,107	12,446	2,190	9,741	77,520
<u>485,116</u>	<u>600</u>	<u>153,412</u>	<u>164,130</u>	<u>3,625</u>	<u>145,872</u>	<u>1,273,414</u>
0	0	178,397	0	0	107,262	285,659
0	0	0	123,470	0	0	130,601
0	0	0	0	0	0	248,271
0	0	0	0	0	0	27,245
370,057	0	19,185	57,731	4,699	0	456,072
0	0	0	0	0	0	14,850
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>24,423</u>
<u>370,057</u>	<u>0</u>	<u>197,582</u>	<u>181,201</u>	<u>4,699</u>	<u>107,262</u>	<u>1,187,121</u>
115,059	600	(44,170)	(17,071)	(1,074)	38,610	86,293
<u>13,786</u>	<u>0</u>	<u>0</u>	<u>45,000</u>	<u>0</u>	<u>0</u>	<u>76,286</u>
<u>13,786</u>	<u>0</u>	<u>0</u>	<u>45,000</u>	<u>0</u>	<u>0</u>	<u>76,286</u>
128,845	600	(44,170)	27,929	(1,074)	38,610	162,579
<u>641</u>	<u>1,089</u>	<u>111,035</u>	<u>44,931</u>	<u>38,221</u>	<u>156,725</u>	<u>897,295</u>
<u>\$ 129,486</u>	<u>\$ 1,689</u>	<u>\$ 66,865</u>	<u>\$ 72,860</u>	<u>\$ 37,147</u>	<u>\$ 195,335</u>	<u>\$ 1,059,874</u>

**CITY OF XENIA, OHIO**

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**Combining Balance Sheet  
Nonmajor Capital Projects Funds  
December 31, 2002**

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	Municipal Court Capital Improvements	Issue II	Total Nonmajor Capital Projects Funds
<b>Assets:</b>			
Cash and cash equivalents	\$ 40,400	\$ 0	\$ 40,400
Investments	280,170	0	280,170
Receivables:			
Accrued interest	6,249	0	6,249
Grants	0	47,945	47,945
Prepaid items	12,514	0	12,514
<b>Total Assets</b>	<u>\$ 339,333</u>	<u>\$ 47,945</u>	<u>\$ 387,278</u>
<b>Liabilities:</b>			
Accounts payable	\$ 1,221	\$ 35,237	\$ 36,458
Deferred revenue	2,499	12,708	15,207
<b>Total Liabilities</b>	<u>3,720</u>	<u>47,945</u>	<u>51,665</u>
<b>Fund Balances:</b>			
Reserved for:			
Encumbrances	33,574	118,381	151,955
Prepaid items	12,514	0	12,514
Unreserved and undesignated	289,525	(118,381)	171,144
<b>Total Fund Balances</b>	<u>335,613</u>	<u>0</u>	<u>335,613</u>
<b>Total Liabilities and Funds Balances</b>	<u>\$ 339,333</u>	<u>\$ 47,945</u>	<u>\$ 387,278</u>

**CITY OF XENIA, OHIO**

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***Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
Nonmajor Capital Projects Funds  
For the Year Ended December 31, 2002***

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	Municipal Court Capital Improvements	Issue II	Total Nonmajor Capital Projects Funds
<b>Revenues:</b>			
Intergovernmental grants	\$ 0	\$ 551,171	\$ 551,171
Fines, costs, forfeitures, licenses and permits	131,461	0	131,461
Miscellaneous receipts and reimbursements, including interest	18,288	0	18,288
<b>Total Revenue</b>	<b>149,749</b>	<b>551,171</b>	<b>700,920</b>
<b>Expenditures:</b>			
Capital outlay	128,414	551,171	679,585
<b>Total Expenditures</b>	<b>128,414</b>	<b>551,171</b>	<b>679,585</b>
Excess (deficiency) of revenues over expenditures	21,335	0	21,335
<b>Other financing sources (uses):</b>			
Operating transfers out	0	(13,786)	(13,786)
<b>Total other financing sources (uses)</b>	<b>0</b>	<b>(13,786)</b>	<b>(13,786)</b>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	21,335	(13,786)	7,549
<b>Fund Balances at Beginning of Year</b>	<b>314,278</b>	<b>13,786</b>	<b>328,064</b>
<b>Fund Balances End of Year</b>	<b>\$ 335,613</b>	<b>\$ 0</b>	<b>\$ 335,613</b>

**CITY OF XENIA, OHIO**

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – General Fund  
For the Year Ended December 31, 2002***

<b>GENERAL FUND</b>				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
<b>Revenues:</b>				
Municipal Income Taxes	\$ 3,344,300	\$ 3,344,300	\$ 3,293,682	\$ (50,618)
Other Local Taxes	1,223,457	1,230,376	1,206,696	(23,680)
State Shared Taxes and Permits	1,981,293	1,927,294	1,807,340	(119,954)
Special Assessments	12,230	12,230	12,230	0
Intergovernmental Grants	191,610	193,445	152,452	(40,993)
Charges for Services	114,420	120,520	105,867	(14,653)
Fines, Costs, Forfeitures, Licenses and Permits	1,232,000	1,213,550	1,072,582	(140,968)
Miscellaneous Receipts and Reimbursements, Including Interest	1,190,852	1,198,990	1,030,527	(168,463)
Total Revenues	<u>9,290,162</u>	<u>9,240,705</u>	<u>8,681,376</u>	<u>(559,329)</u>
<b>Expenditures:</b>				
General Government:				
City Council and General Government:				
Personnel Services	25,946	25,946	25,766	180
General Operating Expenses	35,444	35,594	26,293	9,301
Contractual Services	44,396	43,231	40,565	2,666
Materials and Supplies	4,327	5,342	4,345	997
Contributions	145,000	145,000	134,022	10,978
Total City Council and General Government	<u>255,113</u>	<u>255,113</u>	<u>230,991</u>	<u>24,122</u>
Municipal Court:				
Personnel Services	1,161,672	1,121,672	1,115,795	5,877
General Operating Expenses	12,174	12,274	10,799	1,475
Contractual Services	110,517	101,126	91,717	9,409
Materials and Supplies	27,777	31,967	30,810	1,157
Contributions	73,520	68,621	68,620	1
Total Municipal Court	<u>1,385,660</u>	<u>1,335,660</u>	<u>1,317,741</u>	<u>17,919</u>
City Law Department:				
Personnel Services	105,847	105,847	100,759	5,088
General Operating Expenses	4,445	4,376	3,210	1,166
Contractual Services	23,932	23,932	16,081	7,851
Materials and Supplies	13,610	13,679	10,832	2,847
Total City Law Department	<u>147,834</u>	<u>147,834</u>	<u>130,882</u>	<u>16,952</u>

(Continued)



**CITY OF XENIA, OHIO**

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – General Fund  
For the Year Ended December 31, 2002***

GENERAL FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
City Manager's Office:				
Personnel Services	72,603	73,903	73,639	264
General Operating Expenses	4,760	5,332	4,823	509
Contractual Services	20,248	17,983	12,164	5,819
Materials and Supplies	8,040	8,433	5,801	2,632
Total City Manager's Office	105,651	105,651	96,427	9,224
Personnel Office:				
Personnel Services	33,781	35,014	35,009	5
General Operating Expenses	5,969	6,042	4,180	1,862
Contractual Services	55,910	54,604	37,845	16,759
Materials and Supplies	14,586	14,586	8,072	6,514
Total Personnel Office	110,246	110,246	85,106	25,140
Finance Office:				
Personnel Services	64,365	64,365	63,221	1,144
General Operating Expenses	2,062	735	700	35
Contractual Services	45,660	50,019	49,327	692
Materials and Supplies	8,114	8,082	8,054	28
Total Finance Office	120,201	123,201	121,302	1,899
Municipal Building and General Services:				
Contractual Services	158,213	159,135	148,019	11,116
Materials and Supplies	4,211	5,089	4,904	185
Total Municipal Building and General Services	162,424	164,224	152,923	11,301
Data Processing:				
Personnel Services	27,224	27,224	24,692	2,532
General Operating Expenses	5,500	4,798	3,910	888
Contractual Services	34,772	35,474	33,136	2,338
Materials and Supplies	24,418	24,418	22,838	1,580
Total Data Processing	91,914	91,914	84,576	7,338
Clerk of City Council:				
Personnel Services	17,466	17,466	16,363	1,103
General Operating Expenses	527	527	0	527
Contractual Services	36,227	36,274	29,871	6,403
Materials and Supplies	3,190	3,143	1,279	1,864
Total Clerk of City Council	57,410	57,410	47,513	9,897

(Continued)

**CITY OF XENIA, OHIO**

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – General Fund  
For the Year Ended December 31, 2002***

<b>GENERAL FUND</b>				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
<b>Volunteer Program:</b>				
General Operating Expenses	1,425	1,425	660	765
Contractual Services	1,050	1,050	170	880
Materials and Supplies	2,450	2,450	1,326	1,124
<b>Total Volunteer Program</b>	<b>4,925</b>	<b>4,925</b>	<b>2,156</b>	<b>2,769</b>
<b>Public Affairs &amp; CATV:</b>				
General Operating Expenses	1,300	1,300	1,273	27
Contractual Services	10,100	10,100	6,844	3,256
Materials and Supplies	4,800	4,800	1,645	3,155
<b>Total Public Affairs &amp; CATV</b>	<b>16,200</b>	<b>16,200</b>	<b>9,762</b>	<b>6,438</b>
<b>Total General Government</b>	<b>2,457,578</b>	<b>2,412,378</b>	<b>2,279,379</b>	<b>132,999</b>
<b>Public Safety:</b>				
<b>Violence Against Women Grant:</b>				
Personnel Services	89,905	89,905	81,565	8,340
Contractual Services	54,720	54,720	16,489	38,231
<b>Total Violence Against Women Grant</b>	<b>144,625</b>	<b>144,625</b>	<b>98,054</b>	<b>46,571</b>
<b>Police:</b>				
Personnel Services	3,756,695	3,475,014	3,450,292	24,722
General Operating Expenses	142,900	132,900	121,260	11,640
Contractual Services	304,030	306,573	272,586	33,987
Materials and Supplies	86,875	100,775	88,888	11,887
<b>Total Police</b>	<b>4,290,500</b>	<b>4,015,262</b>	<b>3,933,026</b>	<b>82,236</b>
<b>Communications:</b>				
Personnel Services	927,140	927,140	912,476	14,664
General Operating Expenses	5,625	5,625	3,690	1,935
Contractual Services	127,881	131,881	119,365	12,516
Materials and Supplies	29,155	25,155	13,041	12,114
Capital Outlay	26,160	26,160	23,977	2,183
<b>Total Communications</b>	<b>1,115,961</b>	<b>1,115,961</b>	<b>1,072,549</b>	<b>43,412</b>
<b>Fire:</b>				
Personnel Services	3,463,616	3,815,385	3,815,379	6
General Operating Expenses	28,520	15,662	13,231	2,431
Contractual Services	226,582	268,910	261,314	7,596
Materials and Supplies	107,678	109,250	104,599	4,651
<b>Total Fire</b>	<b>3,826,396</b>	<b>4,209,207</b>	<b>4,194,523</b>	<b>14,684</b>

(Continued)

**CITY OF XENIA, OHIO**

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – General Fund  
For the Year Ended December 31, 2002***

<b>GENERAL FUND</b>				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Civil Defense:				
Contractual Services	7,569	7,602	6,870	732
Materials and Supplies	250	217	0	217
Total Civil Defense	<u>7,819</u>	<u>7,819</u>	<u>6,870</u>	<u>949</u>
Engineering:				
Personnel Services	82,289	82,289	82,152	137
General Operating Expenses	1,520	1,475	1,033	442
Contractual Services	19,218	20,258	19,398	860
Materials and Supplies	8,308	7,313	5,429	1,884
Total Engineering	<u>111,335</u>	<u>111,335</u>	<u>108,012</u>	<u>3,323</u>
Construction Inspection:				
Personnel Services	51,361	51,361	49,086	2,275
General Operating Expenses	871	205	35	170
Contractual Services	15,255	15,081	13,453	1,628
Materials and Supplies	3,444	4,284	2,861	1,423
Total Construction Inspection	<u>70,931</u>	<u>70,931</u>	<u>65,435</u>	<u>5,496</u>
Total Public Safety	<u>9,567,567</u>	<u>9,675,140</u>	<u>9,478,469</u>	<u>196,671</u>
Health:				
Property Maintenance:				
Personnel Services	21,394	21,734	21,723	11
General Operating Expenses	872	472	220	252
Contractual Services	45,722	20,946	18,581	2,365
Materials and Supplies	3,910	3,574	2,841	733
Total Property Maintenance	<u>71,898</u>	<u>46,726</u>	<u>43,365</u>	<u>3,361</u>
Total Health	<u>71,898</u>	<u>46,726</u>	<u>43,365</u>	<u>3,361</u>
Highways and Streets				
Street Lighting:				
Contractual Services	249,075	257,243	257,243	0
Total Highways and Streets	<u>249,075</u>	<u>257,243</u>	<u>257,243</u>	<u>0</u>

(Continued)

**CITY OF XENIA, OHIO**

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – General Fund  
For the Year Ended December 31, 2002***

GENERAL FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Community Development:				
Neighborhood Services:				
Personnel Services	82,833	82,953	82,939	14
General Operating Expenses	835	660	660	0
Contractual Services	14,693	14,558	14,414	144
Materials and Supplies	3,611	3,931	3,736	195
Total Neighborhood Services	<u>101,972</u>	<u>102,102</u>	<u>101,749</u>	<u>353</u>
Planning:				
Personnel Services	140,161	140,161	123,987	16,174
General Operating Expenses	3,460	3,460	2,996	464
Contractual Services	24,496	24,629	23,747	882
Materials and Supplies	5,801	5,840	5,183	657
Total Planning	<u>173,918</u>	<u>174,090</u>	<u>155,913</u>	<u>18,177</u>
Total Community Development	<u>275,890</u>	<u>276,192</u>	<u>257,662</u>	<u>18,530</u>
Recreation:				
Parks and Recreation:				
Contractual Services	150,000	150,000	149,364	636
Total Parks and Recreation	<u>150,000</u>	<u>150,000</u>	<u>149,364</u>	<u>636</u>
Xenia Station:				
Personnel Services	102,892	109,506	109,503	3
General Operating Expenses	15	15	6	9
Contractual Services	25,632	25,632	11,756	13,876
Materials and Supplies	10,531	10,531	7,163	3,368
Total Xenia Station	<u>139,070</u>	<u>145,684</u>	<u>128,428</u>	<u>17,256</u>
General Park Maintenance:				
Personnel Services	129,709	129,709	125,011	4,698
Contractual Services	58,448	58,348	51,994	6,354
Materials and Supplies	20,868	20,968	18,763	2,205
Total General Park Maintenance	<u>209,025</u>	<u>209,025</u>	<u>195,768</u>	<u>13,257</u>
Total Recreation	<u>498,095</u>	<u>504,709</u>	<u>473,560</u>	<u>31,149</u>
Total Expenditures	<u>13,120,103</u>	<u>13,172,388</u>	<u>12,789,678</u>	<u>382,710</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,829,941)	(3,931,683)	(4,108,302)	(176,619)

(Continued)

**CITY OF XENIA, OHIO**

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**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – General Fund  
For the Year Ended December 31, 2002**

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	GENERAL FUND			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
<b>Other Financing Sources (Uses):</b>				
Operating Transfers In	<u>3,900,000</u>	<u>3,900,000</u>	<u>3,900,000</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>3,900,000</u>	<u>3,900,000</u>	<u>3,900,000</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	70,059	(31,683)	(208,302)	<u>\$ (176,619)</u>
Fund Balance at Beginning of Year	310,415	310,415	310,415	
Encumbrances	<u>0</u>	<u>0</u>	<u>103,481</u>	
Fund Balance at End of Year	<u>\$ 380,474</u>	<u>\$ 278,732</u>	<u>\$ 205,594</u>	

**CITY OF XENIA, OHIO**

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Special Revenue Funds  
For the Year Ended December 31, 2002***

<b>MUNICIPAL INCOME TAX</b>				
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Municipal Income Taxes	\$ 4,670,366	\$ 4,670,366	\$ 4,541,994	\$ (128,372)
Miscellaneous Receipts and Reimbursements, Including Interest	3,128	2,253	2,253	0
Total Revenues	<u>4,673,494</u>	<u>4,672,619</u>	<u>4,544,247</u>	<u>(128,372)</u>
<b>Expenditures:</b>				
General Government - Current:				
Personnel Services	277,061	277,061	264,095	12,966
General Operating	4,981	4,981	2,680	2,301
Contractual Services	57,336	57,177	43,395	13,782
Materials and Supplies	17,565	17,724	11,696	6,028
Total Expenditures	<u>356,943</u>	<u>356,943</u>	<u>321,866</u>	<u>35,077</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,316,551	4,315,676	4,222,381	(93,295)
<b>Other Financing Sources (Uses):</b>				
Operating Transfers Out	<u>(4,262,500)</u>	<u>(4,262,500)</u>	<u>(4,241,500)</u>	21,000
Total Other Financing Sources (Uses)	<u>(4,262,500)</u>	<u>(4,262,500)</u>	<u>(4,241,500)</u>	21,000
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	54,051	53,176	(19,119)	<u>\$ (72,295)</u>
Fund Balance at Beginning of Year	1,982,138	1,982,138	1,982,138	
Encumbrances	0	0	9,189	
Fund Balance at End of Year	<u>\$ 2,036,189</u>	<u>\$ 2,035,314</u>	<u>\$ 1,972,208</u>	

**CITY OF XENIA, OHIO**

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Special Revenue Funds  
For the Year Ended December 31, 2002***

	STATE GAS AND VEHICLE LICENSE			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
State Shared Taxes and Permits	\$ 670,000	\$ 685,000	\$ 671,697	\$ (13,303)
Charges for Services	1,000	2,500	2,500	0
Miscellaneous Receipts and Reimbursements, Including Interest	15,198	9,061	8,950	(111)
Total Revenues	<u>686,198</u>	<u>696,561</u>	<u>683,147</u>	<u>(13,414)</u>
<b>Expenditures:</b>				
Highways and Streets - Current:				
Personnel Services	769,014	769,014	759,142	9,872
General Operating	50	50	22	28
Contractual Services	115,729	130,810	120,103	10,707
Materials and Supplies	114,693	114,612	111,190	3,422
Total Expenditures	<u>999,486</u>	<u>1,014,486</u>	<u>990,457</u>	<u>24,029</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(313,288)	(317,925)	(307,310)	10,615
<b>Other Financing Sources (Uses):</b>				
Operating Transfers In	300,000	300,000	279,000	(21,000)
Total Other Financing Sources (Uses)	<u>300,000</u>	<u>300,000</u>	<u>279,000</u>	<u>(21,000)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(13,288)	(17,925)	(28,310)	<u>\$ (10,385)</u>
Fund Balance at Beginning of Year	24,649	24,649	24,649	
Encumbrances	0	0	24,188	
Fund Balance at End of Year	<u>\$ 11,361</u>	<u>\$ 6,724</u>	<u>\$ 20,527</u>	

**CITY OF XENIA, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Capital Projects Funds  
For the Year Ended December 31, 2002**

<b>CAPITAL IMPROVEMENTS FUND</b>				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Other Local Taxes	\$ 55,000	\$ 45,000	\$ 41,309	\$ (3,691)
Special Assessments	0	219	219	0
Intergovernmental Grants	634,257	1,113,670	401,865	(711,805)
Charges for Services	0	14,162	14,162	0
Miscellaneous Receipts and Reimbursements Including Interest	722,519	713,575	875,870	162,295
Total Revenues	<u>1,411,776</u>	<u>1,886,626</u>	<u>1,333,425</u>	<u>(553,201)</u>
<b>Expenditures:</b>				
Capital Outlay:				
Contractual Services	525,319	1,085,144	970,354	114,790
Materials and Supplies	11,790	21,276	17,954	3,322
Capital Improvements	1,584,019	2,107,744	1,852,647	255,097
Debt Service:				
Principal Retirement	62,257	62,257	62,247	10
Interest and Fiscal Charges	11,686	11,686	11,678	8
Total Expenditures	<u>2,195,071</u>	<u>3,288,107</u>	<u>2,914,880</u>	<u>373,227</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(783,295)	(1,401,481)	(1,581,455)	(179,974)
<b>Other Financing Sources (Uses):</b>				
Proceeds from Capital Lease	0	155,234	0	(155,234)
Operating Transfers In	6,001	6,001	6,001	0
Operating Transfers Out	(27,193)	(27,193)	(25,000)	2,193
Total Other Financing Sources (Uses)	<u>(21,192)</u>	<u>134,042</u>	<u>(18,999)</u>	<u>(153,041)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(804,487)	(1,267,439)	(1,600,454)	<u>\$ (333,015)</u>
Fund Balance at Beginning of Year	1,954,453	1,954,453	1,954,453	
Encumbrances	0	0	880,494	
Fund Balance at End of Year	<u>\$ 1,149,966</u>	<u>\$ 687,014</u>	<u>\$ 1,234,493</u>	



**CITY OF XENIA, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2002**

RECREATION SPECIAL				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Charges for Services	\$ 0	\$ 2,200	\$ 2,200	\$ 0
Miscellaneous Receipts and Reimbursements, Including Interest	13,000	10,370	9,280	(1,090)
Total Revenues	<u>13,000</u>	<u>12,570</u>	<u>11,480</u>	<u>(1,090)</u>
<b>Expenditures:</b>				
Recreation - Current:				
Contractual Services	32,895	30,895	26,079	4,816
Materials and Supplies	750	2,750	1,166	1,584
Total Expenditures	<u>33,645</u>	<u>33,645</u>	<u>27,245</u>	<u>6,400</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures				
	(20,645)	(21,075)	(15,765)	5,310
<b>Other Financing Sources (Uses):</b>				
Operating Transfers In	17,500	17,500	17,500	0
Total Other Financing Sources (Uses)	<u>17,500</u>	<u>17,500</u>	<u>17,500</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses				
	(3,145)	(3,575)	1,735	5,310
Fund Balance at Beginning of Year	3,576	3,576	3,576	0
Fund Balance at End of Year	<u>\$ 431</u>	<u>\$ 1</u>	<u>\$ 5,311</u>	<u>\$ 5,310</u>

**CITY OF XENIA, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2002**

**INDIGENT DRIVER ALCOHOL TREATMENT**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Fines, Costs, Forfeitures, Licenses and Permits	\$ 23,400	\$ 29,400	\$ 29,015	\$ (385)
Miscellaneous Receipts and Reimbursements, Including Interest	9,000	13,200	13,385	185
Total Revenues	<u>32,400</u>	<u>42,600</u>	<u>42,400</u>	<u>(200)</u>
<b>Expenditures:</b>				
Public Safety - Current:				
Contractual Services	25,000	25,000	0	25,000
Total Expenditures	<u>25,000</u>	<u>25,000</u>	<u>0</u>	<u>25,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	7,400	17,600	42,400	24,800
Fund Balance at Beginning of Year	<u>244,637</u>	<u>244,637</u>	<u>244,637</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 252,037</u>	<u>\$ 262,237</u>	<u>\$ 287,037</u>	<u>\$ 24,800</u>

**CITY OF XENIA, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2002**

<b>LAW ENFORCEMENT AND EDUCATION</b>				
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Fines, Costs, Forfeitures, Licenses and Permits	\$ 7,000	\$ 4,000	\$ 3,653	\$ (347)
Miscellaneous Receipts and Reimbursements, Including Interest	<u>2,500</u>	<u>3,600</u>	<u>3,694</u>	<u>94</u>
Total Revenues	<u>9,500</u>	<u>7,600</u>	<u>7,347</u>	<u>(253)</u>
<b>Expenditures:</b>				
Public Safety - Current:				
Contractual Services	10,350	10,350	4,431	5,919
Materials and Supplies	6,600	6,600	4,518	2,082
Capital Outlay	<u>6,000</u>	<u>6,000</u>	<u>4,400</u>	<u>1,600</u>
Total Expenditures	<u>22,950</u>	<u>22,950</u>	<u>13,349</u>	<u>9,601</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(13,450)	(15,350)	(6,002)	<u>\$ 9,348</u>
Fund Balance at Beginning of Year	47,186	47,186	47,186	
Encumbrances	<u>0</u>	<u>0</u>	<u>1,338</u>	
Fund Balance at End of Year	<u>\$ 33,736</u>	<u>\$ 31,836</u>	<u>\$ 42,522</u>	

**CITY OF XENIA, OHIO**

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**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2002**

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
State Shared Taxes and Permits	\$ 56,975	\$ 56,975	\$ 54,461	\$ (2,514)
Miscellaneous Receipts and Reimbursements, Including Interest	<u>6,300</u>	<u>4,700</u>	<u>4,666</u>	<u>(34)</u>
Total Revenues	<u>63,275</u>	<u>61,675</u>	<u>59,127</u>	<u>(2,548)</u>
<b>Expenditures:</b>				
Highways and Streets - Current:				
Contractual Services	36,886	83,651	83,083	568
Materials and Supplies	<u>35,325</u>	<u>29,560</u>	<u>28,700</u>	<u>860</u>
Total Expenditures	<u>72,211</u>	<u>113,211</u>	<u>111,783</u>	<u>1,428</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,936)	(51,536)	(52,656)	<u>\$ (1,120)</u>
Fund Balance at Beginning of Year	98,773	98,773	98,773	
Encumbrances	<u>0</u>	<u>0</u>	<u>44,078</u>	
Fund Balance at End of Year	<u>\$ 89,837</u>	<u>\$ 47,237</u>	<u>\$ 90,195</u>	

**CITY OF XENIA, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2002**

	CITY MOTOR VEHICLE LICENSE TAX			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
<b>Revenues:</b>				
State Shared Taxes and Permits	\$ 180,000	\$ 180,000	\$ 180,437	\$ 437
Miscellaneous Receipts and Reimbursements, including Interest	<u>7,000</u>	<u>7,000</u>	<u>7,541</u>	<u>541</u>
Total Revenues	<u>187,000</u>	<u>187,000</u>	<u>187,978</u>	<u>978</u>
<b>Expenditures:</b>				
Highways and Streets - Current:				
Contractual Services	180,100	180,100	180,000	100
Debt Service:				
Principal Retirement	14,850	14,850	14,850	0
Interest and Fiscal Charges	<u>24,423</u>	<u>24,423</u>	<u>24,423</u>	<u>0</u>
Total Expenditures	<u>219,373</u>	<u>219,373</u>	<u>219,273</u>	<u>100</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(32,373)	(32,373)	(31,295)	<u>\$ 1,078</u>
Fund Balance at Beginning of Year	114,183	114,183	114,183	
Encumbrances	<u>0</u>	<u>0</u>	<u>18,448</u>	
Fund Balance at End of Year	<u>\$ 81,810</u>	<u>\$ 81,810</u>	<u>\$ 101,336</u>	

**CITY OF XENIA, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2002**

<b>COUNTY MOTOR VEHICLE LICENSE TAX</b>				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
<b>Revenues:</b>				
State Shared Taxes and Permits	\$ 0	\$ 475,000	\$ 475,000	\$ 0
Miscellaneous Receipt and Reimbursements, Including Interest	<u>0</u>	<u>7,530</u>	<u>7,530</u>	<u>0</u>
Total Revenues	<u>0</u>	<u>482,530</u>	<u>482,530</u>	<u>0</u>
<b>Expenditures:</b>				
Highways and Streets - Current:				
Capital Outlay	<u>0</u>	<u>475,000</u>	<u>475,000</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>475,000</u>	<u>475,000</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	7,530	7,530	0
<b>Other Financing Sources (Uses):</b>				
Operating Transfers In	<u>13,787</u>	<u>13,787</u>	<u>13,786</u>	<u>(1)</u>
Total Other Financing Sources (Uses)	<u>13,787</u>	<u>13,787</u>	<u>13,786</u>	<u>(1)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	13,787	21,317	21,316	<u>\$ (1)</u>
Fund Balance at Beginning of Year	612	612	612	
Encumbrances	<u>0</u>	<u>0</u>	<u>159,620</u>	
Fund Balance at End of Year	<u>\$ 14,399</u>	<u>\$ 21,929</u>	<u>\$ 181,548</u>	

**CITY OF XENIA, OHIO**

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**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2002**

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Miscellaneous Receipts and Reimbursements, Including Interest	<u>\$ 700</u>	<u>\$ 700</u>	<u>\$ 600</u>	<u>\$ (100)</u>
Total Revenues	<u>700</u>	<u>700</u>	<u>600</u>	<u>(100)</u>
<b>Expenditures:</b>				
General Government - Current:				
Contractual Services	<u>670</u>	<u>670</u>	<u>0</u>	<u>670</u>
Total Expenditures	<u>670</u>	<u>670</u>	<u>0</u>	<u>670</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	30	30	600	570
Fund Balance at Beginning of Year	<u>1,089</u>	<u>1,089</u>	<u>1,089</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 1,119</u>	<u>\$ 1,119</u>	<u>\$ 1,689</u>	<u>\$ 570</u>

**CITY OF XENIA, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2002***

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	TAX INCREMENT EQUIVALENT			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
<b>Revenues:</b>				
Other Local Taxes	\$ 179,900	\$ 179,900	\$ 151,305	\$ (28,595)
Miscellaneous Receipts and Reimbursements, Including Interest	<u>1,051</u>	<u>2,459</u>	<u>3,158</u>	<u>699</u>
Total Revenues	<u>180,951</u>	<u>182,359</u>	<u>154,463</u>	<u>(27,896)</u>
<b>Expenditures:</b>				
General Government - Current:				
Contractual Services	4,000	4,000	1,881	2,119
Materials and Supplies	30,000	30,000	29,540	460
Non-governmental	148,051	148,051	148,051	0
Capital Outlay	<u>50,000</u>	<u>50,000</u>	<u>18,930</u>	<u>31,070</u>
Total Expenditures	<u>232,051</u>	<u>232,051</u>	<u>198,402</u>	<u>33,649</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(51,100)	(49,692)	(43,939)	<u>\$ 5,753</u>
Fund Balance at Beginning of Year	109,984	109,984	109,984	
Encumbrances	<u>0</u>	<u>0</u>	<u>18,705</u>	
Fund Balance at End of Year	<u>\$ 58,884</u>	<u>\$ 60,292</u>	<u>\$ 84,750</u>	



**CITY OF XENIA, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2002**

<b>LAW ENFORCEMENT</b>				
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental Grants	\$ 14,000	\$ 252,502	\$ 151,684	\$ (100,818)
Miscellaneous Receipts and Reimbursements, Including Interest	<u>24,108</u>	<u>12,879</u>	<u>12,563</u>	<u>(316)</u>
Total Revenues	<u>38,108</u>	<u>265,381</u>	<u>164,247</u>	<u>(101,134)</u>
<b>Expenditures:</b>				
Public Safety - Current:				
Personnel Services	60,236	156,143	82,714	73,429
General Operating	2,020	10,820	4,038	6,782
Contractual Services	9,105	20,108	2,078	18,030
Materials and Supplies	28,604	42,769	26,307	16,462
Capital Outlay	<u>0</u>	<u>70,125</u>	<u>59,081</u>	<u>11,044</u>
Total Expenditures	<u>99,965</u>	<u>299,965</u>	<u>174,218</u>	<u>125,747</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(61,857)	(34,584)	(9,971)	24,613
<b>Other Financing Sources (Uses):</b>				
Operating Transfers In	<u>45,000</u>	<u>45,000</u>	<u>45,000</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>45,000</u>	<u>45,000</u>	<u>45,000</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(16,857)	10,416	35,029	<u>\$ 24,613</u>
Fund Balance at Beginning of Year	42,186	42,186	42,186	
Encumbrances	<u>0</u>	<u>0</u>	<u>8,366</u>	
Fund Balance at End of Year	<u>\$ 25,329</u>	<u>\$ 52,602</u>	<u>\$ 85,581</u>	

**CITY OF XENIA, OHIO**

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**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2002**

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Fines, Costs, Forfeitures, Licenses and Permits	\$ 5,100	\$ 1,400	\$ 1,435	\$ 35
Miscellaneous Receipts and Reimbursements, Including Interest	<u>1,800</u>	<u>1,980</u>	<u>2,082</u>	<u>102</u>
Total Revenues	<u>6,900</u>	<u>3,380</u>	<u>3,517</u>	<u>137</u>
<b>Expenditures:</b>				
Public Safety - Current:				
Contractual Services	11,500	11,500	0	11,500
Materials and Supplies	6,000	6,000	0	6,000
Capital Outlay	<u>0</u>	<u>5,000</u>	<u>4,699</u>	<u>301</u>
Total Expenditures	<u>17,500</u>	<u>22,500</u>	<u>4,699</u>	<u>17,801</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(10,600)	(19,120)	(1,182)	17,938
Fund Balance at Beginning of Year	<u>37,890</u>	<u>37,890</u>	<u>37,890</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 27,290</u>	<u>\$ 18,770</u>	<u>\$ 36,708</u>	<u>\$ 17,938</u>

**CITY OF XENIA, OHIO**

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2002***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>MUNICIPAL COURT VICTIM</b>				
<b>Revenues:</b>				
Intergovernmental Grants	\$ 0	\$ 42,000	\$ 41,764	\$ (236)
Fines, Costs, Forfeitures, Licenses and Permits	97,000	97,000	87,811	(9,189)
Miscellaneous Receipts and Reimbursements, Including Interest	<u>5,826</u>	<u>8,874</u>	<u>8,895</u>	<u>21</u>
Total Revenues	<u>102,826</u>	<u>147,874</u>	<u>138,470</u>	<u>(9,404)</u>
<b>Expenditures:</b>				
General Government - Current:				
Personnel Services	106,140	104,258	95,253	9,005
General Operating	9,342	9,042	2,606	6,436
Contractual Services	6,463	6,763	4,970	1,793
Materials and Supplies	<u>5,137</u>	<u>7,019</u>	<u>3,600</u>	<u>3,419</u>
Total Expenditures	<u>127,082</u>	<u>127,082</u>	<u>106,429</u>	<u>20,653</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(24,256)	20,792	32,041	11,249
Fund Balance at Beginning of Year	<u>160,756</u>	<u>160,756</u>	<u>160,756</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 136,500</u>	<u>\$ 181,548</u>	<u>\$ 192,797</u>	<u>\$ 11,249</u>

**CITY OF XENIA, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Debt Service Fund  
For the Year Ended December 31, 2002***

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Other Local Taxes	<u>\$ 116,286</u>	<u>\$ 116,286</u>	<u>\$ 119,312</u>	<u>\$ 3,026</u>
Total Revenues	<u>116,286</u>	<u>116,286</u>	<u>119,312</u>	<u>3,026</u>
<b>Expenditures:</b>				
Debt Service:				
Principal Retirement	30,150	30,150	30,150	0
Interest and Fiscal Charges	<u>49,586</u>	<u>49,586</u>	<u>49,585</u>	<u>1</u>
Total Expenditures	<u>79,736</u>	<u>79,736</u>	<u>79,735</u>	<u>1</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	36,550	36,550	39,577	3,027
Fund Balance at Beginning of Year	<u>4,672</u>	<u>4,672</u>	<u>4,672</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 41,222</u>	<u>\$ 41,222</u>	<u>\$ 44,249</u>	<u>\$ 3,027</u>

**CITY OF XENIA, OHIO**

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**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Capital Projects Funds  
For the Year Ended December 31, 2002**

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental Grants	\$ 0	\$ 13,467	\$ 13,467	\$ 0
Fines, Costs, Forfeitures, Licenses and Permits	120,000	120,000	131,622	11,622
Miscellaneous Receipts and Reimbursements, Including Interest	13,000	17,000	16,934	(66)
Total Revenues	<u>133,000</u>	<u>150,467</u>	<u>162,023</u>	<u>11,556</u>
<b>Expenditures:</b>				
Capital Outlay:				
Contractual Services	38,409	80,893	71,131	9,762
Materials and Supplies	4,770	4,786	4,749	37
Capital Improvements	<u>111,947</u>	<u>186,947</u>	<u>87,855</u>	<u>99,092</u>
Total Expenditures	<u>155,126</u>	<u>272,626</u>	<u>163,735</u>	<u>108,891</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(22,126)	(122,159)	(1,712)	<u>\$ 120,447</u>
Fund Balance at Beginning of Year	288,278	288,278	288,278	
Encumbrances	<u>0</u>	<u>0</u>	<u>34,165</u>	
Fund Balance at End of Year	<u>\$ 266,152</u>	<u>\$ 166,119</u>	<u>\$ 320,731</u>	

**CITY OF XENIA, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Capital Projects Funds  
For the Year Ended December 31, 2002**

	ISSUE II FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Intergovernmental Grants	\$ 500,000	\$ 1,000,000	\$ 583,266	\$ (416,734)
Miscellaneous Receipts and Reimbursements				
Including Interest	<u>1</u>	<u>1</u>	<u>0</u>	<u>(1)</u>
Total Revenues	<u>500,001</u>	<u>1,000,001</u>	<u>583,266</u>	<u>(416,735)</u>
<b>Expenditures:</b>				
Capital Outlay:				
Contractual Services	500,000	500,000	344,760	155,240
Capital Improvements	<u>0</u>	<u>500,000</u>	<u>356,887</u>	<u>143,113</u>
Total Expenditures	<u>500,000</u>	<u>1,000,000</u>	<u>701,647</u>	<u>298,353</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1	1	(118,381)	(118,382)
<b>Other Financing Sources (Uses):</b>				
Operating Transfers Out	<u>(13,787)</u>	<u>(13,787)</u>	<u>(13,786)</u>	<u>1</u>
Total Other Financing Sources (Uses)	<u>(13,787)</u>	<u>(13,787)</u>	<u>(13,786)</u>	<u>1</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(13,786)	(13,786)	(132,167)	<u>\$ (118,381)</u>
Fund Balance at Beginning of Year	13,786	13,786	13,786	
Encumbrances	<u>0</u>	<u>0</u>	<u>118,381</u>	
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	

***Nonmajor Enterprise Funds***

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These funds are used to account for operations that are financed and operated in a manner similar to private business - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

**Loan Fund**

In 1983, the City assumed all assets, liabilities and loan commitments of Xenia Environmental Neighborhood Improvement Association, Inc. (X.E.N.I.A., Inc.). The City is collecting outstanding loans. Net income and loan repayments are used to finance an economic development project managed by the Xenia Economic Growth Corporation.

**Parking Revenue Fund**

To account for parking enforcement and the rental of parking lots owned by the City.

**CDBG and UDAG Revolving Loan Fund**

To account for monies received from the federal government under Community Development Block Grant (CDBG) and Urban Development Action Grant (UDAG) programs. The monies are used for economic development loans. Net income and loan repayments are used for similar economic development activities.

**Housing Rehabilitation Loan Fund**

To account for monies received from the federal government under Community Development Block Grant program. The monies are used for housing rehabilitation mortgage grants and low interest loans, net income and loan repayments will be used for similar activities.

**CITY OF XENIA, OHIO**

**Combining Statement of Net Assets  
Nonmajor Enterprise Funds  
December 31, 2002**

	Loan	Parking Revenue	CDBG & UDAG Revolving Loan	Housing Rehabilitation Loan	Total Nonmajor Enterprise Funds
<b>Assets:</b>					
<b>Current Assets:</b>					
Cash and cash equivalents	\$ 199	\$ 636	\$ 5,706	\$ 25,464	\$ 32,005
Investments	1,825	5,819	52,244	233,156	293,044
Receivables:					
Accounts	0	1,106	0	0	1,106
Special assessments, including liens	11,217	0	0	0	11,217
Loans	4,000	0	0	24,500	28,500
Accrued interest	3,599	0	1,414	6,498	11,511
Grants	0	0	472,000	0	472,000
Prepaid items	146	244	0	0	390
<b>Total Current Assets</b>	<u>20,986</u>	<u>7,805</u>	<u>531,364</u>	<u>289,618</u>	<u>849,773</u>
<b>Noncurrent Assets:</b>					
<b>Unrestricted:</b>					
Loans receivable (net of current)	130,425	0	0	772,073	902,498
Allowance for uncollectible loans	(2,847)	0	0	(617,479)	(620,326)
Capital Assets (net of accumulated depreciation)	0	111,310	78,782	5,159	195,251
<b>Total Noncurrent Assets</b>	<u>127,578</u>	<u>111,310</u>	<u>78,782</u>	<u>159,753</u>	<u>477,423</u>
<b>Total Assets</b>	<u>\$ 148,564</u>	<u>\$ 119,115</u>	<u>\$ 610,146</u>	<u>\$ 449,371</u>	<u>\$ 1,327,196</u>
<b>Liabilities:</b>					
<b>Current Liabilities:</b>					
Accounts payable	\$ 16	\$ 9	\$ 3,970	\$ 13	\$ 4,008
Accrued payroll	0	3,323	0	305	3,628
<b>Total Current Liabilities</b>	<u>16</u>	<u>3,332</u>	<u>3,970</u>	<u>318</u>	<u>7,636</u>
<b>Noncurrent Liabilities</b>					
Accrued payroll	0	3,064	0	1,193	4,257
<b>Total Noncurrent Liabilities</b>	<u>0</u>	<u>3,064</u>	<u>0</u>	<u>1,193</u>	<u>4,257</u>
<b>Total Liabilities</b>	<u>16</u>	<u>6,396</u>	<u>3,970</u>	<u>1,511</u>	<u>11,893</u>
<b>Net Assets:</b>					
Invested in Capital Assets, net of debt	0	111,310	78,782	5,159	195,251
Unrestricted	148,548	1,409	527,394	442,701	1,120,052
<b>Total Net Assets</b>	<u>\$ 148,548</u>	<u>\$ 112,719</u>	<u>\$ 606,176</u>	<u>\$ 447,860</u>	<u>\$ 1,315,303</u>



**CITY OF XENIA, OHIO**

**Combining Statement of Revenues, Expenses and Changes in Fund Net Assets  
Nonmajor Enterprise Funds  
For the Year Ended December 31, 2002**

	Loan	Parking Revenue	CDBG & UDAG Revolving Loan	Housing Rehabilitation Loan	Total Nonmajor Enterprise Funds
<b>Operating revenues:</b>					
Charges for services	\$ 46	\$ 77,553	\$ 0	\$ 94,028	\$ 171,627
<b>Operating expenses:</b>					
Personnel services	150	55,394	0	3,329	58,873
General operating	0	0	24	0	24
Contractual services	528	8,715	246,320	99	255,662
Materials and supplies	0	2,715	0	0	2,715
Depreciation	0	199	6,048	169	6,416
Non-governmental	42,010	0	1,628	45,668	89,306
Total expenditures	<u>42,688</u>	<u>67,023</u>	<u>254,020</u>	<u>49,265</u>	<u>412,996</u>
Operating income (loss)	(42,642)	10,530	(254,020)	44,763	(241,369)
<b>Non-operating revenues:</b>					
Interest revenue	2	0	4,323	11,252	15,577
Other	24	55	50,500	2	50,581
Intergovernmental	0	0	376,094	0	376,094
Total Non-operating revenue	<u>26</u>	<u>55</u>	<u>430,917</u>	<u>11,254</u>	<u>442,252</u>
<b>Income (loss) before operating transfers</b>	(42,616)	10,585	176,897	56,017	200,883
<b>Operating transfers</b>					
Operating transfers in	0	0	25,000	0	25,000
Total Operating Transfers	<u>0</u>	<u>0</u>	<u>25,000</u>	<u>0</u>	<u>25,000</u>
<b>Net Income (Loss)</b>	(42,616)	10,585	201,897	56,017	225,883
<b>Net assets, beginning of year</b>	191,164	102,134	404,279	391,843	1,089,420
<b>Net assets, end of year</b>	<u>\$ 148,548</u>	<u>\$ 112,719</u>	<u>\$ 606,176</u>	<u>\$ 447,860</u>	<u>\$ 1,315,303</u>

**CITY OF XENIA, OHIO**

**Combining Statement of Cash Flows  
Nonmajor Enterprise Funds  
For the Year Ended December 31, 2002**

	Loan	Parking Revenue	CDBG & UDAG Revolving Loan	Housing Rehabilitation Loan	Total Other Enterprise Funds
<b>Cash Flows from Operating Activities:</b>					
Cash Received from Customers	\$2,471	\$77,853	\$0	\$95,303	\$175,627
Cash Payments for Goods and Services	(507)	(12,576)	(200,622)	(15,744)	(229,449)
Cash Payments to Employees	(856)	(63,260)	0	(3,154)	(67,270)
Net Cash Provided (Used) by Operating Activities	1,108	2,017	(200,622)	76,405	(121,092)
<b>Cash Flows from Noncapital Financing Activities:</b>					
Transfers In from Other Funds	0	0	25,000	0	25,000
Net Cash Provided by Noncapital Financing Activities	0	0	25,000	0	25,000
<b>Cash Flows from Capital and Related Financing Activities:</b>					
Intergovernmental Grants	0	0	163,000	0	163,000
Acquisition and Construction of Assets	0	0	(23,820)	0	(23,820)
Net Cash Provided by Capital and Related Financing Activities	0	0	139,180	0	139,180
<b>Cash Flows from Investing Activities:</b>					
Sale of Investments	0	0	33,063	0	33,063
Purchase of Investments	(1,011)	(1,593)	0	(69,041)	(71,645)
Receipts of Interest	61	0	4,803	9,863	14,727
Net Cash Provided (Used) by Investing Activities	(950)	(1,593)	37,866	(59,178)	(23,855)
Net Increase in Cash and Cash Equivalents	158	424	1,424	17,227	19,233
Cash and Cash Equivalents at Beginning of Year	41	212	4,282	8,237	12,772
Cash and Cash Equivalents at End of Year	\$199	\$636	\$5,706	\$25,464	\$32,005
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>					
Operating Income (Loss)	(\$42,642)	\$10,530	(\$254,020)	\$44,763	(\$241,369)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Depreciation Expense	0	199	6,048	169	6,416
Allowance for Uncollectibles	42,010	0	0	35,511	77,521
Income - Other Nonoperating	334	108	50,500	142	51,084
Changes in Assets and Liabilities:					
Decrease (Increase) in Principal Receivable	2,425	0	0	(4,399)	(1,974)
Decrease in Interest Receivable	0	0	0	31	31
Decrease in Accounts Receivable	0	300	0	0	300
Decrease (Increase) in Prepaid Items	(29)	632	0	0	603
Increase (Decrease) in Accounts Payable	16	(1,886)	(3,150)	13	(5,007)
Increase (Decrease) in Accrued Payroll	(1,006)	(7,866)	0	175	(8,697)
Total Adjustments	43,750	(8,513)	53,398	31,642	120,277
Net Cash Provided (Used) by Operating Activities	\$1,108	\$2,017	(\$200,622)	\$76,405	(\$121,092)

***Internal Service Funds***

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These funds are used to account for the financing of goods or services provided by one department to other departments of the City, on a cost-reimbursement basis.

**Utility Billing Fund**

To account for utility billing services provided to the water, sewer and sanitation enterprise funds of the City.

**City Garage Fund**

To account for the monies received from other departments to cover the cost of servicing the vehicles of the City departments.

**CITY OF XENIA, OHIO**

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**Combining Statement of Net Assets  
Internal Service Funds  
December 31, 2002**

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	<u>Utility Billing</u>	<u>City Garage</u>	<u>Total Internal Service Funds</u>
<b>Assets:</b>			
<b>Current Assets:</b>			
Cash and cash equivalents	\$ 2,238	\$ 4,293	\$ 6,531
Investments	20,494	39,306	59,800
Receivables:			
Accounts	0	1,212	1,212
Inventories	0	24,793	24,793
Prepaid items	504	3,408	3,912
<b>Total Current Assets</b>	<u>23,236</u>	<u>73,012</u>	<u>96,248</u>
<b>Noncurrent Assets:</b>			
<b>Unrestricted:</b>			
Capital Assets (net of accumulated depreciation)	<u>1,689</u>	<u>12,350</u>	<u>14,039</u>
<b>Total Noncurrent Assets</b>	<u>1,689</u>	<u>12,350</u>	<u>14,039</u>
<b>Total Assets</b>	<u>24,925</u>	<u>85,362</u>	<u>110,287</u>
<b>Liabilities:</b>			
<b>Current Liabilities:</b>			
Accounts payable	541	8,823	9,364
Accrued payroll	0	9,290	9,290
Interfund payable	0	5,140	5,140
<b>Total Current Liabilities</b>	<u>541</u>	<u>23,253</u>	<u>23,794</u>
<b>Noncurrent Liabilities</b>			
Accrued payroll	0	15,785	15,785
Advances from other funds	0	15,536	15,536
<b>Total Noncurrent Liabilities</b>	<u>0</u>	<u>31,321</u>	<u>31,321</u>
<b>Total Liabilities</b>	<u>541</u>	<u>54,574</u>	<u>55,115</u>
<b>Net Assets:</b>			
Invested in Capital Assets, net of debt	1,689	12,350	14,039
Unrestricted	22,695	18,438	41,133
<b>Total Net Assets</b>	<u>\$ 24,384</u>	<u>\$ 30,788</u>	<u>\$ 55,172</u>

***Combining Statement of Revenues, Expenses and Changes in Fund Net Assets  
Internal Service Funds  
For the Year Ended December 31, 2002***

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	<u>Utility Billing</u>	<u>City Garage</u>	<u>Total Internal Service Funds</u>
<b><i>Operating revenues:</i></b>			
Charges for services	\$ 54,000	\$ 429,174	\$ 483,174
<b><i>Operating expenses:</i></b>			
Personnel services	0	140,879	140,879
General operating	2,302	1,120	3,422
Contractual services	32,796	107,702	140,498
Materials and supplies	3,860	208,017	211,877
Depreciation	211	4,881	5,092
Total expenditures	<u>39,169</u>	<u>462,599</u>	<u>501,768</u>
Operating income (loss)	14,831	(33,425)	(18,594)
<b><i>Non-operating revenues:</i></b>			
Other	0	18,224	18,224
Intergovernmental	<u>0</u>	<u>4,345</u>	<u>4,345</u>
Total Non-operating revenue	<u>0</u>	<u>22,569</u>	<u>22,569</u>
<b>Net Income (Loss)</b>	14,831	(10,856)	3,975
<b>Net assets, beginning of year</b>	<u>9,553</u>	<u>41,644</u>	<u>51,197</u>
<b>Net assets, end of year</b>	<u>\$ 24,384</u>	<u>\$ 30,788</u>	<u>\$ 55,172</u>

***Combining Statement of Cash Flows  
Internal Service Funds  
For the Year Ended December 31, 2002***

	Utility Billing	City Garage	Totals
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$54,000	\$434,736	\$488,736
Cash Payments for Goods and Services	(38,653)	(304,627)	(343,280)
Cash Payments to Employees	0	(137,878)	(137,878)
Net Cash Provided (Used) by Operating Activities	<u>15,347</u>	<u>(7,769)</u>	<u>7,578</u>
<u>Cash Flows from Noncapital Financing Activities:</u>			
Transfers Out to Other Funds	0	(6,001)	(6,001)
Net Cash Used by Noncapital Financing Activities	<u>0</u>	<u>(6,001)</u>	<u>(6,001)</u>
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Intergovernmental Grants	0	4,345	4,345
Net Cash Provided by Capital and Related Financing Activities	<u>0</u>	<u>4,345</u>	<u>4,345</u>
<u>Cash Flows from Investing Activities:</u>			
Sale of Investments	0	11,184	11,184
Purchase of Investments	(13,462)	0	(13,462)
Net Cash Provided (Used) by Investing Activities	<u>(13,462)</u>	<u>11,184</u>	<u>(2,278)</u>
Net Increase in Cash and Cash Equivalents	1,885	1,759	3,644
Cash and Cash Equivalents at Beginning of Year	353	2,534	2,887
Cash and Cash Equivalents at End of Year	<u>\$2,238</u>	<u>\$4,293</u>	<u>\$6,531</u>
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>			
<u>Provided (Used) by Operating Activities:</u>			
Operating Income (Loss)	\$14,831	(\$33,425)	(\$18,594)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation Expense	211	4,881	5,092
Income - Other Nonoperating	0	18,224	18,224
Changes in Assets and Liabilities:			
Decrease in Accounts Receivable	0	5,562	5,562
Increase in Prepaid Items	(115)	(1,763)	(1,878)
Increase in Inventory	0	(1,457)	(1,457)
Increase (Decrease) in Accounts Payable	420	(2,792)	(2,372)
Increase in Accrued Payroll	0	3,001	3,001
Total Adjustments	<u>516</u>	<u>25,656</u>	<u>26,172</u>
Net Cash Provided (Used) by Operating Activities	<u>\$15,347</u>	<u>(\$7,769)</u>	<u>\$7,578</u>

***Fiduciary Funds***

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Fiduciary fund types are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds.

***Agency Funds***

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**Municipal Court Funds**

The Municipal Court is considered part of the reporting entity of the City. The Court handles traffic, criminal, civil and small claims cases for the City of Xenia and certain other cities and townships in Greene County. An elected judge appoints the Clerk of Courts who deposits and controls undistributed receipts (principally posted bonds). The City, however, controls the fiscal operations of the Court, reviews and approves budget requests and amendments, provides space and owns all property used by the Court. The general fund includes Court operations which are required by Ohio law to be paid by the City; the agency fund includes undistributed receipts held for entities and individuals outside the City's reporting entity.

**Imprest Cash Fund**

To account for petty cash.

**Insurance Deposit Fund**

This fund is used to account for assets held by the City for citizens to ensure that fire damaged property is cleaned up. The authority for this is found in Section 3929.86(D) of the Ohio Revised Code.

**CITY OF XENIA, OHIO**

**Combining Statement Of Changes In Assets And Liabilities  
Agency Funds  
For the Year Ended December 31, 2002**

	Balance December 31, 2001	Additions	Deductions	Balance December 31, 2002
<b><u>Municipal Court - Traffic and Criminal:</u></b>				
Assets:				
Cash and Cash Equivalents	\$177,332	\$1,771,231	(\$1,726,194)	\$222,369
Total Assets	<u>\$177,332</u>	<u>\$1,771,231</u>	<u>(\$1,726,194)</u>	<u>\$222,369</u>
Liabilities:				
Accounts Payable	\$102,937	\$1,169,781	(\$1,175,608)	\$97,110
Restricted Deposits	74,395	601,450	(550,586)	125,259
Total Liabilities	<u>\$177,332</u>	<u>\$1,771,231</u>	<u>(\$1,726,194)</u>	<u>\$222,369</u>
<b><u>Municipal Court - Civil and Small Claims:</u></b>				
Assets:				
Cash and Cash Equivalents	\$4,737	\$424,314	(\$418,403)	\$10,648
Total Assets	<u>\$4,737</u>	<u>\$424,314</u>	<u>(\$418,403)</u>	<u>\$10,648</u>
Liabilities:				
Accounts Payable	\$1,653	\$412,652	(\$412,457)	\$1,848
Restricted Deposits	3,084	11,662	(5,946)	8,800
Total Liabilities	<u>\$4,737</u>	<u>\$424,314</u>	<u>(\$418,403)</u>	<u>\$10,648</u>
<b><u>Imprest Cash:</u></b>				
Assets:				
Cash and Cash Equivalents	\$1,200	\$0	\$0	\$1,200
Total Assets	<u>\$1,200</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,200</u>
Liabilities:				
Restricted Deposits	\$1,200	\$0	\$0	\$1,200
Total Liabilities	<u>\$1,200</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,200</u>
<b><u>Insurance Deposit:</u></b>				
Assets:				
Cash and Cash Equivalents	\$0	\$88,911	\$0	\$88,911
Total Assets	<u>\$0</u>	<u>\$88,911</u>	<u>\$0</u>	<u>\$88,911</u>
Liabilities:				
Restricted Deposits	\$0	\$88,911	\$0	\$88,911
Total Liabilities	<u>\$0</u>	<u>\$88,911</u>	<u>\$0</u>	<u>\$88,911</u>
<b><u>Totals - All Agency Funds:</u></b>				
Assets:				
Cash and Cash Equivalents	\$183,269	\$2,284,456	(\$2,144,597)	\$323,128
Total Assets	<u>\$183,269</u>	<u>\$2,284,456</u>	<u>(\$2,144,597)</u>	<u>\$323,128</u>
Liabilities:				
Accounts Payable	\$104,590	\$1,582,433	(\$1,588,065)	\$98,958
Restricted Deposits	78,679	702,023	(556,532)	224,170
Total Liabilities	<u>\$183,269</u>	<u>\$2,284,456</u>	<u>(\$2,144,597)</u>	<u>\$323,128</u>



*CAPITAL ASSETS USED IN THE  
OPERATION OF GOVERNMENTAL FUNDS*

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**CITY OF XENIA, OHIO**

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***Capital Assets Used in the Operation of Governmental Funds  
Schedule by Source  
December 31, 2002***

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Capital Assets:		
Land	\$	4,048,205
Land Improvements		635,656
Buildings and Improvements		3,947,430
Machinery and Equipment		2,943,284
Infrastructure		<u>408,007</u>
Total Capital Assets		11,982,582
Construction in Progress		<u>1,029,296</u>
Net Capital Assets	\$	<u><u>13,011,878</u></u>
Investment in Capital Assets by Source:		
Capital Projects Funds:		
Various Revenue Sources - (Pre-1983 Assets)		4,295,306
General Revenues		7,484,649
General Fund		
Special Revenue Funds		<u>202,627</u>
Total Capital Assets		11,982,582
Construction in Progress		<u>1,029,296</u>
Net Investment in Capital Assets by Source	\$	<u><u>13,011,878</u></u>

**CITY OF XENIA, OHIO**

**Capital Assets Used in the Operation of Governmental Funds  
Schedule by Function and Activity  
December 31, 2002**

Function and Activity	Land	Land Improvements	Buildings
General Government:			
Municipal Court	\$ 156,550	\$ 0	\$ 9,084
Law Council	0	0	0
City Manager	0	0	0
Human Resources	0	0	0
Finance	0	0	0
Income Tax	0	0	0
Municipal Building and General Services	102,580	0	2,525,521
Data Processing	0	0	0
Clerk	0	0	0
Victim-witness	0	0	0
Total General Government	259,130	0	2,534,605
Public Safety:			
Police	0	0	26,106
Fire	63,520	14,718	221,877
Construction Inspection	0	0	0
Engineering	0	0	0
Total Public Safety	63,520	14,718	247,983
City Wide:			
Health	0	0	0
Highways and Streets	394,435	168,350	104,799
Community Development	2,594,565	0	510,169
Recreation	485,305	787,501	1,039,985
Utility Billing	0	0	0
Water Service	0	0	0
Sewer Service	0	0	0
Sanitation Service	236,890	0	0
Garage	14,360	94,538	1,079,512
Total City Wide	3,725,555	1,050,389	2,734,465
Total Capital Assets	4,048,205	1,065,107	5,517,053
Less: Accumulated Depreciation	0	(429,451)	(1,569,623)
Net Capital Assets	\$ 4,048,205	\$ 635,656	\$ 3,947,430
Construction in Progress			
Total Capital Assets			

**CITY OF XENIA, OHIO**

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<b>Machinery and Equipment</b>	<b>Infra- Structure</b>	<b>Total</b>
\$ 384,293	\$ 0	\$ 549,927
5,273	0	5,273
32,599	0	32,599
4,048	0	4,048
38,738	0	38,738
20,484	0	20,484
33,469	0	2,661,570
750,962	0	750,962
6,435	0	6,435
15,923	0	15,923
<u>1,292,224</u>	<u>0</u>	<u>4,085,959</u>
1,708,703	0	1,734,809
2,145,391	0	2,445,506
2,500	0	2,500
54,773	0	54,773
<u>3,911,367</u>	<u>0</u>	<u>4,237,588</u>
15,666	0	15,666
951,180	408,007	2,026,771
26,618	0	3,131,352
725,521	0	3,038,312
1,077	0	1,077
4,120	0	4,120
18,523	0	18,523
0	0	236,890
179,027	0	1,367,437
<u>1,921,732</u>	<u>408,007</u>	<u>9,840,148</u>
7,125,323	408,007	18,163,695
<u>(4,182,039)</u>	<u>0</u>	<u>(6,181,113)</u>
<u>\$ 2,943,284</u>	<u>\$ 408,007</u>	<u>11,982,582</u>
		<u>1,029,296</u>
		<u>\$ 13,011,878</u>

**CITY OF XENIA, OHIO**

**Capital Assets Used in the Operation of Governmental Funds  
Schedule Changes by Function and Activity  
For Year Ended December 31, 2002**

<b>Function and Activity</b>	<b>Capital Assets January 1, 2002</b>	<b>Additions</b>	<b>Deductions</b>	<b>Capital Assets December 31, 2002</b>
<b>General Government:</b>				
Municipal Court	\$ 380,557	\$ 169,370	\$ 0	\$ 549,927
Law Council	5,273	0	0	5,273
City Manager	32,599	0	0	32,599
Human Resources	4,048	0	0	4,048
Finance	21,315	17,423	0	38,738
Income Tax	20,484	0	0	20,484
Municipal Building and General Services	2,661,570	0	0	2,661,570
Data Processing	705,971	44,991	0	750,962
Clerk	6,435	0	0	6,435
Victim-witness	17,512	0	1,589	15,923
<b>Total General Government</b>	<b>3,855,764</b>	<b>231,784</b>	<b>1,589</b>	<b>4,085,959</b>
<b>Public Safety:</b>				
Police	1,611,080	213,390	89,661	1,734,809
Fire	2,395,319	80,694	30,507	2,445,506
Construction Inspection	9,550		9,550	0
Engineering	54,773	2,500	0	57,273
<b>Total Public Safety</b>	<b>4,070,722</b>	<b>296,584</b>	<b>129,718</b>	<b>4,237,588</b>
<b>City Wide:</b>				
Health	15,666	0	0	15,666
Highways and Streets	752,034	1,274,737	0	2,026,771
Community Development	3,117,312	14,748	708	3,131,352
Recreation	2,444,513	617,088	23,289	3,038,312
Utility Billing	1,077	0	0	1,077
Water Service	4,120	0	0	4,120
Sewer Service	15,346	3,177	0	18,523
Sanitation Service	237,448		558	236,890
Garage	623,773	820,854	77,190	1,367,437
<b>Total City Wide</b>	<b>7,211,289</b>	<b>2,730,604</b>	<b>101,745</b>	<b>9,840,148</b>
<b>Total Capital Assets</b>	<b>15,137,775</b>	<b>3,258,972</b>	<b>233,052</b>	<b>18,163,695</b>
<b>Less: Accumulated Depreciation</b>	<b>5,653,719</b>	<b>667,030</b>	<b>139,636</b>	<b>6,181,113</b>
<b>Net Capital Assets</b>	<b>9,484,056</b>	<b>2,591,942</b>	<b>93,416</b>	<b>11,982,582</b>
<b>Construction in Progress</b>	<b>232,140</b>	<b>1,017,848</b>	<b>220,692</b>	<b>1,029,296</b>
<b>Total Capital Assets</b>	<b>\$ 9,716,196</b>	<b>\$ 3,609,790</b>	<b>\$ 314,108</b>	<b>\$ 13,011,878</b>

# *STATISTICAL SECTION*

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*STATISTICAL TABLES*

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***T**HE FOLLOWING UNAUDITED STATISTICAL TABLES REFLECT SOCIAL AND ECONOMIC DATA, FINANCIAL TRENDS AND FISCAL CAPACITY OF THE CITY.*

**CITY OF XENIA, OHIO**

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GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION (1)  
LAST TEN YEARS

<u>Year</u>	<u>General Government</u>	<u>Public Safety</u>	<u>Highways and Streets</u>	<u>Community Development</u>
1993	\$ 1,863,523	\$ 6,034,398	\$ 1,108,020	\$ 180,661
1994	1,953,791	6,585,327	1,106,033	183,406
1995	2,078,148	6,804,542	1,317,773	195,006
1996	2,138,386	7,113,784	1,232,011	192,807
1997	2,503,314	7,434,467	1,331,473	214,769
1998	2,950,717	7,716,929	1,258,925	236,427
1999	3,223,308	8,010,586	1,401,753	250,153
2000	2,547,063	9,060,993	1,599,974	263,724
2001	2,661,868	8,921,217	1,418,896	277,850
2002	2,866,097	9,632,474	1,486,189	256,039

<u>Year</u>	<u>Health</u>	<u>Recreation</u>	<u>Debt Service</u>	<u>Total</u>
1993	\$ 156,744	\$ 220,576	\$ 0	\$ 9,563,922
1994	170,552	258,980	0	10,258,089
1995	173,037	282,337	0	10,850,843
1996	197,387	303,885	0	11,178,260
1997	229,193	368,200	0	12,081,416
1998	246,708	482,746	0	12,892,452
1999	242,556	496,365	0	13,624,721
2000	204,019	500,880	38,484	14,215,137
2001	66,533	500,504	116,028	13,962,896
2002	42,132	483,618	119,008	14,885,557

Source: City of Xenia, Department of Finance

(1) Includes General, Special Revenue Funds, and Debt Service Funds  
Excludes Capital Outlay in the Special Revenue Funds

## CITY OF XENIA, OHIO

### GENERAL GOVERNMENTAL REVENUES BY SOURCE (1) LAST TEN FISCAL YEARS

Fiscal Year	Municipal Income Taxes	Other Local Taxes	State Shared Taxes and Permits	Inter-Government Aid, Grants	Charges for Services
1993	\$ 5,323,211	\$ 1,267,425	\$ 1,900,829	\$ -	\$ 46,857
1994	5,831,783	1,314,588	1,759,448	71,417	79,178
1995	5,876,212	1,408,353	2,088,425	132,672	89,325
1996	6,158,719	1,407,030	2,025,806	163,724	133,607
1997	6,279,892	1,477,634	2,102,917	154,652	130,799
1998	6,830,404	1,501,540	2,458,522	234,893	86,819
1999	7,231,209	1,546,600	2,756,090	264,702	88,129
2000	7,306,394	1,604,470	2,557,075	584,346	67,904
2001	7,940,618	1,589,303	3,166,475	226,320	59,878
2002	7,682,250	1,542,313	3,194,271	378,408	192,887

Fiscal Year	Fines, Costs Forfeitures Licenses and Permits	Miscellaneous Receipts and Reimbursements	Special Assessments	Total
1993	\$ 694,763	\$ 901,724	\$ 1,255	\$ 10,136,064
1994	761,234	1,205,522	7,042	11,030,212
1995	775,172	1,289,813	3,429	11,663,401
1996	842,133	1,171,237	2,690	11,904,946
1997	910,933	1,093,171	3,904	12,153,902
1998	1,153,264	928,731	5,628	13,199,801
1999	1,314,091	917,626	10,281	14,128,728
2000	1,369,565	1,118,241	9,100	14,617,095
2001	1,269,927	1,017,807	28,498	15,298,826
2002	1,202,121	993,243	12,230	15,197,723

Source: City of Xenia, Department of Finance

(1) Includes General, Special Revenue Funds, and Debt Service Funds

**CITY OF XENIA, OHIO**

PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN YEARS

Tax Year	Collection Year	Total Tax Levy	Current Tax Collections	Percentage of Current Taxes Collected	Delinquent Tax Collections
1992	1993	\$ 1,122,719	\$ 1,021,587	91.0%	\$ 31,660
1993	1994	1,183,015	1,102,564	93.2	43,381
1994	1995	1,443,609	1,193,262	82.7	31,474
1995	1996	1,329,901	1,198,927	90.2	43,974
1996	1997	1,437,317	1,278,854	89.0	40,533
1997	1998	1,404,805	1,331,963	94.8	48,733
1998	1999	1,471,900	1,388,239	94.3	42,923
1999	2000	1,577,005	1,394,597	88.4	52,437
2000	2001	1,607,373	1,391,518	86.6	76,718
2001	2002	1,539,969	1,378,198	89.5	58,446

Tax Year	Collection Year	Total Tax Collections	Total Collections as Percentage of Total Tax Levied	Outstanding Delinquent Taxes	Outstanding Delinquent Taxes as Percentage of Total Tax Levied
1992	1993	\$ 1,053,247	93.8%	\$ 67,419	6.0%
1993	1994	1,145,945	96.9	59,215	5.0
1994	1995	1,224,736	84.8	73,018	5.0
1995	1996	1,242,901	93.5	72,992	5.5
1996	1997	1,319,387	91.8	93,865	6.5
1997	1998	1,380,696	98.3	76,896	5.5
1998	1999	1,431,162	97.2	110,458	7.5
1999	2000	1,447,034	91.8	143,314	9.1
2000	2001	1,468,236	91.3	156,720	9.8
2001	2002	1,436,644	93.3	176,903	11.5

Source: Greene County Auditor's Office

## CITY OF XENIA, OHIO

### ASSESSED AND CURRENT MARKET VALUES OF TAXABLE PROPERTY LAST TEN YEARS

Tax Year	Collection Year	Real Property Values		Personal Property Values		Total Values		Ratio of Total Assessed Value to total Market Value
		Assessed	Current Market	Assessed	Current Market	Assessed	Current Market	
1992	1993	\$ 184,544,130	\$ 527,268,942	\$ 41,921,862	\$ 153,032,865	\$ 226,465,992	\$ 680,301,807	35 %
1993 (2)	1994	190,263,890	543,611,114	31,706,236	111,113,298	221,970,126	654,724,412	35
1994	1995	192,490,740	549,973,543	33,723,811	118,742,901	226,214,551	668,716,444	35
1995	1996	197,569,440	564,484,114	38,947,655	155,790,620	236,517,095	720,274,734	35
1996 (1)	1997	227,387,020	649,677,200	35,202,090	126,458,645	262,589,110	776,135,845	35
1997	1998	232,033,230	662,952,086	44,264,461	161,873,307	276,297,691	824,825,393	35
1998	1999	237,199,760	677,713,600	45,616,390	166,198,566	282,816,150	843,912,166	35
1999 (2)	2000	254,762,850	726,195,886	45,259,251	164,683,758	299,427,811	890,879,644	35
2000	2001	255,754,560	730,727,314	45,870,809	169,458,436	301,625,369	900,185,750	34
2001	2002	257,363,900	735,325,429	39,286,360	146,469,760	296,650,260	881,795,189	34

Source: Greene County Auditors' Office

## *CITY OF XENIA, OHIO*

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS  
 (PER \$1,000 OF ASSESSED VALUE)  
 LAST TEN YEARS

Tax Year	Collection Year	General Fund	Debt		School (1) District	Health District	County	Total
			Service Fund	Total				
1992	1993	6.60	0.00	6.60	44.55	0.30	8.78	60.23
1993	1994	6.70	0.00	6.70	44.55	0.30	8.78	60.33
1994	1995	6.70	0.00	6.70	44.25	0.30	8.78	60.03
1995	1996	6.70	0.00	6.70	43.85	0.30	8.78	59.63
1996	1997	6.70	0.00	6.70	42.95	0.30	8.78	58.73
1997	1998	6.70	0.00	6.70	42.75	0.30	8.78	58.53
1998	1999	6.70	0.00	6.70	42.55	0.30	8.78	58.33
1999	2000	6.70	0.00	6.70	42.15	0.30	9.08	58.23
2000	2001	6.30	0.40	6.70	41.95	0.30	10.33	59.28
2001	2002	6.30	0.40	6.70	42.05	0.30	10.33	59.38

Source: Greene County Auditor's Office

(1) School District includes the Xenia Community School District and the Greene County Career Center.

**CITY OF XENIA, OHIO**

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SPECIAL ASSESSMENT BILLINGS AND COLLECTIONS  
LAST TEN YEARS

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<u>Year</u>	<u>Assessments Billed</u>	<u>Assessments Collected</u>	<u>Ratios of Collections to Amount Billed</u>	<u>Total Outstanding Assessments</u>
1993	\$ 138,433	\$ 30,031	21.69 %	\$ 108,402
1994	90,394	29,752	32.91	60,642
1995	59,948	16,849	28.11	43,099
1996	62,285	13,533	21.73	48,752
1997	76,788	26,433	34.42	50,355
1998	68,113	12,151	17.84	55,962
1999	72,562	14,708	20.27	57,854
2000	107,634	9,318	8.66	98,316
2001	127,074	28,571	22.48	98,503
2002	126,620	12,449	9.83	114,171

Source: Greene County Auditor's Office

**CITY OF XENIA, OHIO**

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COMPUTATION OF LEGAL DEBT MARGIN  
DECEMBER 31, 2002

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Total Assessed Value	<u>\$ 296,650,260</u>
Overall Debt Limitation - 10-1/2% of assessed valuation	<u>31,148,277</u>
Total Bonded Debt	<u>1,315,000</u>
Total Amount of Debt Applicable to Debt Limit	<u>1,315,000</u>
Legal Debt Margin Within 10-1/2% Limitation	<u>\$ 29,833,277</u>
Unvoted Debt Limitation - 5-1/2% of assessed valuation	<u>16,315,764</u>
Total Bonded Debt	<u>1,315,000</u>
Total Amount of Debt Applicable to Debt Limit	<u>1,315,000</u>
Legal Debt Margin Within 5-1/2% Limitation	<u>\$ 15,000,764</u>

Source: City of Xenia, Department of Finance



**CITY OF XENIA, OHIO**

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RATIO OF NET GENERAL BONDED DEBT TO ASSESSED VALUE  
AND NET BONDED DEBT PER CAPITA  
LAST TEN YEARS

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Year	Population	Assessed Value	Gross Bonded Debt (1)
1993	24,836	\$ 226,465,992	\$ 0
1994	24,836	221,970,126	0
1995	24,836	226,214,551	0
1996	24,836	236,517,095	0
1997	24,836	262,589,110	0
1998	24,836	276,297,691	0
1999	24,836	282,816,150	0
2000	24,164	299,427,811	1,400,000
2001	24,164	301,625,369	1,360,000
2002	24,164	296,650,260	1,315,000

Year	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
1993	\$ 0	0.00%	\$ 0.00
1994	0	0.00	0.00
1995	0	0.00	0.00
1996	0	0.00	0.00
1997	0	0.00	0.00
1998	0	0.00	0.00
1999	0	0.00	0.00
2000	1,400,000	0.47	57.94
2001	1,360,000	0.05	56.28
2002	1,315,000	0.44	54.42

Source: City of Xenia, Department of Finance

(1) Includes all long-term general obligation debt and bond anticipation notes

**CITY OF XENIA, OHIO**

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**RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR  
GENERAL BONDED DEBT TO TOTAL GENERAL EXPENDITURES  
LAST TEN YEARS**

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<u>Year</u>	<u>Principal (1)</u>	<u>Interest (1)</u>	<u>Total Debt Service</u> (1)	<u>Total General Expenditures</u> (2)	<u>Ratio of Debt Service To Total General Expenditures</u>
1993	\$ 0	\$ 0	\$ 0	\$ 9,563,922	0.00%
1994	0	0	0	10,258,089	0.00
1995	0	0	0	10,850,843	0.00
1996	0	0	0	11,178,260	0.00
1997	0	0	0	12,081,416	0.00
1998	0	0	0	12,892,452	0.00
1999	0	0	0	13,624,721	0.00
2000	0	38,484	38,484	14,215,137	0.27
2001	40,000	76,028	116,028	13,962,896	0.83
2002	45,000	74,008	119,008	14,885,557	0.80

Source: City of Xenia, Department of Finance

(1) Includes principal and interest paid on all long-term general obligation debt and bond anticipation notes

(2) General, Special Revenue and Debt Service Funds.

Excludes Capital Outlay in the Special Revenue Funds

**CITY OF XENIA, OHIO**

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COMPUTATION OF OVERLAPPING DEBT  
DECEMBER 31, 2002

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<u>Jurisdiction</u>	<u>Net Outstanding Debt (1)</u>	<u>Percentage Applicable to City of Xenia, Ohio (2)</u>	<u>Amount Applicable to City of Xenia, Ohio</u>
Greene County	\$ 22,225,795	11.01%	\$ 2,447,060
Xenia Community School District	1,520,000	0.61	928,112
Greene County Career Center	742,564	0.11	81,979
Greene County Health District	0	0.11	<u>0</u>
Total			<u>\$ 3,457,151</u>

Sources:

- (1) Appropriate Jurisdiction
- (2) Greene County Auditor's Office

## CITY OF XENIA, OHIO

### COVERAGE - SEWER DEBT LAST TEN YEARS

Year	Gross Revenue (1)	Direct Operating Expense (2)	Net Revenue Available for Debt Service
1993	\$ 2,130,229	\$ 1,843,952	\$ 286,277
1994	2,242,910	1,958,808	284,102
1995	2,451,963	2,053,604	398,359
1996	2,540,382	2,260,671	279,711
1997	2,560,164	2,174,815	385,349
1998	2,465,885	2,237,721	228,164
1999	2,443,731	2,417,190	26,541
2000	3,320,937	2,759,441	561,496
2001	3,165,045	3,052,458	112,587
2002	3,431,178	3,205,093	226,085

Year	Debt Service Requirements (3) (4)			Coverage
	Principal	Interest	Total	
1993	\$ 60,000	\$ 177,475	\$ 237,475	1.21
1994	106,715	75,588	182,303	1.56
1995	109,984	72,319	182,303	2.19
1996	113,353	68,950	182,303	1.53
1997	116,825	65,478	182,303	2.11
1998	120,403	61,900	182,303	1.25
1999	124,091	58,212	182,303	0.15
2000	63,463	27,688	91,151	6.16
2001	177,818	127,513	305,331	0.37
2002	438,714	245,753	684,467	0.33

Source: City of Xenia, Department of Finance

(1) Less proceeds from sale of public debt (bond and notes).

(2) Excludes repair and maintenance repairs.

(3) Includes principal and interest requirements for sewer debt.

(4) From 1985-1993 there was a sewer revenue bond issue which was defeased during 1993.

From 1994 on there was a loan.

## *CITY OF XENIA, OHIO*

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### DEMOGRAPHIC STATISTICS LAST TEN YEARS

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<u>Year</u>	<u>Population (1)</u>	<u>Per Capita Income (1)</u>	<u>Median Age (1)</u>	<u>School Enrollment (2)</u>	<u>Unemployment Rate (3)(4)</u>
1993	24,836	\$ 10,906	31.5	5,776	4.7 %
1994	24,836	10,906	31.5	5,776	4.7
1995	24,836	10,906	31.5	5,680	3.5
1996	24,836	10,906	31.5	5,600	3.8
1997	24,836	10,906	31.5	5,546	3.8
1998	24,836	10,906	31.5	5,425	3.5
1999	24,836	10,906	31.5	5,390	3.0
2000	24,836	10,906	31.5	5,324	3.8
2001	24,164	10,906	34.5	5,221	3.4
2002	24,164	16,481	34.5	5,221	4.5

Sources:

- (1) Bureau of Census and Statistics
- (2) Xenia City School District
- (3) Unemployment rate expressed as a percentage
- (4) Bureau of Employment Services for Greene County

## CITY OF XENIA, OHIO

### CONSTRUCTION AND PROPERTY VALUES LAST TEN YEARS

Year	Commercial Construction (1)		Residential Construction (1)		Assessed Property Value (2)				
	Number of Units	Value	Number of Units	Value	Agricultural	Residential	Commercial	Industrial	Public Utility-Real
1993	8	\$ 995,400	35	\$ 2,617,590	\$ 748,950	\$ 141,219,260	\$ 34,474,590	\$ 8,014,720	\$ 76,610
1994	12	8,502,516	57	4,600,000	731,240	147,391,550	33,907,980	8,176,300	56,820
1995	13	2,773,000	79	7,305,200	674,770	148,664,750	33,633,390	9,459,980	57,850
1996	12	2,496,000	92	9,086,042	794,010	151,901,540	35,361,820	9,460,710	51,360
1997	13	5,709,750	100	10,064,210	862,120	176,783,670	39,756,080	9,908,210	76,940
1998	13	13,109,046	67	6,936,699	680,950	181,086,510	40,087,810	10,100,420	77,540
1999	3	7,825,500	79	8,480,533	1,051,770	185,488,480	40,479,090	10,112,920	67,500
2000		n/a		n/a	5,179,960	197,739,750	41,778,130	9,996,080	68,930
2001	15	4,319,707	128	14,917,928	4,555,550	199,208,910	41,801,090	10,120,080	68,930
2002	21	7,008,823	104	13,930,555	1,354,680	203,643,870	41,621,500	10,682,330	61,520

Source: City of Xenia, Department of Finance

(1) Greene County Building Inspection

(2) Greene County Auditor's Office

NOTE: Information regarding commercial and residential construction for the year 2000 is not available.

## *CITY OF XENIA, OHIO*

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### PRINCIPAL TAXPAYERS

DECEMBER 31, 2002

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Taxpayer	Type of Business	Assessed Valuation	Percentage of Total Assessed Valuation
Supervalu Holdings, Inc.	Grocery warehouse	\$ 10,227,920	3.45%
Twist, Inc.	Manufacturing	2,467,950	0.83%
Walmart Stores, Inc.	Retail	2,410,670	0.81%
Developers Diversified Realtors	Property Management	2,186,640	0.74%
Key Chrysler Plymouth, Inc.	Automotive Sales	1,909,150	0.64%
Xenia Nominee LP	Assisted Living Management	1,718,340	0.58%
Arbar Corporation	Manufacturing	1,710,650	0.58%
Electronic Image Systems, Inc. (Barco)	CRT Projectors	1,045,460	0.35%
United Methodist Community	Church	989,610	0.33%
Yellowbird Limited	Real Estate Rentals	915,900	0.31%
Total		<u>\$ 25,582,290</u>	<u>8.62%</u>

Source: Greene County Auditor's Office

## ***CITY OF XENIA, OHIO***

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### **SUMMARY OF INSURANCE COVERAGE**

**DECEMBER 31, 2002**

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*Ohio Government Risk Management Plan* (Swartzel Affiliated Insurance Service): General liability limit is \$5,000,000 each occurrence with \$7,000,000 aggregate. Employers liability coverage (Ohio Stop Gap) is \$5,000,000 bodily injury by accident or disease with a \$5,000,000 bodily injury by accident aggregate. Employee benefits liability coverage is the municipal errors and omissions liability endorsement. Law enforcement officers liability coverage is \$5,000,000 each wrongful act, \$7,000,000 aggregate with a \$10,000 deductible. Public Officials liability coverage is \$5,000,000 each wrongful act, \$7,000,000 aggregate with a \$5,000 deductible. This Plan also has automobile coverage with bodily injury liability, uninsured motorist insurance and medical payments. There is property coverage; an inland marine provision for \$3,283,719 with a \$10,000 limit on fire equipment (any one item \$5,000 or less) and \$35,000 limit on other items (any one item \$5,000 or less) with a \$1,000 deductible; electronic equipment/media coverage with a \$1,000 deductible; crime coverage; and equipment breakdown coverage for boilers or other pressurized vessels.



## *CITY OF XENIA, OHIO*

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### MISCELLANEOUS STATISTICS

DECEMBER 31, 2002

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Date of Incorporation	1817; became City in 1834
Form of government	Council/Manager
Area	12 square miles
Miles of streets	115
Number of street lights (non-special assessment)	1,753
Fire protection:	
Number of stations	2
Number of firefighters and officers	44
Police protection:	
Number of stations (plus 2 sub-stations)	1
Number of police officers	47
Education (Elementary only):	
Attendance centers	7
Number of classrooms	141
Number of teachers	211
Number of students	2,919
Municipal Water Department:	
Number of consumers	10,184
Average daily Consumption	3.6 million gallons per day (mgd)
Water plant capacity	8.0 mgd
Miles of water mains	141 miles
Sanitary Sewer Department:	
Number of consumers	10,025
Average daily Consumption	4.7 million gallons per day (mgd)
Sewer plant capacity	7.6 mgd
Miles of sewer mains	146 miles
Recreation and culture:	
Parks	11 with 122 acres
Libraries	1
Employees:	
Classified service	196
Exempt	38
Web address	<a href="http://www.ci.xenia.oh.us">www.ci.xenia.oh.us</a>

*CITY OF XENIA, OHIO*

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**Auditor of State  
Betty Montgomery**

88 East Broad Street  
P.O. Box 1140  
Columbus, Ohio 43216-1140

Telephone 614-466-4514  
800-282-0370

Facsimile 614-466-4490

**CITY OF XENIA**

**GREENE COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
NOVEMBER 6, 2003**