



**Auditor of State  
Betty Montgomery**



**CITY OF CHILLICOTHE  
ROSS COUNTY**

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CITY OF CHILLICOTHE  
ROSS COUNTY

**FEDERAL AWARDS EXPENDITURES SCHEDULE  
FOR THE YEAR DECEMBER 31, 2004**

<b>FEDERAL GRANTOR</b> <i>Pass Through Grantor</i> Program Title	Pass-Through Entity Number	Federal CFDA Number	Expenditures
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>			
<i>Passed Through Ohio Department of Development:</i>			
Community Development Block Grants/States Program	A-C-01-104-1	14.228	\$14,556
Community Development Block Grants/States Program	A-C-03-104-1	14.228	63,900
Community Development Block Grants/States Program	A-F-02-104-1	14.228	21,334
Community Development Block Grants/States Program	A-F-03-104-1	14.228	106,967
Community Development Block Grants/States Program	A-D-03-104-1	14.228	84,500
			<u>291,257</u>
HOME Investment Partnership Program	A-C-03-104-2	14.239	<u>3,230</u>
Total U.S. Department of Housing and Urban Development			<u><b>294,487</b></u>
<b>U.S. DEPARTMENT OF JUSTICE</b>			
<i>Passed Through Ohio Office of Crime Victims Services:</i>			
Crime Victim Assistance	VAGENE539	16.575	<u><b>28,040</b></u>
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>			
<i>Passed Through Ohio Department of Transportation:</i>			
Formula Grants for Other Than Urbanized Areas	RPT-4071-022-041	20.509	<u><b>685,291</b></u>
<b>U.S. DEPARTMENT OF ENERGY</b>			
<i>Passed Through Southern Ohio Diversification Initiative</i>			
Worker and Community Transition Program	DE-FG05-980R22650	81.092	<u><b>16,410</b></u>
<b>FEDERAL EMERGENCY MANAGEMENT AGENCY</b>			
<i>Passed Through Ohio Emergency Management Agency:</i>			
Public Assistance Grants	DR-141-14184	83.544	<u><b>3,706</b></u>
<b>Total Federal Awards Expenditures</b>			<u><u><b>\$1,027,934</b></u></u>

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

**CITY OF CHILLICOTHE  
ROSS COUNTY**

**NOTES TO THE FEDERAL AWARDS EXPENDITURES SCHEDULE  
FOR THE YEAR ENDED DECEMBER 31, 2004**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE B – MATCHING REQUIREMENTS**

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



## **Auditor of State Betty Montgomery**

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

City of Chillicothe  
Ross County  
35 South Paint Street  
Chillicothe, Ohio 45601

To the City Council:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Chillicothe, Ross County, Ohio, (the City) as of and for the year ended December 31, 2004, which collectively comprise the City's basic financial statements and have issued our report thereon dated May 5, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

#### **Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the City's internal control over financial reporting to determine our auditing procedures in order to express our opinions on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable 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 caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses. In a separate letter to the City's management dated May 5, 2005, we reported other matters involving internal control over financial reporting we did not deem reportable conditions.

#### **Compliance and Other Matters**

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

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City of Chillicothe  
Ross County  
Independent Accountants' Report on Internal Control over  
Financial Reporting and on Compliance and other Matters  
Required by *Government Auditing Standards*  
Page 2

We intend this report solely for the information and use of the audit committee, management, City Council, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.

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

**Betty Montgomery**  
Auditor of State

May 5, 2005



## Auditor of State Betty Montgomery

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

City of Chillicothe  
Ross County  
35 South Paint Street  
Chillicothe, Ohio 45601

To the City Council:

#### Compliance

We have audited the compliance of the City of Chillicothe, Ross County, Ohio, (the City) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement that apply to its major federal program for the year ended December 31, 2004. The summary of auditor's results section of the accompanying schedule of findings identifies the City's major federal program. The City's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to the major federal program. 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 reasonably assure whether noncompliance occurred with the types of compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing other procedures we considered necessary in the circumstances. We believe 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 apply to its major federal program for the year ended December 31, 2004. In a separate letter to the City's management dated May 5, 2005, we reported an other matter related to federal noncompliance not requiring inclusion in this report.

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### **Internal Control Over Compliance**

The City's management 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 directly and materially affect a major federal program to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

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 reportable 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 caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

### **Federal Awards Expenditures Schedule**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of City of Chillicothe, Ross County, Ohio, as of and for the year ended December 31, 2004, and have issued our report thereon dated May 5, 2005. Our audit was performed to form opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying federal awards expenditures schedule provides additional information as required by OMB Circular A-133 and is not a required part of the basic financial statements. We subjected this information to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

We intend this report solely for the information and use of the audit committee, management, City Council, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.



**Betty Montgomery**  
Auditor of State

May 5, 2005

**CITY OF CHILLICOTHE  
ROSS COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
DECEMBER 31, 2004**

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

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unqualified
<i>(d)(1)(ii)</i>	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material non-compliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material internal control weakness conditions reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unqualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Community Development Block Grants/States Program; CFDA # 14.228
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	Yes

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

None

**3. FINDINGS FOR FEDERAL AWARDS**

None



# **City of Chillicothe, Ohio Comprehensive Annual Financial Report**

**William D. Morrissey**

**Chillicothe City Auditor**



**For the Year Ended December 31, 2004**

**Prepared by the Office of the City of Chillicothe Auditor**



CITY OF CHILLICOTHE, OHIO

Comprehensive Annual Financial Report  
For the Year Ended December 31, 2004

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CITY OF CHILLICOTHE, OHIO

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**CITY OF CHILLICOTHE — Ohio's First Capital**  
WILLIAM D. MORRISSEY, City Auditor



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May 5, 2005

TO: The Honorable Citizens of Chillicothe  
Mayor, Law Director, Treasurer and Members of City Council

FROM: City Auditor William D. Morrissey and Staff

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) for the City of Chillicothe for the year ended December 31, 2004. This report, prepared by the City Auditor's Office, contains a comprehensive analysis of the City's financial position and activities for the year 2004. It is intended to provide all pertinent and necessary information to the Citizens of Chillicothe.

Responsibility for both the accuracy of the data presented and the completeness of the presentation rests with the City's management. We believe this data to be accurate in all material aspects and that it is presented in a manner which fairly sets forth both the financial position of the City and the operation of the City. It is hoped that this report will enable our citizens to better understand all of our City's services and functions as we strive to better serve the people of Chillicothe.

This Comprehensive Annual Financial Report is based on Government Accounting Standards Board Statement No. 34. Statement No. 34 was implemented to make annual financial reports easier to understand and more comprehensive for those who analyze these governmental reports.

Generally accepted accounting principles (GAAP) 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 the MD&A and should be read in conjunction with it. The City of Chillicothe's MD&A can be found immediately following the State Auditor's opinion letter.

**The CAFR Report**

This CAFR is presented in three basic sections: The introductory section which includes the table of contents, this transmittal letter, a reproduction of the 2003 Certificate of Achievement Award, a list of City Officials and a complete organizational chart. The second section is the financial section, which contains the State Auditor's Office opinion letter, MD&A, basic financial statements, notes to these statements and all pertinent financial information for the year 2004. The third section is the statistical section including a ten year cash summary report of revenue and expenditures for all departments and funds.

**State Audit**

The 2004 basic financial statements were audited by the State of Ohio Auditor's Office. This audit was conducted according to generally accepted auditing standards and Government Auditing Standards and included a legal and financial compliance audit, a review of internal controls and tests of transactions. The State Auditor's opinion letter is at the beginning of the financial section.

### **Reporting Entity**

In accordance with the Governmental Accounting Standards Board (GASB) Statement 14, the following is a brief definition of the reporting entity. This report includes all funds, agencies, boards and commissions for which the City is financially accountable. In considering that responsibility the City must determine whether an entity is fiscally independent of the City, and whether it has the ability to significantly influence operations, select the governing authority, designate management and maintain accountability over fiscal matters of the entity. The reporting entity is discussed in more detail in Note 1 of the Notes to the Basic Financial Statements.

### **History and City Organization**

The City of Chillicothe, the first capital of the State of Ohio, was founded in 1796 and served as Ohio's Capital twice from 1803 to 1809 and from 1812 to 1816. Located in Ross County, at the intersection of Routes 23, 35 and 50 just 45 miles south of Columbus, Ohio, our City covers 10.96 square miles and has approximately 21,796 citizens according to the latest census. The City has 12 public parks consisting of 224 acres, six public schools, one parochial school, a branch of Ohio University and two public libraries.

The City has operated under the Mayor - Council form of Government since 1965 and functions as such under the Ohio Revised Code statutes of law.

The Mayor is elected to four year terms and serves as the Chief Executive and Administrative Officer of the City. The Mayor is charged with enforcing the laws of Ohio and all City ordinances and appoints and removes all heads of departments except other elected officials and their employees. The Mayor has the authority to veto any legislation passed by City Council. Such veto may be overturned by a two thirds vote of City Council.

The Auditor is elected to four year terms and serves as the Chief Fiscal Officer of the City and has all the powers and duties as imposed by the laws of the State of Ohio. The City Auditor keeps the books of the City, receives all funds for the City and all its departments, and deposits all monies belonging to the City or held in trust by it. The City Auditor is responsible for the Tax Auditor and the collection of City income tax.

The City Auditor is also responsible for the issuing of all bonds and notes of the City. The Investment Board, made up of the City Auditor, the Mayor and the Law Director, determines the investments of the City's monies. City monies are invested within the framework of our policy as established by Ordinance #100-96. We invest in certificates of deposit with our local approved banks through a bid process as conducted by the City Auditor's Office whenever monies are available to invest and Treasury Notes.

The Treasurer, also elected to four year terms, signs all receipts and vouchers for payment and serves as a check and balance to the City Auditor.

The Law Director is elected to four year terms and serves as legal counsel to Council, the Auditor, the Administration, Civil Service, City Schools and represents the City in all civil and criminal matters.

City Council consists of nine members plus the President of Council, all of whom are elected to two year terms, and serves as the legislative branch of City Government. They are responsible for enacting ordinances and resolutions, appropriating funds, levying taxes, and fixing compensation for all City Officials and employees. Council appoints a Clerk of Council to assist them in legislative matters.

The City also operates a Municipal Court that employs two Judges, elected for six year terms, and a Municipal Clerk of Court.

A complete list of elected officials, department heads and an organizational chart are at the end of this section.

The City employ's 295 people, both full-time and permanent part-time, to serve the citizens of Chillicothe in the various departments described as follows: Public Safety (Police, Fire and School Patrol), Recreation (Parks and Recreation), Utilities (Water, Sewer, Sanitation), Transportation (Bus System), Community Environment (Planning, Zoning, Economic Development), Streets (Engineering and Service Departments), General Government (Administrative services including Municipal Court), and Finance (including Auditor, Tax Auditor and Treasurer).

### **Economic Outlook**

The economy in Chillicothe and Ross County was again fair for the fourth year. Kenworth Truck Company and PACCAR, the parent company did well as did Adena Regional Medical Center (ARMC), while Horizon Communications and MeadWestvaco had a much tougher economic climate to deal with.

PACCAR achieved record earnings and growth in 2004. The combined U.S. market share for Kenworth and Peterbilt improved by 1% to 24.6% of a total class 8 truck market of 233,000 trucks. Class 8 truck demand continues to grow, with an anticipated need for in excess of 250,000 trucks in 2005. Kenworth won industry recognition in 2004, receiving the J.D. Power award for Highest Customer Satisfaction, Vocational Segment.

The Chillicothe plant also set records for build rate, quality and productivity. The plant added more than 450 new employees in 2004 and now totals 1,700 for total employment. The Chillicothe plant is poised to further increase build rates in 2005 to meet the heavy market demand.

Adena Health System celebrated the completion of its \$13.9 million "Ambulatory Care" project at Adena Regional Medical Center. This project expanded the hospital's capacity in outpatient services, brought on line a new cardiac catheterization laboratory, expanded the number of operating rooms and associated intake and post-procedure beds and added additional space for outpatient cardiac testing and procedures.

Adena Regional Medical Center was named one of the 100 Top Hospitals in the United States by Solucient, a national healthcare "think tank". The award recognized Adena's clinical excellence as well as its financial stewardship.

Adena's total revenues were over \$328 million, with net revenues of \$183 million. Across the system, Adena had 12,400 admissions representing 42,731 days of patient care. Adena Regional recorded 1,063 births. There were 45,258 emergency department visits and 374,161 outpatient visits throughout all Adena facilities. Adena employs nearly 1,500 full-time equivalents - more than 1,700 people work at Adena facilities throughout South Central Ohio. The Health System concluded 2004 with 237 members of the Medical Staff and 264 volunteers.

The business environment remained extremely challenging for MeadWestvaco in 2004. Market conditions, along with general inflationary factors, more than offset positive operational performances for the year. The Chillicothe operation made good progress on product mix and cost improvements. In addition, product quality continued to be excellent. The mill's efforts around product development were at an all time high during 2004.

The operation employed about 1,800 people with a payroll of approximately \$93.1 million in 2004. The mill manufactured 317,700 tons of paper, which includes both carbonless and uncoated grades. The Ohio operation also converted 186,500 ton of coated paper from rolls to sheets.

In October 2004, MeadWestvaco's Chillicothe mill proceeded with a large capital project to upgrade their No. 12 carbonless coater. With the upgrades, the coater will operate more efficiently and allow for fewer dollars to be spent on raw materials. The upgrades were also intended to provide the operation with more flexibility with the variety of paper grades that could be coated on the machine. This is very important from a product development standpoint. The project was completed safely and on time.

On January 17, 2005, MeadWestvaco announced their intentions to sell their printing and writing papers business to a new company, which is controlled by Cerberus Capital Management L.P., a private investment firm. The sale includes five paper mills in Chillicothe, Ohio; Escanaba, Michigan; Luke, Maryland; Rumford, Maine; and Wickliffe, Kentucky. Forest lands supporting the five mills, totaling about 900,000 acres, was also included in the deal. The sale is expected to be finalized in the second quarter of 2005, and the name of the new company will be NewPage.

Horizon Communications had another difficult year in 2004 with the PCS division coming out of bankruptcy and being sold to I.P.C.S. in Illinois. The impact of this merger could result in further job losses. The current communications marketplace continues to be difficult.

The unemployment rate in Ross County at the end of 2004 was 9.1% as compared with 6.1% for the State.

City income tax revenue for 2004 was \$10,020,765, which was an increase of \$605,424 or 6.43%. County sales taxes were \$10,633,971, an increase of \$397,238 or 3.8%. Strong growth continues to be evident in residential housing construction throughout the County and in the retail sector of our economy. The population of Ross County is currently estimated at 74,424.

Tourism in 2004 was not as strong as it was in 2003, during our BiCentennial celebration, but still was a significant factor in the local economy. Hotel-motel taxes of \$167,705 in 2004, which was a decrease of \$13,034 or 7.21%.

### **Major Initiatives**

The year 2004 again saw many areas of our City's infrastructure and business community enhanced through efforts and projects such as the following:

- ▶ The final section of Rt 35 southeast of Chillicothe was completed in November, 2004 allowing four lane traffic from Gallipolis to Washington Court House. This project eliminates a very dangerous stretch of highway at a cost of \$45,000,000.
- ▶ HUD grants totaling \$299,774 were utilized in areas such as fair housing, rental and private rehabilitation, park improvements, and emergency home repair.
- ▶ The City's capital improvements included:  
\$60,060 for a new light Transit vehicle; \$12,348 to purchase another thermal imaging camera for the Fire department; \$20,843 for a lifepak defibrillator for the Fire department; \$43,050 for a new fence, sidewalks and a fountain in the park; \$122,400 to purchase 6 new police vehicles; \$58,649 for a Toto groundmaster mower for Parks department.
- ▶ The Transit department continues to work toward a new facility on the corner of Watt and Seventh Streets.
- ▶ The City did \$973,997 in street and alley improvements, which was financed through notes (\$1,000,000) and a \$126,000 interest free loan from Issue II, which is to be received in 2005. This work will be paid for in early 2005.
- ▶ The entrance to Yoctangee Park was partially completed in 2003 and completed in 2004 at a total cost of \$286,000.
- ▶ Building permits totaled \$94,916 in 2004 for \$13,853,029 in new construction and major rehab work.
- ▶ The local contractor registration ordinance that was passed in 1996 resulted in registering more than 330 contractors and fee revenue of \$17,788.
- ▶ The additional \$5 in the refuse fee per month per household was extended for another year.
- ▶ The new water tower in Brewer Heights was completed at a cost of \$1,200,000.
- ▶ Sanitary sewer lines were constructed on the east side of North Bridge Street at a cost of \$380,268.

- ▶ The bike path extension north of the City along the south side of Rt 35 was completed at a cost of \$350,000 plus the value of the land donated by Bob Hamm.
- ▶ A 2 acre part just north of the Water Shop on Yoctangee Blvd. is dedicated as a Veterans Memorial Park honoring all World War II veterans.
- ▶ The City entered into an agreement to work with Carlisle Building LLC to assist in the repair of the fire damaged “Carlisle Corner”, through the use of HUD grants.
- ▶ The Fraternal Order of Eagles donated \$19,003 for the renovation of the main bandstand in the City Park.

**Future Initiatives**

The year 2005 is expected to see many new initiatives started which will enhance our City.

Some other area developments that are planned to enhance our growth and progress are:

- ▶ The City continues to work with the Green Township Trustees on a J.E.D.D. agreement which includes the City agreeing to pay a \$250,000 debt for the sewer district.
- ▶ A connector road and bridge is planned between Route 104 and Route 23 just north of Delano Road. Planned completion is October, 2006. This total project will cost an estimated \$30 million.
- ▶ It is planned to widen Rt. 104 to four lanes from Route 35 north to the Route 207 connector highway at a cost of \$9 to \$10 million.
- ▶ The City remains interested in building a pedestrian bike bridge over High Street to connect two portions of the bike path.
- ▶ \$240,000 has been appropriated to reline 2,000 feet of sewer line on Douglas Avenue.
- ▶ The addition of sewers for the Neenah Garden area is still in the planning stage.
- ▶ Plans continue to develop the Herron property on Route 23 north, which is 800 acres and will include a full range of usage for jobs, retail and housing. It is planned to extend City sewer service to this site at a cost of \$1,200,000.
- ▶ Expansion of our park facilities will continue with the addition of a 40 acre soccer complex west of our City on land donated by Sunrush Enterprises.

**Budgetary Controls**

The City Council adopts an annual appropriation ordinance at the beginning of each fiscal year (January 1st to December 31st). This appropriation is done in basic categories such as personal services (salaries and fringe benefits), travel transportation, materials and supplies, contractual services, capital outlay, miscellaneous expenditure/expense, transfers and debt service for each department. Within the travel transportation, materials and supplies, contractual services and miscellaneous expenditure/expense categories departments make needed adjustments throughout the course of the year as necessary. During the course of the year, only City Council may authorize by ordinance any additions, deletions or changes between funds as they have originally been appropriated.

Within each fund and/or department these dollars are maintained, as appropriated, on a daily basis by the Auditor's Office with weekly detailed budget expense reports distributed to all departments. Each department controls their own expenditures/expenses and budgets.

The City maintains its budgetary control by not allowing expenditures/expenses plus encumbrances to exceed appropriations at the fund level. All purchases by the City are processed through the computer system in two stages. A department first initiates a purchase by issuing a purchase requisition which is approved by the Purchasing Agent, the Mayor and then by the City Auditor. In turn this is then converted to a purchase order which again is signed by both the Purchasing Agent and the City Auditor and then forwarded to the appropriate vendor. It is important to note the Auditor approves as to availability of funds and reviews as to the legality of the expenditures. It should also be noted that any purchase in excess of \$500 must be approved by the Board of Control, which is made up of the Mayor, Service Director and the Safety Director.

### **Internal Controls**

The City's accounting system has in place many internal controls to ensure reasonable, although not absolute, assurance that all of the City's assets are protected against loss from unauthorized or improper use or disposition. These controls require that all executed transactions follow set guidelines and are subject to multiple approvals. These controls are designed to ensure that explicit and complete financial records are maintained to the satisfaction of the City Auditor, the State Auditor and meet GAAP financial guidelines. It should be noted that the "reasonable assurance" concept recognizes that the cost of a control should not exceed the benefits likely to be derived therefrom and that it is the task of management to make that evaluation.

One of the objectives of the annual audit by the State Auditor's Office is a review of these internal controls to provide reasonable assurance over City's financial reporting.

### **Cash Management**

The City Auditor is responsible for investing all the City's funds and accomplishes this by investing in certificates of deposit and Treasury Notes with our local banks. These certificates of deposit range in length from thirty days to one year and are awarded on a bid basis to the institution having the best bid whenever an investment is to be made. In addition, our City takes advantage of every opportunity to earn interest on all other funds including the float on outstanding checks and funds being held by bond trustees. Interest earned on all investments is designated to the General Fund by law. The only exception being for specifically designated trustee funds and borrowed funds for major projects such as those within the Water and Sewer Funds and Debt Service Fund.

On September 23, 1996 the City formally adopted, by Ordinance #100-96, an investment policy as required by Sub. Senate Bill #81.

### **Risk Management**

The City maintains protection for its assets and employees through a comprehensive insurance program. Insurance policies for general liability, law enforcement liability, errors and omissions liability, vehicle/fleet liability, contractor's equipment, and boiler and machinery coverage are purchased through commercial carriers. Insurance coverages, small claims and settlements must be approved by the City's Insurance Committee which is made up of the City Auditor, Purchasing Agent and the Chair of the City Council Finance Committee.

The City manages health and dental benefits for its employees through a self-insured program. A third party administrator processes these claims.

The City also participates in the Workers' Compensation Program offered by the State of Ohio.

More detailed information about the insurance programs in force at December 31, 2004 is included in Note 18 of the Notes to the Basic Financial Statements.

### **Certificate of Achievement**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Chillicothe for its **Comprehensive Annual Financial Report (CAFR)** for the year ended December 31, 2003. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized **Comprehensive Annual Financial Report**, whose contents conform to program standards. Such CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City of Chillicothe has now received a Certificate of Achievement for each of the years ended December 31, 1991 through December 31, 2003. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

**Acknowledgment**

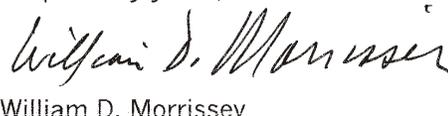
This Comprehensive Annual Financial Report for the City of Chillicothe is the fourteenth for our City and represents not only a tremendous effort on the part of the Auditor's staff but is indicative of the professionalism of all the people involved. With this report our taxpayers may now better understand the operation of our City and its basic financial structure.

I would first like to thank all members of my staff who are listed on page 12 and especially my Office Manager, Donna Taylor, who spent many hours compiling and entering the data for this report.

I would also like to thank J. L. Uhrig & Associates, C.P.A. for their efforts. Without their assistance, this project would have been extremely difficult to accomplish and certainly would not have achieved the high level of professionalism exhibited herein. Our thanks also to the State of Ohio Auditor, Betty Montgomery's staff for their assistance and helpful service throughout the 20 years I have served as Chillicothe City Auditor.

Finally, I would like to thank our City Council Members and the Administration for their cooperation and support throughout the course of this project.

Respectfully yours,

A handwritten signature in cursive script that reads "William D. Morrissey". The signature is written in black ink and is positioned above the printed name.

William D. Morrissey  
Chillicothe City Auditor

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Chillicothe,  
Ohio

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2003

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.



*Nancy L. Zjelke*

President

*Jeffrey R. Enev*

Executive Director

CITY OF CHILLICOTHE, OHIO  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2004

Prepared by Office of City Auditor

CITY OFFICIALS

MAYOR

Joseph P. Sulzer  
Term Expires 12-31-07

CITY COUNCIL

Robert L. Shultz  
President  
Term Expires 12-31-05

Thomas Trutschel  
Term Expires 12-31-05  
Fifth Term - 1st Ward

Eric Rinehart  
Term Expires 12-31-05  
Third Term - 2nd Ward

Jonathan Schobelock  
Term Expires 12-31-05  
First Term - 3rd Ward

Jean Malone  
Term Expires 12-31-05  
Partial Term - 4th Ward

William Bonner  
Term Expires 12-31-05  
Fourth Term - 5th Ward

Patricia Patrick  
Term Expires 12-31-05  
First Term - 6th Ward

Joseph Herlihy  
Term Expires 12-31-05  
Fourth Term - At Large

Cynthia Henderson  
Term Expires 12-31-05  
First Term - At Large

Bartow Henshaw  
Term Expires 12-31-05  
Second Term - At Large

CITY AUDITOR

William D. Morrissey  
20 years of Service  
Term Expires 12-31-05

CITY TREASURER

David A. Neal  
Third Term Expires 12-31-05

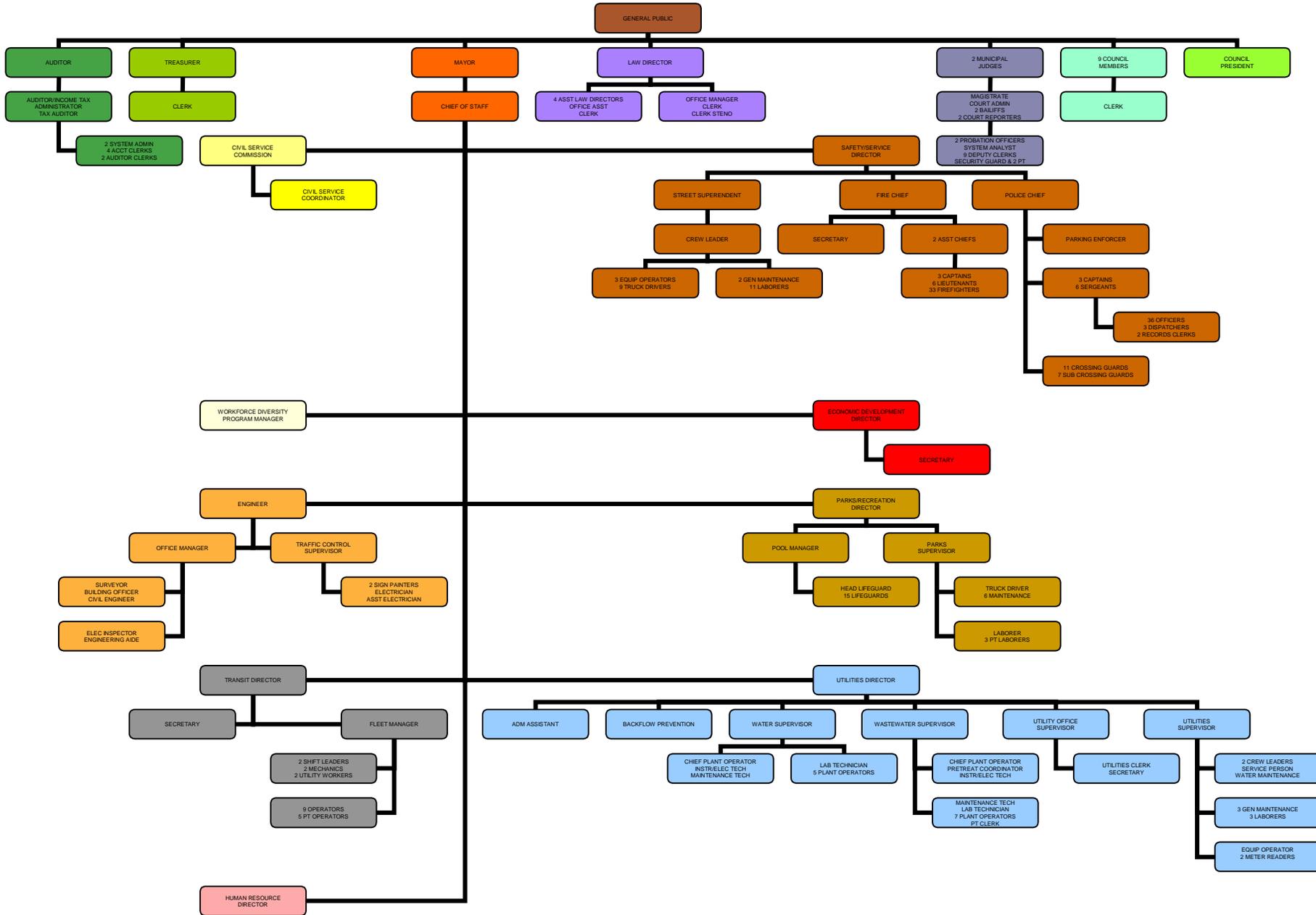
DIRECTOR OF LAW

Toni Eddy  
First Term Expires 12-31-07

CITY OF CHILLICOTHE, OHIO

LISTING OF APPOINTED OFFICIALS

ENGINEER	Thomas Day
CHIEF OF STAFF	Matthew Allen
UTILITIES DIRECTOR	Richard Johnson
SAFETY/SERVICE DIRECTOR	Michael Pfeiffer
DIRECTOR ECONOMIC DEVELOPMENT	Douglas Corcoran
PERSONNEL DIRECTOR	Nancy McNeeley
RECREATION DIRECTOR	Brad Cosenza
TRANSIT DIRECTOR	Michael Scholl
CLERK OF COUNCIL	John Fosson
ASSISTANT LAW DIRECTOR	Mark Preston
ASSISTANT LAW DIRECTOR	Edward Bunstine
ASSISTANT LAW DIRECTOR	Michelle Rout
ASSISTANT LAW DIRECTOR	Robert C. Hess



CITY OF CHILLICOTHE, OHIO  
2004 CITY AUDITOR'S STAFF

CITY AUDITOR	William D. Morrissey
AUDITOR/INCOME TAX ADMINISTRATOR DEPUTY AUDITOR	Donna J. Taylor
TAX AUDITOR	Julie A. Parker
SYSTEM ADMINISTRATOR	Linda J. Tackett
SYSTEM ADMINISTRATOR	Kathy L. Knece
ACCOUNTING CLERK	Holly Cousins
ACCOUNTING CLERK	Mary Schmidt
ACCOUNTING CLERK	Melinda Fisher
ACCOUNTING CLERK	Heidi Leasure
AUDITOR'S CLERK	Lorinda Wisecup
AUDITOR'S CLERK	Amy Wagner



**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT**

City of Chillicothe  
Ross County  
35 South Paint Street  
Chillicothe, Ohio 45601

To the City Council:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Chillicothe, Ross County, Ohio, (the City), as of and for the year ended December 31, 2004, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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 our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Chillicothe, Ross County, Ohio, as of December 31, 2004, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the General fund and the Street Construction, Maintenance and Repair fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 5, 2005, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information accounting principles generally accepted in the United States of America requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

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



**Betty Montgomery**  
Auditor of State

May 5, 2005

## City of Chillicothe, Ohio

Management's Discussion and Analysis  
For the Year Ended December 31, 2004  
Unaudited

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The discussion and analysis of the City of Chillicothe's financial performance provides an overall review of the City's financial activities for the year ended December 31, 2004. The purpose of this discussion and analysis is to look at the City's financial performance and discuss pertinent points to better help the reader understand our performance.

### Financial Highlights

1. The City's total net assets increased \$736,927; net assets of the governmental activities decreased \$294,551; and net assets of the business-type activities increased \$1,031,478.
2. The General Fund balance of \$3,077,179 increased \$249,418 or 8.82% from the previous year's balance of \$2,827,761. This was a result of increased revenue from city income tax.

### Overview of the Financial Statements

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

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

The *statement of net assets* presents information on all of the City of Chillicothe's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the City's net assets changed during the recent fiscal year.

Both of the government-wide financial statements distinguish functions of the City of Chillicothe that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, security of persons and property, transportation, community environment, basic utility services and leisure time activities. The business-type activities include water and sewer operations.

The government-wide financial statements can be found starting on page 22 of this report.

## City of Chillicothe, Ohio

Management's Discussion and Analysis  
For the Year Ended December 31, 2004  
Unaudited

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**Fund Financial Statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Some funds are required to be established by State law and by bond covenants. However, the Auditor establishes many other funds to help control and manage money for particular purposes or to show that the City is meeting legal responsibilities for using certain taxes, grants and other money. All of the funds of the City of Chillicothe can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental Funds** - Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. The governmental fund statements use the modified accrual basis of accounting and provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information may be useful in evaluating a government's near term financing requirements. We describe the relationship (or differences) between governmental activities (reported in the *statement of net assets* and the *statement of activities*) and governmental funds in a reconciliation which follows the fund financial statements.

The City of Chillicothe maintains 25 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances, for the General Fund and Street Construction Maintenance & Repair Fund, which are considered to be major funds. Data from the other 23 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City of Chillicothe adopts an annual appropriated budget for each of its funds. A budgetary comparison statement (budget basis) has been provided in the combining and individual fund section of this report for each governmental and proprietary fund to demonstrate budgetary compliance.

**Proprietary Funds** - The City of Chillicothe uses enterprise funds to account for its water and sewer operations. Proprietary funds are reported in the same way that all activities are reported in the *statement of net assets* and the *statement of activities* using the full accrual basis of accounting. The City of Chillicothe has two funds that are considered to be major funds, the water and sewer funds.

### Government-Wide Financial Analysis

While this document contains information about the funds used by the City to provide services to our citizens, the view of the City as a whole looks at all financial transactions.

The *statement of net assets* and the *statement of activities* include all assets and liabilities using the full accrual basis of accounting similar to the accounting used by the private sector. The basis for this accounting takes into account all of the current year's revenues and expenses regardless of when the cash is received or paid.

**City of Chillicothe, Ohio**  
Management's Discussion and Analysis  
For the Year Ended December 31, 2004  
Unaudited

**The City of Chillicothe as a Whole**

The following two statements reflect the net assets of the City as a whole and are divided into the following categories:

- assets
- liabilities
- net assets (assets minus liabilities)
- revenues
- expenses
- increase (decrease) in net assets

	<b>Net Assets</b>					
	Governmental Activities		Business-Type Activities		Total	
	2004	2003	2004	2003	2004	2003
<b>Assets</b>						
Current and Other Assets	\$11,521,127	\$9,180,950	\$11,087,438	\$12,326,880	\$22,608,565	\$21,507,830
Capital Assets, Net	<u>47,909,615</u>	<u>49,468,339</u>	<u>42,727,393</u>	<u>42,632,244</u>	<u>90,637,008</u>	<u>92,100,583</u>
<i>Total Assets</i>	<u>59,430,742</u>	<u>58,649,289</u>	<u>53,814,831</u>	<u>54,959,124</u>	<u>113,245,573</u>	<u>113,608,413</u>
<b>Liabilities</b>						
Current and Other Liabilities	4,375,920	2,536,697	1,615,518	2,641,436	5,991,438	5,178,133
Long-Term Liabilities:						
Due within One Year	1,251,891	1,167,466	1,452,222	1,339,568	2,704,113	2,507,034
Due in More Than One Year	<u>4,276,735</u>	<u>5,124,379</u>	<u>12,915,023</u>	<u>14,177,530</u>	<u>17,191,758</u>	<u>19,301,909</u>
<i>Total Liabilities</i>	<u>9,904,546</u>	<u>8,828,542</u>	<u>15,982,763</u>	<u>18,158,534</u>	<u>25,887,309</u>	<u>26,987,076</u>
<b>Net Assets</b>						
Invested in Capital Assets, Net of Related Debt	44,886,857	47,396,076	28,017,313	25,980,128	72,904,170	73,376,204
Restricted for:						
Debt Service	0	62,044	1,949,546	1,655,677	1,949,546	1,717,721
Capital Projects	781,247	697,867	3,089,391	3,138,244	3,870,638	3,836,111
Permanent Fund Purpose:						
Expendable	1,987	1,967	0	0	1,987	1,967
Nonexpendable	1,000	1,000	0	0	1,000	1,000
Other Purposes	3,613,428	2,586,624	0	0	3,613,428	2,586,624
Unrestricted (Deficit)	<u>241,677</u>	<u>(924,831)</u>	<u>4,775,818</u>	<u>6,026,541</u>	<u>5,017,495</u>	<u>5,101,710</u>
<i>Total Net Assets</i>	<u>\$49,526,196</u>	<u>\$49,820,747</u>	<u>\$37,832,068</u>	<u>\$36,800,590</u>	<u>\$87,358,264</u>	<u>\$86,621,337</u>

Current and other assets of governmental activities increased by \$2,340,177 or 25.5% due to an increase in cash and cash equivalents and intergovernmental receivable. Capital assets and investments in capital assets, net of the related debt of the governmental activities decreased due to depreciation expenses exceeding current capital asset additions. Total liabilities of the governmental activities increased by \$1,076,004 or 12% due to an increase in contracts payable and notes payable.

## City of Chillicothe, Ohio

Management's Discussion and Analysis  
For the Year Ended December 31, 2004  
Unaudited

Current and other assets of business-type activities decreased by \$1,239,880 or 10% due to a decrease in cash and cash equivalents used to retire debt. Total liabilities of business-type activities decreased by \$2,175,771 or 11.9% due to principal retirement of debt. Investment in capital assets, net of related debt decreased \$2,037,185 or 7.8% due to principal retirement of debt.

The City's total net assets increased from \$86,621,337 in 2003 to \$87,358,264 in 2004, a change of \$736,927 or 0.85%.

This increase in the City's total net assets is the result of a decrease in the net assets of the governmental activities of \$294,551 or 0.59% and an increase in the net assets of the business-type activities of \$1,031,478 or 2.80%.

For the governmental activities, the City is optimistic that the implementation of changes to the income tax filing process will enhance revenues, and the City continues to review expenses for various cost containment measures in an effort to prevent any decrease in future net assets. For the business-type activities, the City increased water and sewer rates during 2004 to aid in the support of the water and sewer operations.

In order to further understand what makes up the changes in net assets for the current year, the following table gives readers further details regarding the results of activities for years 2004 and 2003.

### Changes in Net Assets

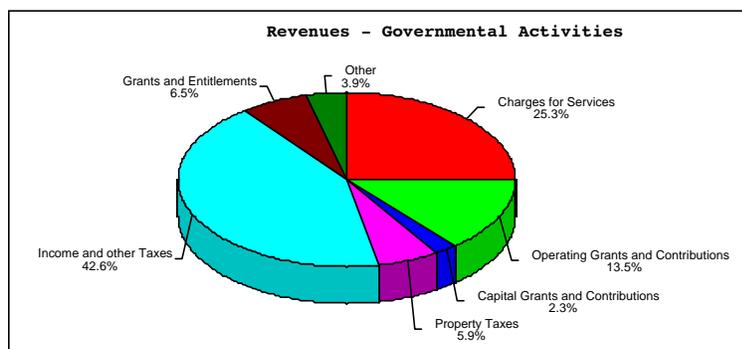
	Governmental Activities			Business-Type Activities		Total	
	2004	2003	2004	2003	2004	2003	
<b>Revenues</b>							
Program Revenues:							
Charges for Services	\$6,040,744	\$5,813,795		\$7,403,538	\$7,066,073	\$13,444,282	\$12,879,868
Operating Grants and Contributions	3,225,346	2,880,809		0	0	3,225,346	2,880,809
Capital Grants and Contributions	559,712	7,052		0	0	559,712	7,052
General Revenues:							
Property Taxes	1,406,866	1,403,955		0	0	1,406,866	1,403,955
Income and other Taxes	10,195,789	9,586,465		0	0	10,195,789	9,586,465
Grants and Entitlements	1,552,464	1,787,884		0	0	1,552,464	1,787,884
Other	928,785	662,668		326,730	46,698	1,255,515	709,366
<b>Total Revenues</b>	<b>23,909,706</b>	<b>22,142,628</b>		<b>7,730,268</b>	<b>7,112,771</b>	<b>31,639,974</b>	<b>29,255,399</b>
<b>Program Expenses</b>							
General Government	7,145,676	8,395,001		0	0	7,145,676	8,395,001
<i>Security of Persons and Property:</i>							
Police	5,229,724	5,435,648		0	0	5,229,724	5,435,648
Fire	3,679,628	3,847,891		0	0	3,679,628	3,847,891
Transportation	5,459,822	3,439,975		0	0	5,459,822	3,439,976
Community Environment	631,235	1,024,969		0	0	631,235	1,024,969
Basic Utility Services	939,088	936,233		0	0	939,088	936,233
Leisure Time Activities	1,008,825	1,039,855		0	0	1,008,825	1,039,855
Interest and Fiscal Charges	88,230	270,135		0	0	88,230	270,135
Water and Sewer	0	0		6,720,819	7,099,233	6,720,819	7,099,233
<b>Total Expenses</b>	<b>24,182,228</b>	<b>24,389,707</b>		<b>6,720,819</b>	<b>7,099,233</b>	<b>30,903,047</b>	<b>31,488,940</b>

**City of Chillicothe, Ohio**  
**Management's Discussion and Analysis**  
**For the Year Ended December 31, 2004**  
**Unaudited**

Increase (Decrease) in Net Assets Before Transfers	(272,522)	(2,247,079)	1,009,449	13,538	736,927	(2,233,541)
Net Transfers In (Out)	<u>(22,029)</u>	<u>(148,595)</u>	<u>22,029</u>	<u>148,595</u>	<u>0</u>	<u>0</u>
Increase (Decrease) in Net Assets	(294,551)	(2,395,674)	1,031,478	162,133	736,927	(2,233,541)
Net Assets at Beginning of Year	<u>49,820,747</u>	<u>52,216,421</u>	<u>36,800,590</u>	<u>36,638,457</u>	<u>86,621,337</u>	<u>88,854,878</u>
Net Assets at End of Year	<u><u>\$49,526,196</u></u>	<u><u>\$49,820,747</u></u>	<u><u>\$37,832,068</u></u>	<u><u>\$36,800,590</u></u>	<u><u>\$87,358,264</u></u>	<u><u>\$86,621,337</u></u>

**Governmental Activities**

Governmental activities decreased the City's net assets by \$294,551. The primary reason for the decrease in net assets relates to an increase in expenses in transportation. The major cost factors involved in these increases are salaries and fringe benefits, including medical insurance. An increase in depreciation expense was another factor. Revenues were relatively stable except for charges for services which increased 3.90%, capital grants which increased 7,800.0%, operating grants and contributions which increased 11.9%, and income tax which increased 6.36% for the year.

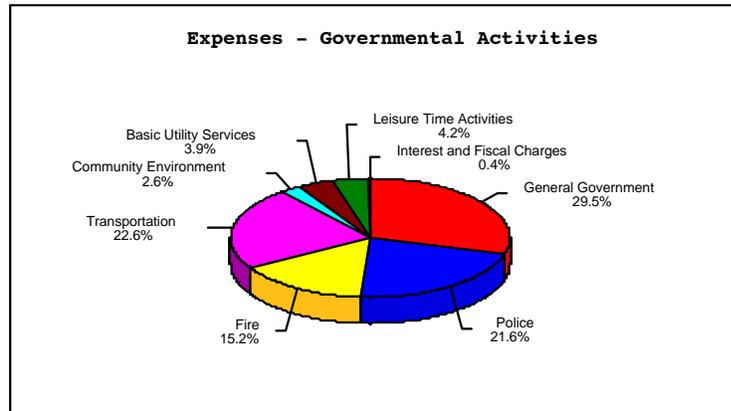


The income and other tax revenue for 2004 was \$10,195,789. Of the \$23,909,706 in total revenues, income and other tax accounts for 42.6% of that total. Charges for services of \$6,040,744 account for 25.3% of total revenues. Operating and capital grants and contributions account for 15.8% of the total and grants and entitlements, property taxes, and other revenue make up the remaining 16.3%.

In 2004 income and other tax increased \$609,324 from 2003. This was mainly the result of mandatory tax filing that began in 2004. Charges for services increased \$226,949. This was the result of an increase in EMS fees. Operating grants and contributions increased \$344,537 in 2004. This was due to an increase in HUD grants. Capital grants and contributions increased \$552,660 in 2004. This was the result of Issue II funding and a parks and recreation capital grant.

**City of Chillicothe, Ohio**  
 Management's Discussion and Analysis  
 For the Year Ended December 31, 2004  
 Unaudited

The City monitors its source of revenues very closely for fluctuations.

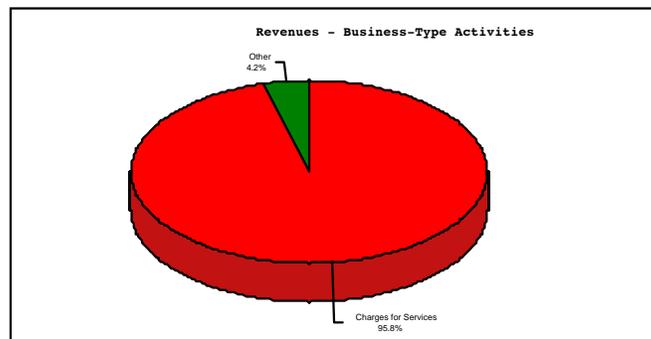


In 2004 general government expenses decreased \$1,249,325 due to a decrease in depreciation expense recorded in this account. Transportation expenses increased due to a reclassification of capital assets depreciation expense recorded in this account.

For the most part, decreases in expenses were the result of cost containment measures enacted by the City due to budget concerns. The largest functional expense for the City was for security of persons and property, which include the Police and Fire departments.

**Business-Type Activities**

The business-type activities of the City, which include the City's water and sewer operations, increased the City's net assets by \$1,031,478. An increase in charges for services as well as net assets in total in the business-type activities increased due to an increase in water and sewer rates.



**Financial Analysis of the City's Funds**

**Governmental Funds**

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year. These funds are accounted for by using the modified accrual basis of accounting.

## **City of Chillicothe, Ohio**

Management's Discussion and Analysis  
For the Year Ended December 31, 2004  
Unaudited

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The General Fund is the chief operating fund of the City. At the end of 2004, the total fund balance for the General Fund was \$3,077,179 of which \$3,056,578 was unreserved.

During the current year, the fund balance of the City's General Fund increased by \$249,418. The increase in the General Fund balance is due to increased revenue from the increase in city income tax revenues.

At the end of 2004, the Street Construction Maintenance & Repair Fund had a negative fund balance of \$436,692, which was the result of the City issuing a \$1,000,000 bond anticipation note obligation in this fund and the accrual of contracts payable of \$896,232.

### **Proprietary Funds**

During the current year, the fund balance of the City's water fund increased by \$1,314,343 or 7.6%. The increase in the Water Fund balance is due mostly to an increase in the water rates and less interest and fiscal charges.

During the current year, the fund balance of the City's Sewer Fund decreased by \$282,865 or 1.05%. The decrease in the Sewer Fund balance is due to an increase in personal services and transfers-out.

### ***General Fund Budgeting Highlights***

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on a budget basis of cash receipts (revenues), and disbursements and encumbrances (expenditures). The most significant budgeted fund is the General Fund. During 2004, the City amended its General Fund budget on various occasions. All recommendations for budget changes come to the Finance Committee of City Council for review before going to the whole Council for an ordinance on the change. The City does allow small interdepartmental budget changes that modify line items within departments within the same fund.

For the General Fund, the original budgeted revenues were \$15,612,931 and the final budgeted revenue amount was \$15,628,705.

The differences between the General Fund's original budget and final amended budget of expenditures were minor, except for the change as follows:

- The most significant change was \$715,711 additional appropriation in security of persons and property.

**City of Chillicothe, Ohio**

Management's Discussion and Analysis  
 For the Year Ended December 31, 2004  
 Unaudited

**Capital Assets and Debt Administration**

**CAPITAL ASSETS AT DECEMBER 31  
 (NET OF DEPRECIATION)**

	Governmental Activities		Business-Type Activities	
	2004	2003	2004	2003
Land	\$6,641,050	\$6,291,379	\$1,889,017	\$1,889,017
Construction in Progress	0	281,971	0	476,587
Land Improvements	433,132	199,030	303	1,205
Buildings, Structures and Improvements	7,253,713	7,543,911	2,550,850	1,446,733
Plant and Facilities	0	0	17,857,316	18,289,398
Furniture, Fixtures, & Equipment	1,190,554	1,558,680	200,318	275,623
Infrastructure	32,391,166	33,593,368	20,229,589	20,253,681
<b>Total</b>	<b><u>\$47,909,615</u></b>	<b><u>\$49,468,339</u></b>	<b><u>\$42,727,393</u></b>	<b><u>\$42,632,244</u></b>

Total capital assets for governmental activities of the City of Chillicothe for the year 2004 were \$47,909,615 or \$1,558,724 less than in 2003. This decrease was mostly due to the annual depreciation expense.

The increase in business-type activities of \$95,149 was due primarily to the addition of the water tower to Buildings, Structures and Improvements.

Additional information concerning the City's capital assets can be found in Note 7 of the notes to the basic financial statements.

As of December 31, 2004, the City of Chillicothe had \$17,870,000 in bonds and notes outstanding with \$3,690,000 due within one year.

**OUTSTANDING DEBT AT DECEMBER 31**

	2004	2003
<b>Governmental Activities</b>		
General Obligation Bond Retirement Bonds:		
Various Purpose	\$1,665,000	\$1,895,000
Police and Fire Pension	495,000	510,000
Street Improvement Note	1,000,000	0
<b>Total Governmental Activities</b>	<b>3,160,000</b>	<b>2,405,000</b>
<b>Business-Type Activities</b>		
Water Revenue Bonds	10,500,000	11,350,000
Sewer Revenue Bonds	990,000	1,210,000
Sewer General Obligation Bonds	2,020,000	2,095,000
Water and Sewer Notes	1,200,000	2,000,000
<b>Total Business-Type Activities</b>	<b>14,710,000</b>	<b>16,655,000</b>
<b>Total</b>	<b><u>\$17,870,000</u></b>	<b><u>\$19,060,000</u></b>

## **City of Chillicothe, Ohio**

Management's Discussion and Analysis  
For the Year Ended December 31, 2004  
Unaudited

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The general obligation bonds issued for various purposes are comprised of (1) #1 fire house, (2) jail complex, and (3) landfill closure obligations and sewer project. In 2003 the City refinanced the various purpose general obligation bonds and water mortgage revenue bonds.

In 1999 the City issued general obligation bonds to pay off its debt to the Ohio Police and Fire Pension Fund.

There is \$10,500,000 in water revenue bonds and \$990,000 in sewer revenue bonds.

The \$1,000,000 general obligation note is for street improvements.

The \$1,200,000 water note is for the water tower.

Additional information concerning the City's debt can be found in Note 8 and Note 9 of the notes to the basic financial statements.

### **Current Known Facts and Conditions**

In spite of continuing reductions in employment levels at MeadWestvaco, Horizon Communications, and the total closure of Thompson Electronics in Circleville, Ohio totaling an estimated 900 jobs in 2004, City income tax collections increased. Much of this increase is due to the impact of mandatory tax filing. These figures make it difficult to evaluate the impact of our job losses.

### **Contacting the City's Financial Management**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City Auditor's Office, 35 S. Paint Street, Chillicothe, Ohio 45601.

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City of Chillicothe, Ohio

Statement of Net Assets

December 31, 2004

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Equity in Pooled Cash & Cash Equivalents	\$4,975,195	\$4,538,190	\$9,513,385
Cash and Cash Equivalents in Segregated Accounts	265,864	0	265,864
Investment in City Treasury	1,000	0	1,000
Accounts Receivable	215,180	1,241,362	1,456,542
Intergovernmental Receivable	3,111,412	0	3,111,412
Income Tax Receivable	1,244,334	0	1,244,334
Property Tax Receivable	1,398,486	0	1,398,486
Other Taxes Receivable	85,681	0	85,681
Special Assessments Receivable	11,041	10,301	21,342
Accrued Interest Receivable	5,467	0	5,467
Materials and Supplies Inventory	88,355	5,909	94,264
Prepaid Items	119,112	47,610	166,722
Unamortized Bond Issue Costs	0	205,129	205,129
<i>Restricted Assets:</i>			
Equity in Pooled Cash & Cash Equivalents	0	3,089,391	3,089,391
Cash & Cash Equivalents with Fiscal and Trustees	0	1,949,546	1,949,546
Nondepreciable Capital Assets	6,641,050	1,889,017	8,530,067
Depreciable Capital Assets, Net	41,268,565	40,838,376	82,106,941
<b>Total Assets</b>	<b>59,430,742</b>	<b>53,814,831</b>	<b>113,245,573</b>
<b>Liabilities</b>			
Accounts Payable	178,552	22,246	200,798
Contracts Payable	909,604	38,838	948,442
Accrued Wages Payable	194,435	31,416	225,851
Intergovernmental Payable	561,504	181,877	743,381
Accrued Interest Payable	15,162	102,967	118,129
Retainage Payable	25,483	0	25,483
Claims Payable	189,511	38,174	227,685
Deposits Held and Due to Others	3,878	0	3,878
Deferred Revenue	1,297,791	0	1,297,791
Notes Payable	1,000,000	1,200,000	2,200,000
<i>Long-Term Liabilities:</i>			
Due within One Year	1,251,891	1,452,222	2,704,113
Due in More Than One Year	4,276,735	12,915,023	17,191,758
<b>Total Liabilities</b>	<b>9,904,546</b>	<b>15,982,763</b>	<b>25,887,309</b>
<b>Net Assets</b>			
Investments in Capital Assets, Net of Related Debt	44,886,857	28,017,313	72,904,170
<i>Restricted for:</i>			
Debt Service	0	1,949,546	1,949,546
Capital Projects	781,247	3,089,391	3,870,638
<i>Permanent Fund Purpose:</i>			
Expendable	1,987	0	1,987
Nonexpendable	1,000	0	1,000
Other Purposes	3,613,428	0	3,613,428
Unrestricted	241,677	4,775,818	5,017,495
<b>Total Net Assets</b>	<b>\$49,526,196</b>	<b>\$37,832,068</b>	<b>\$87,358,264</b>

See accompanying notes to the basic financial statements

City of Chillicothe, Ohio

Statement of Activities

For the Year Ended December 31, 2004

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities</b>				
General Government	\$7,145,676	\$4,057,530	\$201,611	\$6,617
<i>Security of Persons and Property:</i>				
Police	5,229,724	78,159	2,195	0
Fire	3,679,628	694,253	2,195	0
Transportation	5,459,822	168,624	2,336,828	203,095
Community Environment	631,235	0	676,010	0
Basic Utility Services	939,088	977,912	0	0
Leisure Time Activities	1,008,825	64,266	6,507	350,000
Interest and Fiscal Charges	88,230	0	0	0
Total Governmental Activities	24,182,228	6,040,744	3,225,346	559,712
<b>Business-Type Activities</b>				
Water	3,523,388	4,388,054	0	0
Sewer	3,197,431	3,015,484	0	0
Total Business-Type Activities	6,720,819	7,403,538	0	0
Totals	\$30,903,047	\$13,444,282	\$3,225,346	\$559,712

**General Revenues**

Property Taxes Levied for:

    General Purposes

Municipal Income Taxes Levied for:

    General Purposes

    Capital Outlay

Other Taxes

Grants and Entitlements not Restricted to Specific Programs

Investment Earnings

Miscellaneous

Total General Revenues

Transfers

Total General Revenues and Transfers

Change in Net Assets

Net Assets at Beginning of Year-Restated (See Note 4)

Net Assets at End of Year

See accompanying notes to the basic financial statements

Net (Expense) Revenue and  
Changes in Net Assets

Governmental Activities	Business-Type Activities	Total
(\$2,879,918)	\$0	(\$2,879,918)
(5,149,370)	0	(5,149,370)
(2,983,180)	0	(2,983,180)
(2,751,275)	0	(2,751,275)
44,775	0	44,775
38,824	0	38,824
(588,052)	0	(588,052)
(88,230)	0	(88,230)
(14,356,426)	0	(14,356,426)
0	864,666	864,666
0	(181,947)	(181,947)
0	682,719	682,719
(14,356,426)	682,719	(13,673,707)
1,406,866	0	1,406,866
9,242,017	0	9,242,017
778,748	0	778,748
175,024	0	175,024
1,552,464	0	1,552,464
146,091	19,397	165,488
782,694	307,333	1,090,027
14,083,904	326,730	14,410,634
(22,029)	22,029	0
14,061,875	348,759	14,410,634
(294,551)	1,031,478	736,927
49,820,747	36,800,590	86,621,337
<u>\$49,526,196</u>	<u>\$37,832,068</u>	<u>\$87,358,264</u>

City of Chillicothe, Ohio

Balance Sheet  
Governmental Funds

December 31, 2004

	General	Street Construction Maintenance & Repair	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>				
Equity in Pooled Cash & Cash Equivalents	\$1,297,395	\$1,114,952	\$2,562,848	\$4,975,195
Cash and Cash Equivalents in Segregated Accounts	261,027	0	4,837	265,864
Investment in City Treasury	0	0	1,000	1,000
Accounts Receivable	215,180	0	0	215,180
Interfund Receivable	410,542	12,114	0	422,656
Intergovernmental Receivable	914,028	671,217	1,526,167	3,111,412
Income Tax Receivable	1,011,022	0	233,312	1,244,334
Property Tax Receivable	1,130,910	0	267,576	1,398,486
Other Taxes Receivable	85,681	0	0	85,681
Special Assessments Receivable	11,041	0	0	11,041
Accrued Interest Receivable	5,467	0	0	5,467
Materials and Supplies Inventory	65,816	3,841	18,698	88,355
Prepaid Items	100,866	4,314	13,932	119,112
<b>Total Assets</b>	<b>\$5,508,975</b>	<b>\$1,806,438</b>	<b>\$4,628,370</b>	<b>\$11,943,783</b>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts Payable	\$55,321	\$3,602	\$119,629	\$178,552
Contracts Payable	0	896,232	13,372	909,604
Accrued Wages Payable	163,134	10,694	20,607	194,435
Compensated Absences Payable	101,817	0	0	101,817
Intergovernmental Payable	216,422	16,080	329,002	561,504
Retainage Payable	25,483	0	0	25,483
Interfund Payable	0	0	422,656	422,656
Claims Payable	147,932	12,178	29,401	189,511
Accrued Interest Payable	0	9,605	0	9,605
Notes Payable	0	1,000,000	0	1,000,000
Deposits Held and Due to Others	3,878	0	0	3,878
Deferred Revenue	1,717,809	294,739	932,379	2,944,927
<b>Total Liabilities</b>	<b>2,431,796</b>	<b>2,243,130</b>	<b>1,867,046</b>	<b>6,541,972</b>
<b>Fund Balances</b>				
Reserved for Permanent Fund	0	0	1,000	1,000
Reserved for Encumbrances	20,601	180,090	318,118	518,809
<i>Unreserved Reported in:</i>				
General Fund	3,056,578	0	0	3,056,578
Special Revenue Funds	0	(616,782)	1,676,010	1,059,228
Debt Service Fund	0	0	12,150	12,150
Capital Projects Funds	0	0	752,059	752,059
Permanent Fund	0	0	1,987	1,987
<b>Total Fund Balances</b>	<b>3,077,179</b>	<b>(436,692)</b>	<b>2,761,324</b>	<b>5,401,811</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$5,508,975</b>	<b>\$1,806,438</b>	<b>\$4,628,370</b>	<b>\$11,943,783</b>

See accompanying notes to the basic financial statements

City of Chillicothe, Ohio

Reconciliation of Total Governmental Fund Balances to  
Net Assets of Governmental Activities

December 31, 2004

**Total Governmental Fund Balances** \$5,401,811

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

Capital assets used in governmental activities are not financial  
resources and therefore are not reported in the funds 47,909,615

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

Property and Other Taxes	51,695
Intergovernmental	1,584,400
Special Assessments	11,041
	<hr/>

Total 1,647,136

In the statement of activities, interest is accrued on outstanding bonds,  
whereas in governmental funds, an interest expenditure is reported  
when due. (5,557)

Some liabilities, including bonds payable, are not due and payable  
in the current period and therefore are not reported in the funds:

General Obligation Bonds	(1,665,000)
Police & Fire Pension Bonds	(495,000)
Premium on Bonds Issued	(14,562)
Capital Leases Payable	(137,758)
Landfill Postclosure Costs	(1,043,497)
Compensated Absences Payable	(2,070,992)
	<hr/>

Total (5,426,809)

Net Assets of Governmental Activities \$49,526,196

See accompanying notes to the basic financial statements

City of Chillicothe, Ohio

Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds

For the Year Ended December 31, 2004

	General	Street Construction Maintenance & Repair	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>				
Property Taxes	\$1,134,980	\$0	\$268,550	\$1,403,530
Municipal Income Taxes	8,151,058	0	1,869,707	10,020,765
Other Taxes	175,024	0	0	175,024
Charges for Services	2,708,459	0	170,124	2,878,583
Fines, Licenses, and Permits	3,069,143	0	84,218	3,153,361
Intergovernmental	1,710,475	1,094,219	2,527,767	5,332,461
Special Assessments	5,222	0	0	5,222
Investment Earnings	145,998	0	93	146,091
Miscellaneous	643,972	29,761	164,050	837,783
Total Revenue	<u>17,744,331</u>	<u>1,123,980</u>	<u>5,084,509</u>	<u>23,952,820</u>
<b>Expenditures</b>				
<i>Current:</i>				
General Government	6,828,417	0	322,891	7,151,308
<i>Security of Persons and Property:</i>				
Police	4,118,850	0	583,407	4,702,257
Fire	3,568,993	0	722,693	4,291,686
Transportation	202,990	1,977,491	2,143,773	4,324,254
Community Environment	13	0	388,907	388,920
Basic Utility Services	916,882	0	0	916,882
Leisure Time Activities	93,362	0	736,854	830,216
Capital Outlay	54,983	82,516	1,073,135	1,210,634
<i>Debt Service:</i>				
Principal Retirement	46,398	0	247,897	294,295
Interest and Fiscal Charges	15,247	9,605	71,814	96,666
Total Expenditures	<u>15,846,135</u>	<u>2,069,612</u>	<u>6,291,371</u>	<u>24,207,118</u>
Excess of Revenues Over (Under) Expenditures	<u>1,898,196</u>	<u>(945,632)</u>	<u>(1,206,862)</u>	<u>(254,298)</u>
<b>Other Financing Sources (Uses):</b>				
Inception of Capital Lease	55,181	0	0	55,181
Transfers-In	108,593	255,000	1,780,430	2,144,023
Transfers-Out	(1,812,552)	0	(353,500)	(2,166,052)
Total Other Sources (Uses)	<u>(1,648,778)</u>	<u>255,000</u>	<u>1,426,930</u>	<u>33,152</u>
Net Change in Fund Balances	249,418	(690,632)	220,068	(221,146)
Fund Balances at Beginning of Year	<u>2,827,761</u>	<u>253,940</u>	<u>2,541,256</u>	<u>5,622,957</u>
Fund Balances at End of Year	<u><u>\$3,077,179</u></u>	<u><u>(\$436,692)</u></u>	<u><u>\$2,761,324</u></u>	<u><u>\$5,401,811</u></u>

See accompanying notes to the basic financial statements

City of Chillicothe, Ohio

Reconciliation of the Statement of Revenues, Expenditures and Changes  
in Fund Balances of Governmental Funds to the Statement of Activities

For the Year Ended December 31, 2004

**Net Change in Fund Balances - Total Governmental Funds** (\$221,146)

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

Governmental funds report capital outlays as expenditures.

However, in the statement of activities, the cost of those assets  
is allocated over their estimated useful lives as depreciation expense.  
This is the amount by which depreciation exceeded capital outlays in  
the current period.

Capital Asset Additions	1,806,228	
Current Year Depreciation	(3,169,350)	
Total		(1,363,122)

Governmental funds only report the disposal of capital assets to the  
extent proceeds are received from the sale. In the statement of  
activities, a gain or loss is reported for each disposal.

(195,572)

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

Delinquent Property Taxes	3,336	
Intergovernmental	(47,842)	
Special Assessments	1,395	
Total		(43,111)

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.

294,295

In the statement of activities, interest is accrued on outstanding bonds,  
whereas in governmental funds, an interest expenditure is reported  
when due.

8,436

Other financing sources in the governmental funds that increase long-term  
liabilities in the statement of net assets are not reported as  
revenues in the statement of activities.

(55,181)

Landfill Closure expenditures that are reported as a reduction of a  
liability as a change in estimate and are reported in the statement of activities

572,553

Some expenses reported in the statement of activities, such as  
compensated absences do not require the use of current financial  
resources and therefore are not reported as expenditures.

Compensated Absences	(4,314)	
Intergovernmental Payable	683,892	
Capital Leases Traded In	28,749	
Total		708,327

Change in Net Assets - Governmental Activities (\$294,521)

See accompanying notes to the basic financial statements

City of Chillicothe, Ohio

Statement of Revenues, Expenditures, and  
Changes in Fund Balances - Budget and Actual (Budget Basis)  
General Fund

For the Year Ended December 31, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Local Taxes	\$9,755,098	\$9,181,713	\$9,284,022	\$102,309
Charges for Services	2,642,800	2,722,800	2,729,784	6,984
Fines, Licenses and Permits	1,343,000	1,379,760	1,387,634	7,874
Intergovernmental	1,585,033	1,761,124	1,773,078	11,954
Special Assessments	0	5,000	5,222	222
Investment Earnings	140,000	120,000	140,531	20,531
Miscellaneous	147,000	458,308	666,919	208,611
Total Revenue	<u>15,612,931</u>	<u>15,628,705</u>	<u>15,987,190</u>	<u>358,485</u>
<b>Expenditures</b>				
<i>Current:</i>				
General Government	5,383,800	5,230,439	5,130,745	99,694
Security of Persons and Property	7,104,464	7,820,175	7,589,117	231,058
Transportation	211,000	203,464	203,464	0
Community Environment	585	90	90	0
Basic Utility Services	829,590	906,734	906,704	30
Leisure Time Activities	110,667	95,094	94,027	1,067
Total Expenditures	<u>13,640,106</u>	<u>14,255,996</u>	<u>13,924,147</u>	<u>331,849</u>
Excess of Revenues Over Expenditures	1,972,825	1,372,709	2,063,043	690,334
<b>Other Financing Sources (Uses)</b>				
Transfers - In	80,000	120,829	122,669	1,840
Transfers - Out	(1,921,400)	(1,855,406)	(1,812,576)	42,830
Advances - Out	0	(350,000)	(350,000)	0
Total Other Sources (Uses)	<u>(1,841,400)</u>	<u>(2,084,577)</u>	<u>(2,039,907)</u>	<u>44,670</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	131,425	(711,868)	23,136	735,004
Fund Balances at Beginning of Year	1,158,771	1,158,771	1,158,771	0
Prior Year Encumbrances Appropriated	<u>12,072</u>	<u>12,072</u>	<u>12,072</u>	<u>0</u>
Fund Balances at End of Year	<u>\$1,302,268</u>	<u>\$458,975</u>	<u>\$1,193,979</u>	<u>\$735,004</u>

See accompanying notes to the basic financial statements

City of Chillicothe, Ohio

Statement of Revenues, Expenditures, and Changes in  
Fund Balances - Budget and Actual (Budget Basis)  
Street Construction Maintenance & Repair Fund

For the Year Ended December 31, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$865,000	\$829,000	\$830,543	\$1,543
Miscellaneous	5,460	41,460	23,168	(18,292)
Total Revenue	870,460	870,460	853,711	(16,749)
<b>Expenditures</b>				
<i>Current:</i>				
Transportation	1,269,075	2,258,012	2,216,440	41,572
Total Expenditures	1,269,075	2,258,012	2,216,440	41,572
Excess of Revenues Over Expenditures	(398,615)	(1,387,552)	(1,362,729)	24,823
<b>Other Financing Sources</b>				
Proceeds of Notes	0	1,000,000	1,000,000	0
Transfers-In	305,000	255,000	255,000	0
Total Other Sources	305,000	1,255,000	1,255,000	0
Excess of Revenues and Other Sources (Under) Expenditures	(93,615)	(132,552)	(107,729)	24,823
Fund Balances at Beginning of Year	79,348	79,348	79,348	0
Prior Year Encumbrances Appropriated	70,931	70,931	70,931	0
Fund Balances at End of Year	\$56,664	\$17,727	\$42,550	\$24,823

See accompanying notes to the basic financial statements

City of Chillicothe, Ohio

Statement of Fund Net Assets  
Proprietary Funds

December 31, 2004

	Enterprise Funds		Total
	Water	Sewer	
<b>Assets</b>			
<i>Current:</i>			
Equity in Pooled Cash & Cash Equivalents	\$3,675,560	\$862,630	\$4,538,190
Accounts Receivable	725,242	516,120	1,241,362
Special Assessments Receivable	7,420	2,881	10,301
Materials and Supplies Inventory	3,230	2,679	5,909
Prepaid Items	24,929	22,681	47,610
Unamortized Bond Issue Costs	205,129	0	205,129
<i>Noncurrent:</i>			
<i>Restricted Assets:</i>			
Equity in Pooled Cash & Cash Equivalents	1,200,000	1,889,391	3,089,391
Cash & Cash Equivalents with Fiscal and Trustees	1,643,056	306,490	1,949,546
Nonpreciable Capital Assets	1,412,520	476,497	1,889,017
Depreciable Capital Assets, Net	22,188,160	18,650,216	40,838,376
<b>Total Assets</b>	<b>31,085,246</b>	<b>22,729,585</b>	<b>53,814,831</b>
<b>Liabilities</b>			
<i>Current:</i>			
Accounts Payable	9,722	12,524	22,246
Contracts Payable	38,838	0	38,838
Accrued Wages Payable	13,647	17,769	31,416
Compensated Absences Payable	77,174	130,048	207,222
Intergovernmental Payable	25,716	156,161	181,877
Accrued Interest Payable	43,616	59,351	102,967
Claims Payable	20,424	17,750	38,174
Notes Payable	1,200,000	0	1,200,000
General Obligation Bonds Payable	0	85,000	85,000
Revenue Bonds Payable	930,000	230,000	1,160,000
<i>Noncurrent:</i>			
Compensated Absences Payable	205,847	211,248	417,095
General Obligation Bonds Payable	0	1,935,000	1,935,000
Revenue Bonds Payable	9,802,928	760,000	10,562,928
<b>Total Liabilities</b>	<b>12,367,912</b>	<b>3,614,851</b>	<b>15,982,763</b>
<b>Net Assets</b>			
Investments in Capital Assets, Net of Related Debt	11,900,600	16,116,713	28,017,313
<i>Restricted for:</i>			
Debt Service	1,643,056	306,490	1,949,546
Capital Projects	1,200,000	1,889,391	3,089,391
Unrestricted	3,973,678	802,140	4,775,818
<b>Total Net Assets</b>	<b>\$18,717,334</b>	<b>\$19,114,734</b>	<b>\$37,832,068</b>

See accompanying notes to the basic financial statements

City of Chillicothe, Ohio

Statement of Revenues, Expenses and  
Changes in Fund Net Assets  
Proprietary Funds

For the Year Ended December 31, 2004

	Enterprise Funds		Total
	Water	Sewer	
<b>Operating Revenues</b>			
Charges for Services	\$4,388,054	\$3,015,484	\$7,403,538
Other Operating Revenue	275,431	31,902	307,333
Total Operating Revenues	4,663,485	3,047,386	7,710,871
<b>Operating Expenses</b>			
Personal Services	937,379	929,213	1,866,592
Fringe Benefits	561,180	519,770	1,080,950
Contractual Services	151,611	23,465	175,076
Materials and Supplies	445,588	625,385	1,070,973
Depreciation	651,231	557,714	1,208,945
Other Operating Expense	299,969	346,702	646,671
Total Operating Expenses	3,046,958	3,002,249	6,049,207
Operating Income	1,616,527	45,137	1,661,664
<b>Non-Operating Revenues (Expenses)</b>			
Bond Issue Costs	(22,792)	0	(22,792)
Interest Income	17,688	1,709	19,397
Loss on Disposal of Capital Assets	(23,461)	(21,677)	(45,138)
Interest and Fiscal Charges	(430,177)	(173,505)	(603,682)
Total Non-Operating Revenues (Expenses)	(458,742)	(193,473)	(652,215)
Income (Loss) Before Transfers	1,157,785	(148,336)	1,009,449
Transfers - In	161,944	31,407	193,351
Transfers - Out	(5,386)	(165,936)	(171,322)
Change in Net Assets	1,314,343	(282,865)	1,031,478
Net Assets at Beginning of Year-Restated (See Note 4)	17,402,991	19,397,599	36,800,590
Net Assets at End of Year	\$18,717,334	\$19,114,734	\$37,832,068

See accompanying notes to the basic financial statements

City of Chillicothe, Ohio

Statement of Cash Flows  
Proprietary Funds

For the Year Ended December 31, 2004

	Enterprise Funds		Total
	Water	Sewer	
<b>Cash Flows from Operating Activities</b>			
Cash Received from Customers	\$4,333,251	\$2,975,032	\$7,308,283
Cash Received from Other Receipts	275,612	32,978	308,590
Cash Payments to Employees	(1,442,892)	(1,527,452)	(2,970,344)
Cash Payments for Contractual Services	(160,256)	(23,077)	(183,333)
Cash Payments for Supplies & Materials	(382,332)	(655,284)	(1,037,616)
Cash Payments for Other Expenses	(538,033)	(349,841)	(887,874)
Net Cash from Operating Activities	2,085,350	452,356	2,537,706
<b>Cash Flows from Noncapital Financing Activities</b>			
Transfers-In from Other Funds	161,944	31,407	193,351
Transfers-Out to Other Funds	(5,386)	(165,936)	(171,322)
Net Cash from Noncapital Financing Activities	156,558	(134,529)	22,029
<b>Cash Flows from Capital and Related Financing Activities</b>			
Proceeds Received from Bonds & Notes	1,200,000	0	1,200,000
Interest Paid on Bonds, Notes, Loans & Capital Leases	(453,366)	(127,807)	(581,173)
Principal Paid on Bonds, Notes, Loans & Capital Leases	(2,850,000)	(295,000)	(3,145,000)
Cash Paid to Acquire/Construct Capital Assets	(864,962)	(484,270)	(1,349,232)
Net Cash from Capital Related and Financing Activities	(2,968,328)	(907,077)	(3,875,405)
<b>Cash Flows from Investing Activities</b>			
Interest Received on Investments	17,688	1,709	19,397
Net Cash from Investing Activities	17,688	1,709	19,397
Net (Decrease) In Cash and Cash Equivalents	(708,732)	(587,541)	(1,296,273)
Cash and Cash Equivalents at Beginning of Year	7,227,348	3,646,052	10,873,400
Cash and Cash Equivalents at End of Year	<u>\$6,518,616</u>	<u>\$3,058,511</u>	<u>\$9,577,127</u>

See accompanying notes to the basic financial statements

continued

City of Chillicothe, Ohio

Statement of Cash Flows  
Proprietary Funds

For the Year Ended December 31, 2004

**Reconciliation of Operating Income to Net  
Cash from Operating Activities**

Operating Income	\$1,616,527	\$45,137	\$1,661,664
Adjustments to Reconcile Operating Income to Net Cash from Operating Activities:			
Depreciation Expense	651,231	557,714	1,208,945
<i>Changes in Assets &amp; Liabilities:</i>			
(Increase) Decrease in Accounts Receivable	(54,803)	(38,827)	(93,630)
(Increase) Decrease in Special Assessments Receivable	181	(549)	(368)
(Increase) Decrease in Material & Supply Inventory	14,101	545	14,646
(Increase) Decrease in Prepaid Items	1,602	(1,873)	(271)
Increase (Decrease) in Accounts Payable	(12,644)	(31,322)	(43,966)
Increase (Decrease) in Contracts Payable	(186,512)	0	(186,512)
Increase (Decrease) in Accrued Wages Payable	6,393	4,919	11,312
Increase (Decrease) in Compensated Absences Payable	65,247	(44,219)	21,028
Increase (Decrease) in Intergovernmental Payable	(24,958)	(37,145)	(62,103)
Increase (Decrease) in Claims Payable	8,985	(2,024)	6,961
Net Cash from Operating Activities	<u>\$2,085,350</u>	<u>\$452,356</u>	<u>\$2,537,706</u>

See accompanying notes to the basic financial statements

City of Chillicothe, Ohio

Statement of Fiduciary Net Assets  
Fiduciary Funds

December 31, 2004

	Private Purpose Trust Unclaimed Monies	Agency Deposits Agency
<b>Assets</b>		
Equity in Pooled Cash & Cash Equivalents	\$64,235	\$23,856
Total Assets	64,235	23,856
<b>Liabilities</b>		
Deposits Held and Due to Others	0	23,856
Total Liabilities	0	\$23,856
<b>Net Assets</b>		
Held in Trust for Potential Claimants	<u>\$64,235</u>	

See accompanying notes to the basic financial statements

City of Chillicothe, Ohio

Statement of Changes in Fiduciary Net Assets  
Fiduciary Fund

For the Year Ended December 31, 2004

	Private Purpose Trust
	Unclaimed Monies
	<hr/>
<b>Additions</b>	
Miscellaneous	\$17,267
<b>Deductions</b>	
Amounts Paid to Claimants	350
Amounts Paid to Funds - Expired Claims	14,076
	<hr/>
Total Deductions	14,426
	<hr/>
Change in Net Assets	2,841
Net Assets at Beginning of Year	61,394
	<hr/>
Net Assets at End of Year	\$64,235
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See accompanying notes to the basic financial statements

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**CITY OF CHILLICOTHE, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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**FOR THE YEAR ENDED DECEMBER 31, 2004**

**NOTE 1 - DESCRIPTION OF THE CITY OF CHILLICOTHE**

The City of Chillicothe (the City) was founded in 1796 and is a municipal corporation under the laws of the State of Ohio. The City operates under a Mayor-Council form of government. Legislative power is vested in a ten member council, each elected to two year terms. The Mayor, Auditor, Treasurer and Law Director are elected to four year terms.

The major services provided by the City include police and fire protection, civil and criminal justice system, street maintenance and repair, community development, transportation, recreation, litter control and recycling, sanitation, and water and sewer services. The operation and control of these services is governed by the city council through the budgetary process and by the Mayor through administrative and managerial requirements and procedures.

As required by generally accepted accounting principles, the basic financial statements present the City of Chillicothe (the primary government) and any component units.

In determining whether to include a governmental department, agency, commission or organization as a component unit, the City must evaluate each entity as to whether they are legally separate and financially accountable based on criteria set forth by the Governmental Accounting Standards Board (GASB). Legal separateness is evaluated on the basis of (1) its corporate name, (2) the right to sue or be sued and (3) the right to buy, sell, lease and mortgage property. Financial accountability is based on (1) the appointment of the governing authority and (2) the ability to impose will or (3) the providing of specific financial benefit or imposition of a specific financial burden. Another factor to consider in this evaluation is whether an entity is fiscally dependent on the City.

In applying the above criteria, there are no component units to present outside the scope of the primary government (City).

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**Basis of Presentation**

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

**CITY OF CHILLICOTHE, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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**FOR THE YEAR ENDED DECEMBER 31, 2004**

Government-Wide Financial Statements

The statement of net assets and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. For the most part, the effect of interfund activity has been removed from these statements. The statements distinguish between those activities of the City that are governmental and those that are considered business-type activities.

The statement of net assets presents the financial condition of the governmental and business-type activities of the City at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the City's governmental activities and for the business-type activities of the City. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, 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

During the year, the City segregates transactions related to certain City functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

**Fund Accounting**

The City uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self balancing set of accounts. There are three categories of funds: governmental, proprietary and fiduciary.

Governmental Funds

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the City's major governmental funds:

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

**CITY OF CHILLICOTHE, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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**FOR THE YEAR ENDED DECEMBER 31, 2004**

Street Construction Maintenance & Repair Fund - This fund accounts for specific revenues that are legally restricted to expenditure for maintenance and repair of City streets.

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

Proprietary Funds

Proprietary fund reporting focuses on changes in net assets, financial position and cash flows. The City's proprietary funds are classified as enterprise funds. Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The following are the City's major enterprise funds:

Water Fund - This fund accounts for the provision of water treatment and distribution to its residential and commercial users located within the City.

Sewer Fund - This fund accounts for the provision of sanitary sewer service to the residents and commercial users located within the City.

Fiduciary Funds

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. The City's trust fund is a private-purpose trust fund established to account for assets (escheat property) held for individuals as unclaimed funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The City's agency fund accounts for assets that are held pending determination of their disposition.

**Measurement Focus**

Government-Wide Financial Statements

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the City are included on the statement of net assets.

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet.

The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

**CITY OF CHILLICOTHE, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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**FOR THE YEAR ENDED DECEMBER 31, 2004**

This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

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

The private-purpose trust fund is reported using the economic resources measurement focus.

**Basis of Accounting**

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

**Revenues - Exchange and Nonexchange Transactions**

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available.

Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the City, available means expected to be received within sixty days of year-end.

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include municipal income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from municipal income taxes is recognized in the period in which the income is earned (See Note 14). Revenue from property taxes is recognized in the year for which the taxes are levied (See Note 13). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied.

Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which the City must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

**CITY OF CHILLICOTHE, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

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**FOR THE YEAR ENDED DECEMBER 31, 2004**

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: municipal income taxes, state-levied locally shared taxes (including gasoline tax), fines and forfeitures, grants and interest.

Deferred Revenue

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

Property taxes for which there is an enforceable legal claim as of December 31, 2004, but which were levied to finance year 2005 operations, have been recorded as deferred revenue. Special assessments not received within the available period and grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

Expenditures

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

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

Budgetary Accounting and Control

Under Ohio law, City Council must adopt an appropriations budget by January 1<sup>st</sup> of a given year, or adopt a temporary appropriation measure with final passage of a permanent budget by April 1<sup>st</sup>, for all funds except Agency Funds. Budgets are adopted for each organizational unit by fund.

Each City department prepares a budget which is approved by City Council. All modifications made throughout the year to the original department budgets must be requested by the departmental management and approved through legal resolution by City Council, except in the travel transportation, materials and supplies, and contractual services and miscellaneous or other expenditure categories of each department.

Several budget modifications and supplemental appropriations were made during the year and each final budget amount reported in the budget to actual comparisons includes all modifications and supplemental appropriations that were necessary.

The City maintains budgetary control by fund and ordinance does not permit expenditures and encumbrances to exceed appropriations for each fund. Unencumbered and unexpended appropriations lapse at year-end in all budgeted funds. Prior year encumbrances and corresponding prior year appropriations are carried forward as part of the budgetary authority for next year and are included in the original and final budget amounts shown in the budget-to-actual comparisons.

**CITY OF CHILLICOTHE, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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**FOR THE YEAR ENDED DECEMBER 31, 2004**

The City's budgetary process accounts for certain transactions on a budgetary basis instead of a GAAP basis. The major differences between the budget basis and the GAAP basis are that revenues are recorded when actually received (budget basis) as opposed to when susceptible to accrual (GAAP basis), and expenditures are recorded when paid (budget basis) as opposed to when incurred (GAAP basis). Additionally, the City reflects outstanding encumbrances at year-end as expenditures on the budgetary basis.

**Cash and Cash Equivalents**

To improve cash management, cash received by the City is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the City's records. Each fund's interest in the pool is presented as "equity in pooled cash and cash equivalents" on the balance sheet.

Investments are reported at fair value which is based on quoted market prices, with the exception of nonparticipating repurchase agreements, which are reported at cost.

Following the local ordinance of the City as well as Ohio statutes, the City has specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General Fund during 2004 amounted to \$145,998, which includes \$129,780 assigned from other City funds.

The City has segregated bank accounts for monies held separate from the City's treasury accounts. These interest-bearing depository accounts are presented on the statement of net assets as "cash and cash equivalents in segregated accounts" since they are not required to be deposited into the City's treasury. The cash of the Municipal Court is included in this line item.

For purposes of the statement of cash flows and for presentation on the statement of net assets/balance sheet, investments with an original maturity of three months or less and investments of the cash management pool are considered to be cash equivalents.

**Inventory**

On government-wide financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used.

On fund financial statements, inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. Inventory in governmental funds consists of expendable supplies held for consumption. The cost of inventory items is recorded as an expenditure in the governmental funds and as an expense in the proprietary funds when used.

**Prepaid Items**

Payments made to vendors for services that will benefit periods beyond December 31, 2004, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which it was consumed.

**CITY OF CHILLICOTHE, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2004**

**Restricted Assets**

Restricted assets in the enterprise funds represent cash and cash equivalents that are restricted in their use by legal or contractual requirements.

**Capital Assets**

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net assets and in the respective funds.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and deletions during the year. Donated capital assets are recorded at their fair market values as of the date received. The City maintains a capitalization threshold of five hundred dollars. The City's infrastructure consists of streets, traffic signals, floodwall, park lighting, water and sewer lines, valves and meters.

Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction of capital assets is also capitalized. All reported capital assets are depreciated except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the City's historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following useful lives:

Description	Governmental Activities Estimated Lives	Business-Type Activities Estimated Lives
Land Improvements	5 years	5 years
Buildings, Structures and Improvements	20-50 years	20-50 years
Plant and Facilities	50 years	50 years
Furniture, Fixtures, Equipment, and Vehicles	5-15 years	5-15 years
Infrastructure	20-50 years	20-50 years

**Compensated Absences**

The City reports compensated absences in accordance with the provisions of GASB No. 16, "Accounting for Compensated Absences."

Vacation and compensatory time benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means.

**CITY OF CHILLICOTHE, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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**FOR THE YEAR ENDED DECEMBER 31, 2004**

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

The City records a liability for all accumulated unused vacation and compensatory time when earned for all employees. The City records a liability for accumulated unused sick leave for employees of the Police Department after eight years of accumulated service, and for all other employees of the City after five years of accumulated service, except for employees of the Fire Department where no requirement exists for years of accumulated service. The entire compensated absence liability is reported on the government-wide financial statements.

In governmental funds, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignation or retirement. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated leave are paid. The noncurrent portion of the liability is not reported on the fund financial statements. In proprietary funds, the entire amount of compensated absences is reported as a fund liability on the fund financial statements.

**Accrued Liabilities and Long-Term Obligations**

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

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

**Fund Balance Reserves**

The City reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent expendable resources and therefore are not available for appropriation or expenditure. As a result, encumbrances and principal portion of the permanent fund are recorded as a reservation of fund balance.

**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 borrowing used for the acquisition, construction or improvement of those assets.

**CITY OF CHILLICOTHE, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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**FOR THE YEAR ENDED DECEMBER 31, 2004**

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.

**Operating Revenues and Expenses**

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services for water and sanitary sewer services. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the fund.

**Interfund Transactions**

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

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

**Interfund Balances**

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables." These amounts are eliminated in the government-wide financial statements.

**Extraordinary and Special Items**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Administration and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during 2004.

**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.

**CITY OF CHILLICOTHE, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2004**

**NOTE 3 - BUDGETARY BASIS OF ACCOUNTING**

While the City is reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The statement of revenues, expenditures and changes in fund balance - budget and actual (budget basis) is presented for the General Fund and the Street Construction Maintenance & Repair Fund on the budgetary basis to provide a meaningful comparison of actual results with the budget.

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

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures for all funds (budget basis) rather than as a reservation of fund balance.

The following table summarizes the adjustments necessary to reconcile the GAAP and budgetary basis statements for the General Fund and Street Construction Maintenance & Repair Fund.

**Net Change in Fund Balance**

	<u>General</u>	<u>Street Construction Maintenance &amp; Repair Fund</u>
<b>GAAP Basis</b>	\$249,418	(\$690,632)
Adjustments:		
Net Adjustment for Non-budgeted Municipal Court	(14,181)	0
Net Adjustment for Revenue Accruals	(152,879)	(270,269)
Net Adjustment for Expenditure Accruals	358,053	925,573
Encumbrances	(26,146)	(1,072,401)
Net Adjustment for Other Sources (Uses)	(391,129)	1,000,000
<b>Budget Basis</b>	<u>\$23,136</u>	<u>(\$107,729)</u>

**NOTE 3A - ACCOUNTABILITY**

Deficit Fund Balances	<u>Deficit</u>
Street Construction Maintenance & Repair Fund	\$436,692
<u>Nonmajor Funds</u>	
Police Pension	129,766
Fire Pension	157,113
Capital Improvement	68,000

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These funds complied with Ohio state law, which does not permit a cash basis deficit at year-end. The general fund is liable for any deficits in these funds and provides transfers when cash is required, not when accruals occur. The deficit fund balances resulted from adjustments for accrued liabilities.

**NOTE 4 - PRIOR PERIOD ADJUSTMENTS**

The City restated net assets in the Governmental Activities, Business-Type Activities, and Water Enterprise Fund at December 31, 2003. The City omitted three capital leases that should have been accrued as an obligation in the Governmental Activities at December 31, 2003. As a result, the City determined that net assets in the Governmental Activities were overstated as noted below. The City omitted construction in progress that should have been included in the Water Fund as capital assets at December 31, 2003.

As a result, the City determined that net assets in the Business-Type Activities and Water Fund were understated as noted below:

	<u>Governmental Activities</u>			<u>Total Business-Type Funds</u>
<b>Governmental Activities</b>				
Net Assets at December 31, 2003	\$49,882,553			
Adjustment Due to Understated Capital Leases	<u>(61,806)</u>			
<b>Net Assets at December 31, 2003</b>	<u><u>\$49,820,747</u></u>			
	<u>Water</u>	<u>Sewer</u>		
<b>Business-Type Activities</b>				
Net Assets at December 31, 2003	\$16,923,758	\$19,397,599		\$36,321,357
Adjustment Due to Understated Capital Assets	<u>479,233</u>	<u>0</u>		<u>479,233</u>
<b>Net Assets at December 31, 2003</b>	<u><u>\$17,402,991</u></u>	<u><u>\$19,397,599</u></u>		<u><u>\$36,800,590</u></u>

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

Monies held in the City Treasury are pooled for the purpose of investment management. The City is authorized to invest in those instruments identified in section 135.35 of the Ohio Revised Code. Specifically, these authorized instruments consist of:

- (1) Bonds, notes or other obligations guaranteed by the United States or those for which the full faith and credit of the United States is pledged;
- (2) Bonds, notes, debentures or other obligations or securities insured by any federal government agency;
- (3) Written repurchase agreements in the securities listed above;
- (4) Bonds and other obligations of Ohio, its political subdivisions, or other units or agencies of Ohio or its political subdivisions;

**CITY OF CHILLICOTHE, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2004**

- (5) Time certificates of deposit or savings or deposit accounts, including, but not limited to, passbook accounts;
- (6) No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) above and repurchase agreements secured by such obligations, provided that investment in securities are made only through eligible institutions.
- (7) The State Treasurer’s investment pool (Star Ohio).

The amount available for deposit and investment are as follows:

Cash and Cash Equivalents:	
-Pooled	\$12,690,867
-Segregated	265,864
-Fiscal & Escrow Agents	1,949,546
Investments (Carrying Amounts)	1,000
Reconciling items (net) to arrive at bank balances for deposits	<u>185,834</u>
<b>Total available for deposit and investment</b>	<b><u><u>\$15,093,111</u></u></b>

Any depository that receives a City deposit or investment is required to pledge to the investing authority as collateral eligible securities of aggregate fair value that, when added to the portion of the deposit insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation, equals or exceeds the amount of City funds deposited.

A public depository may, at its option, pledge a single pool of eligible securities to secure the repayment of all public monies held by the depository. The pool of securities so pledged must have a current fair value at least equal to 105% of all public monies on deposit with the depository including the amount covered by federal insurance.

GASB Statement No. 9 requires the City to report cash flows for its proprietary funds. For purposes of the statement of cash flows, the City defines cash and cash equivalents in proprietary funds as demand deposit accounts and all highly liquid investments with an original maturity of three months or less and investments of the cash management pool.

The Governmental Accounting Standards Board (GASB Statement No. 3) has established credit risk categories for deposits and investments as follows:

- Category 1- Deposits that are insured or collateralized with securities held by the City or its agent in the City's name;
  - Investments that are insured or registered, or securities held by the City or its agent in the City's name;
- Category 2- Deposits that are collateralized with securities held by the pledging financial institution's trust department or agent in the City's name;
  - Investments that are uninsured and unregistered, with securities held by the counterparty's trust department or agent in the City's name;

**CITY OF CHILLICOTHE, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2004**

Category 3- Deposits that are uncollateralized or collateralized with securities held by the pledging financial institution, or its trust department or agent but not in the City's name.

Investments that are uninsured and unregistered, with securities held by the counterparty or its trust department or agent but not in the City's name;

Based on the above criteria, the City deposits and investments at December 31, 2004 are classified as follows:

	C A T E G O R Y			Bank Balance	Carrying Value
	1	2	3		
<i>Deposits:</i>					
Demand Deposits	\$400,000	\$0	\$14,692,111	\$15,092,111	\$14,906,277
<b>Total Deposits</b>	<u>\$400,000</u>	<u>\$0</u>	<u>\$14,692,111</u>	<u>\$15,092,111</u>	<u>\$14,906,277</u>

	C A T E G O R Y			Carrying Value	Fair Value
	1	2	3		
<i>Investments:</i>					
U.S. Treasury Bond	\$1,000	\$0	\$0	\$1,000	\$1,000
<b>Total Investments</b>	<u>\$1,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,000</u>	<u>\$1,000</u>

The classification of cash and cash equivalents and investments on the basic financial statements is based on criteria set forth in GASB Statement No. 9. There are no differences between GASB Statement No. 3 and Gasb Statement No. 9 at December 31, 2004.

	Cash and Cash Equivalents	Investments
GASB Statement No. 9	\$14,906,277	\$1,000
<b>GASB Statement No. 3</b>	<u>\$14,906,277</u>	<u>\$1,000</u>

**NOTE 6 - RECEIVABLES**

Receivables at December 31, 2004 consisted of property taxes, municipal income taxes, accounts (billings for user charged services) and intergovernmental grants. All receivables are considered fully collectible. A summary of the principal items of intergovernmental receivables follows:

**CITY OF CHILLICOTHE, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2004**

**Governmental Activities**

*General Fund:*

Local Government Distributions	\$853,589
State Property Tax Reimbursements	55,799
Estate Taxes and Other Revenues	4,120
Grants and Other Revenues	<u>520</u>
Total General Fund	914,028
Street Construction Maintenance & Repair Distributions	671,217
<i>Nonmajor Special Revenue Funds:</i>	
State Highway Distributions	35,846
Housing and Urban Development Grants	787,137
Grants	27,845
Bus Transportation Grants	312,115
Police & Fire Pension State Property Tax Reimbursements	<u>13,224</u>
Total Nonmajor Special Revenue Funds	<u>1,176,167</u>
Nonmajor Capital Projects Fund:	
Parks & Recreation Capital Grant	<u>350,000</u>
<b>Total Intergovernmental Receivables</b>	<b><u><u>\$3,111,412</u></u></b>

**NOTE 7- CAPITAL ASSETS**

A summary of changes in general capital assets during 2004 are as follows:

	Balance 01/01/2004	Additions	Deletions	Balance 12/31/2004
<b>Governmental Activities:</b>				
Nondepreciable Capital Assets				
Land	\$6,291,379	\$349,671	\$0	\$6,641,050
Construction in Progress	<u>281,971</u>	<u>0</u>	<u>(281,971)</u>	<u>0</u>
Total Nondepreciable Capital Assets	<u>6,573,350</u>	<u>349,671</u>	<u>(281,971)</u>	<u>6,641,050</u>
Depreciable Capital Assets				
Land Improvements	4,256,635	364,902	0	4,621,537
Buildings, Structures and Improvements	13,316,027	10,800	0	13,326,827
Furniture, Fixtures, Equipment, & Vehicles	7,202,684	388,799	(377,229)	7,214,254
Infrastructure	<u>51,882,688</u>	<u>973,997</u>	<u>0</u>	<u>52,856,685</u>
Total Depreciable Capital Assets	<u>76,658,034</u>	<u>1,738,498</u>	<u>(377,229)</u>	<u>78,019,303</u>
Less Accumulated Depreciation:				
Land Improvements	(4,057,605)	(130,800)	0	(4,188,405)
Buildings, Structures and Improvements	(5,772,116)	(300,998)	0	(6,073,114)
Furniture, Fixtures, Equipment, & Vehicles	(5,644,004)	(561,353)	181,657	(6,023,700)
Infrastructure	<u>(18,289,320)</u>	<u>(2,176,199)</u>	<u>0</u>	<u>(20,465,519)</u>
Total Accumulated Depreciation	<u>(33,763,045)</u>	<u>(3,169,350)</u>	<u>181,657</u>	<u>(36,750,738)</u>
Total Capital Assets Being Depreciated, Net	<u>42,894,989</u>	<u>(1,430,852)</u>	<u>(195,572)</u>	<u>41,268,565</u>
<b>Governmental Activities Capital Assets, Net</b>	<b><u><u>\$49,468,339</u></u></b>	<b><u><u>(\$1,081,181)</u></u></b>	<b><u><u>(\$477,543)</u></u></b>	<b><u><u>\$47,909,615</u></u></b>

**CITY OF CHILLICOTHE, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2004**

For governmental activities, depreciation expense was charged to functions as follows:

<b>Governmental Activities</b>	
General Government	\$207,324
<i>Security of Persons and Property:</i>	
Police	175,538
Fire	144,432
Transportation	2,117,416
Community Environment	234,816
Leisure Time Activities	289,824
	<u>289,824</u>
<b>Governmental Activities Depreciation Expense</b>	<u><u>\$3,169,350</u></u>

	Balance 1/1/2004	Additions	Deletions	Balance 12/31/2004
<b>Business-Type Activities:</b>				
Nondepreciable Capital Assets:				
Land	\$1,889,017	\$0	\$0	\$1,889,017
Construction in Progress	476,587	723,413	(1,200,000)	0
	<u>2,365,604</u>	<u>723,413</u>	<u>(1,200,000)</u>	<u>1,889,017</u>
Total Nondepreciable Capital Assets	<u>2,365,604</u>	<u>723,413</u>	<u>(1,200,000)</u>	<u>1,889,017</u>
Depreciable Capital Assets:				
Land Improvements	272,721	0	0	272,721
Buildings, Structures and Improvements	2,633,274	1,200,000	0	3,833,274
Plant and Facilities	25,029,802	42,920	0	25,072,722
Furniture, Fixtures, & Equipment	1,960,578	18,344	(9,476)	1,969,446
Infrastructure	26,709,273	564,555	(98,373)	27,175,455
	<u>56,605,648</u>	<u>1,825,819</u>	<u>(107,849)</u>	<u>58,323,618</u>
Total Depreciable Capital Assets	<u>56,605,648</u>	<u>1,825,819</u>	<u>(107,849)</u>	<u>58,323,618</u>
Less Accumulated Depreciation:				
Land Improvements	(271,516)	(902)	0	(272,418)
Buildings, Structures and Improvements	(1,186,541)	(95,883)	0	(1,282,424)
Plant and Facilities	(6,740,404)	(475,002)	0	(7,215,406)
Furniture, Fixtures, & Equipment	(1,684,955)	(93,649)	9,476	(1,769,128)
Infrastructure	(6,455,592)	(543,509)	53,235	(6,945,866)
	<u>(16,339,008)</u>	<u>(1,208,945)</u>	<u>62,711</u>	<u>(17,485,242)</u>
Total Accumulated Depreciation	<u>(16,339,008)</u>	<u>(1,208,945)</u>	<u>62,711</u>	<u>(17,485,242)</u>
Depreciable Capital Assets, Net	<u>40,266,640</u>	<u>616,874</u>	<u>(45,138)</u>	<u>40,838,376</u>
<b>Business-Type Activities Capital Assets, Net</b>	<u><u>\$42,632,244</u></u>	<u><u>\$1,340,287</u></u>	<u><u>\$(1,245,138)</u></u>	<u><u>\$42,727,393</u></u>

The business-type activities of the City are the water and sanitary sewer operations.

**NOTE 8 - NOTES PAYABLE**

The City's note transactions for the year ended December 31, 2004, were as follows:

**CITY OF CHILLICOTHE, OHIO**  
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**FOR THE YEAR ENDED DECEMBER 31, 2004**

Purpose	Balance 1/1/04	Additions	Deletions	Balance 12/31/04
<b>Governmental Activities:</b>				
Bond Anticipation Notes Payable:				
Street Improvement, 2.26%	\$0	\$1,000,000	\$0	\$1,000,000
<b>Governmental Activities Note Payable</b>	<b>0</b>	<b>1,000,000</b>	<b>0</b>	<b>1,000,000</b>
<b>Business-Type Activities:</b>				
Bond Anticipation Notes Payable:				
Municipal Water System, 1.63%	\$500,000	\$0	(\$500,000)	\$0
Municipal Water System, 1.25%	1,500,000	0	(1,500,000)	0
Municipal Water System, 2.50%	0	1,200,000	0	1,200,000
<b>Business-Type Activities Notes Payable</b>	<b>\$2,000,000</b>	<b>\$1,200,000</b>	<b>(\$2,000,000)</b>	<b>\$1,200,000</b>

According to State statute, notes can be issued in anticipation of bond proceeds, special assessment bond proceeds and levies, or for up to 50% of anticipated revenue collections. All of the City's notes are backed by the full faith and credit of the City, and mature within one year.

**NOTE 9 - LONG-TERM OBLIGATIONS**

The City's long-term obligations activity for the year ended December 31, 2004, was as follows:

**Governmental Activities General Obligation Bonds and Other Long-Term Obligations**

Purpose	Balance 1/1/2004	Additions	Deletions	Balance 12/31/2004	Amounts Due Within One Year
<b>Governmental Activities:</b>					
General Obligation Bonds Payable:					
Various Purpose G.O. Bonds, \$2,125,000, 3.31%, 2003	\$1,895,000	\$ 0	(\$230,000)	\$1,665,000	\$230,000
Issuance Premium on Bonds	16,642	0	(2,080)	14,562	0
Police & Fire Pension Bonds, \$575,000, 3.75-5.625%, 1999	510,000	0	(15,000)	495,000	15,000
Other Long-Term Obligations:					
Compensated Absences	2,093,532	1,074,783	(995,506)	2,172,809	881,125
Capital Leases	160,621	55,181	(78,044)	137,758	50,367
Landfill Post-Closure Care	1,616,050	0	(572,553)	1,043,497	75,399
<b>Governmental Activities Long-Term Obligations</b>	<b>\$6,291,845</b>	<b>\$1,129,964</b>	<b>(\$1,893,183)</b>	<b>\$5,528,626</b>	<b>\$1,251,891</b>

In 2003, the City issued \$2,125,000 of general obligation bonds for governmental activities. The \$16,642 premium on this issue is being amortized over the life of this debt.

General obligation bonds issued for governmental activities of the City are retired through the Bond Retirement Debt Service Fund. General obligation bonds are secured by the City's ability to levy a voted or unvoted property tax levy within the limitations of the Ohio law. These bonds are also backed by the full faith and credit of the City as additional security.

**CITY OF CHILLICOTHE, OHIO**  
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Compensated absences will be paid from the fund from which the employees' salaries are paid. Capital lease obligations will be paid from the fund that maintains custody of the related asset. The landfill post-closure care liability will be paid from the General Fund.

**Business-Type Activities Bonds and Other Long-Term Obligations**

Purpose	Balance 1/1/2004	Additions	Deletions	Balance 12/31/2004	Balance One Year	Amounts Due Within
<b>Business-Type Activities:</b>						
<b>Mortgage Revenue Bonds Payable:</b>						
Municipal Water System						
\$11,350,000, 5.22%, 2003	\$11,350,000	\$ 0	(\$850,000)	\$10,500,000		\$930,000
Issuance Premium on Bonds	258,809	0	(25,881)	232,928		0
Municipal Sewer System,						
\$3,010,000, 2.75-5.10%, 1993	1,210,000	0	(220,000)	990,000		230,000
<b>General Obligation Bonds Payable:</b>						
\$2,095,000, Sewer Bonds, 3.31%, 2003	2,095,000	0	(75,000)	2,020,000		85,000
Compensated Absences	603,289	210,367	(189,339)	624,317		207,222
	<u>        </u>	<u>        </u>	<u>        </u>	<u>        </u>	<u>        </u>	<u>        </u>
Business-Type Activities Long-Term Obligations	<u>\$15,517,098</u>	<u>\$210,367</u>	<u>(\$1,360,220)</u>	<u>\$14,367,245</u>		<u>\$1,452,222</u>

**Business-Type Activities Mortgage Revenue Bonds**

In 2003, the City issued \$11,350,000 of mortgage revenue bonds for business-type activities. The \$258,809 premium on this issue is being amortized over the life of this debt.

Mortgage revenue and general obligation bonds issued for business-type activities are retired through the respective enterprise funds. Mortgage revenue bonds are secured by a mortgage against enterprise properties and the revenues generated from the enterprise operations. General obligation bonds also require the City to generate revenues from the enterprise operations that are sufficient to meet debt service requirements.

Enterprise fund assets, whose use is restricted under bond indentures, are presented as restricted assets on the statement of net assets. Restricted assets relating to the mortgage revenue bonds at December 31, 2004 are as follows:

**Business-Type Activities**

<b>Restricted Assets Held by the City For:</b>		
Water System Replacement and Improvement		\$1,200,000
Sewer System Construction		1,270,925
Sewer System Replacement and Improvement		618,466
<b>Restricted Assets Held by the Trustee for:</b>		
Water System Bond Debt Service		1,643,056
Sewer System Bond Debt Service		306,490
		<u>        </u>
<b>Business-Type Activities Restricted Assets</b>		<u>\$5,038,937</u>

**CITY OF CHILLICOTHE, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2004**

Compensated absences for business-type activities will be paid from the fund from which the employees' salaries are paid.

Debt service requirements are as follows:

For year Ended Dec 31	General Obligation Bonds Various		Police & Fire Pension Bonds	
	Principal	Interest	Principal	Interest
2005	\$230,000	\$39,420	\$15,000	\$26,733
2006	240,000	34,820	15,000	26,059
2007	240,000	30,020	15,000	25,369
2008	250,000	25,220	15,000	24,664
2009	250,000	19,595	20,000	23,944
2010 - 2014	455,000	23,695	105,000	104,619
2015 - 2019	0	0	135,000	72,844
2020 - 2024	0	0	175,000	30,656
	<u>\$1,665,000</u>	<u>\$172,770</u>	<u>\$495,000</u>	<u>\$334,888</u>

For Year Ended Dec 31	Water Revenue Bonds		Sewer Revenue Bonds		Sewer G.O. Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2005	\$930,000	\$348,715	\$230,000	\$48,835	\$85,000	\$67,352
2006	945,000	330,115	240,000	38,025	80,000	65,653
2007	965,000	311,215	255,000	26,265	85,000	64,052
2008	985,000	290,950	265,000	13,515	85,000	62,353
2009	1,010,000	266,818	0	0	90,000	60,440
2010 - 2014	5,665,000	723,585	0	0	475,000	263,740
2015 - 2019	0	0	0	0	570,000	178,163
2020 - 2023	0	0	0	0	550,000	57,850
	<u>\$10,500,000</u>	<u>\$2,271,398</u>	<u>\$990,000</u>	<u>\$126,640</u>	<u>\$2,020,000</u>	<u>\$819,603</u>

**NOTE 10 - CAPITAL LEASES**

The City has entered into various agreements to lease equipment. The leases meet the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, "Accounting for Leases", which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. New capital leases are reflected in the statement of revenues, expenditures and changes in fund balance for governmental funds as a functional expenditure and "inception of capital lease". Capital lease payments are reflected as debt service expenditures in the governmental funds. These capital leased assets, consisting of equipment, have been capitalized in the amount of \$354,471 in the governmental funds, which represents the present value of the minimum lease payments at the time of acquisition. Principal payments in 2004 were \$49,295 in the governmental funds.

The City's future minimum lease payments and present value of net minimum lease payments required under these capital lease obligations as of December 31, 2004 are as follows:

**CITY OF CHILLICOTHE, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2004**

Year Ended December 31,	Capital Lease Payments
2005	\$59,237
2006	36,849
2007	34,184
2008	23,687
2009	4,906
Total Future Minimum Lease Payments	158,863
Less: Amount Representing Interest	(21,105)
Present Value of Net Minimum Lease Payments	<u>\$137,758</u>

**NOTE 11 - PENSION PLANS AND OTHER POSTEMPLOYMENT BENEFITS**

***Ohio Public Employees Retirement System***

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

OPERS provides retirement and disability benefits, annual cost-of-living adjustments, survivor and death benefits to plan members of the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Benefits are established and amended by state statute and are contained in Chapter 145 of the Ohio Revised Code. The OPERS issues a stand-alone, publicly available annual financial report that includes financial statements and required supplementary information. This report may be obtained by writing to Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-6701 or 1-800-222-PERS (7377).

**Funding Policy:** The Ohio Revised Code provides statutory authority for member and employer contribution rates. For 2004, member and employer contribution rates were consistent across all three plans. Separate divisions for law enforcement and public safety exist only within the Traditional Pension Plan. Plan members, other than those engaged in law enforcement, are required to contribute 8.5% of their annual covered salary and for 2004 the City is required to contribute 13.55%.

**CITY OF CHILLICOTHE, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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**FOR THE YEAR ENDED DECEMBER 31, 2004**

In January 2001, House Bill 416 divided the OPERS law enforcement program into two separate divisions with separate employee contribution rates and benefits. The law enforcement classification consisted of sheriffs, deputy sheriffs, and township police with an employee contribution rate of 10.1%. All other members of the OPERS law enforcement program were placed in a newly named public safety division and continued to contribute at 9%. The City's required contributions to OPERS for the years ending December 31, 2004, 2003, and 2002 were \$897,590, \$909,374, and \$925,734, respectively; 92% has been contributed for 2004, 100% for years 2003 and 2002. Of the 2004 amount, \$68,229 was unpaid at December 31, 2004 and is recorded as a liability in the respective funds.

**Postemployment Benefits:** The OPERS also provides postretirement health care benefits to age and service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor recipients is available. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. A portion of each employer's contribution to OPERS is set aside for the funding of postemployment health care. The Ohio Revised Code provides statutory authority for employer contributions. The OPERS law enforcement program was separated into two divisions, law enforcement and public safety, with separate employee contribution rates and benefits. For local government employer units the rate was 13.55% of covered payroll; 4.0% was the portion used to fund health care for the year. The 2004 employer rate was 16.70% and 4.0% was used to fund health care for both the law enforcement and public safety divisions.

Of the employer contributions made by the City for the year 2004, \$264,969 was the amount used to fund postemployment health care.

The Ohio Revised Code provides the statutory authority requiring public employers to fund postretirement health care through their contributions to OPERS.

The assumptions and calculations below were based on the System's latest Actuarial Review performed as of December 31, 2003. An entry age normal actuarial cost method of valuation is used in determining the present value of OPEB. The difference between assumed and actual experience (actuarial gains and losses) becomes part of the unfunded actuarial accrued liability. 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 market appreciation or depreciation on investment assets. The investment assumption rate for 2003 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 0.50% to 6.30%.

Health care costs were assumed to increase at the projected wage inflation rate plus an additional factor ranging from 1% to 6% for the next 8 years. In subsequent years (9 and beyond) health care costs were assumed to increase at 4% (the projected wage inflation rate).

**CITY OF CHILLICOTHE, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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**FOR THE YEAR ENDED DECEMBER 31, 2004**

As of December 31, 2004, the number of active contributing participants was 369,885. The actuarial value of the Retirement System's net assets available for OPEB at December 31, 2003 was \$10.5 billion. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$26.9 billion and \$16.4 billion, respectively.

On September 9, 2004 the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. The HCPP restructures OPERS' health care coverage to improve the financial solvency of the fund in response to skyrocketing health care costs.

Under the HCPP, retirees eligible for health care coverage will receive a graded monthly allocation based on their years of service at retirement. The Plan incorporates a cafeteria approach, offering a broad range of health care options that allow benefit recipients to use their monthly allocation to purchase health care coverage customized to meet their individual needs. If the monthly allocation exceeds the cost of the options selected, the excess is deposited into a Retiree Medical Account that can be used to fund future health care expenses.

***Ohio Police and Fire Pension Fund***

***Plan Description:*** The City of Chillicothe contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple-employer defined benefit pension plan. OP&F provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries.

Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. The OP&F issues a publicly available financial report that includes financial information and required supplementary information. This report may be obtained by writing to Ohio Police & Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43125-5164 or by calling (614) 228-2975.

***Funding Policy:*** Plan members are required to contribute 10.0% of their annual covered salary, while the City is required to contribute 19.50% and 24.0%, respectively, for police officers and firefighters. The City's contributions to OP&F for the years ending December 31, 2004, 2003 and 2002 were \$969,887, \$1,074,332, and \$1,044,377, respectively; 70% has been contributed for 2004 and 100% for years 2003 and 2002. Of the 2004 amount, \$291,880 was unpaid at December 31, 2004 and is recorded as a liability in the respective funds.

***Postemployment Benefits:*** The OP&F System of Ohio provides postretirement health care coverage to any person who receives or is eligible to receive a monthly service, disability, or survivor check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school or under the age of 22 if attending school full-time or on a 2/3 basis. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. The Ohio Revised Code provides that health care costs paid from the funds of the OP&F shall be included in the employer's contribution rate, which is 19.5% of covered payroll for police officers and 24.0% of covered payroll for firefighters. Of these employer contribution rates for the City, 7.75% was used to pay health care benefits for the year 2004 which amounted to \$104,070.

**CITY OF CHILLICOTHE, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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**FOR THE YEAR ENDED DECEMBER 31, 2004**

The Ohio Revised Code provides the statutory authority allowing the OP&F Board of Trustees to provide health care coverage to all eligible individuals. Health care funding and accounting is on a pay-as-you go basis. A percentage of covered payroll, as defined by the Board, is used to pay retiree health care expenses. The Board defined allocation was 7.75% of covered payroll in 2003 and 2004. In addition, since July 1, 1992 most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. Beginning in 2001, all retirees and survivors have monthly health care contributions.

As of December 31, 2003 the number of participants eligible to receive health care benefits was 13,662 for police officers and 10,474 for firefighters. OP&F's total health care expenses for the year ended December 31, 2003, the date of the last actuarial valuation available, was \$150,853,148, which was net of member contributions of \$17,207,506.

**NOTE 12 - COMPENSATED ABSENCES**

Upon retirement, employees of the Police Department with at least eight years of credited service are paid 75% of their accrued sick leave if hired prior to January 1, 1988. Those hired after January 1, 1988 will be paid 50% of their accrued sick leave. Vacation time is vested for these employees regardless of years of credited service. Unused vacation may be accumulated with out limit, however, carryover of unused vacation requires prior approval. Compensatory time may also be accumulated by employees but must be used within specified limits. No provision exists for these employees to be compensated for overtime worked in lieu of compensatory time off. All sick leave, vacation and compensatory time off is compensated at the employee's current rate of pay at the time of retirement or termination. Employees of the Fire Department have no requirement for years of credited service in order to be compensated for accrued sick leave, and are paid 75% of their sick leave if earned prior to April 1, 1987, and 60% of sick leave earned after April 1, 1987. Vacation time is vested for these employees after six months of credited service. Unused vacation time may be accumulated without limit, however, carryover of unused vacation requires prior approval. Compensatory time may also be accumulated for overtime worked in lieu of compensatory time off. Employees may elect to be compensated for overtime worked in lieu of compensatory time off.

All other full time employees of the City with at least five years of credited service upon retirement, are paid 75% of their accrued sick leave if earned prior to September 1, 1987, and 60% of accrued sick leave after September 1, 1987. Vacation time is vested for these employees after six months of credited service. Unused vacation may be accumulated without limit, however, carryover of unused vacation requires prior approval. Compensatory time may also be accumulated up to specified limits. Employees may elect to be compensated for over time worked in lieu of compensatory time off.

All sick leave, vacation and compensatory time is compensated at the employee's current rate of pay at the time of retirement or termination.

**CITY OF CHILLICOTHE, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2004**

**NOTE 13 - PROPERTY TAXES**

Property taxes include amounts levied against real, public utility and tangible personal (business) property. The assessed value by property classification upon which the 2004 tax levy was based follows:

<u>Property Tax Classification</u>	<u>Assessed Value</u>
Real Property	\$325,706,610
Tangible Personal Property	99,150,970
Public Utility Property	21,397,510
Total	<u>\$446,255,090</u>

Ohio law prohibits taxation of property from all taxing authorities in excess of 10 mills of assessed value without a vote of the people. Presently, the City levies differing millages of 2.60 mills and 1.60 mills of the first 10 mills of assessed for the General Fund, which is dependent upon the various taxing districts within the City. In addition to the 2.60 mills and 1.60 mills, the City has levied .30 and .30 mills of non-voted millage for the Police Pension and Fire Pension levies respectively.

In 2004, real property taxes were levied on January 1, 2004, on assessed values as of January 1, 2003, the lien date. Real estate taxes were due and payable on February 9 and July 9, 2004. Personal property taxes were due and payable on May 10 and September 20, 2004, on assessed values as of the lien date, December 31, 2003.

The County Treasurer collects property taxes on behalf of all taxing districts within the City. The County Auditor periodically remits to the taxing districts their portions of the taxes collected. Accrued property taxes receivable represent current taxes which were levied, measurable and unpaid, as well as, delinquent taxes outstanding as of December 31, 2004.

Although total property tax collections for the next ensuing fiscal year are measurable, amounts to be received during the available period are not subject to reasonable estimation at December 31 and are intended to finance the subsequent year's operations. Therefore, the total property taxes receivable at year end are credited to deferred revenue on the governmental fund statement.

**NOTE 14 - MUNICIPAL INCOME TAXES**

The City levies an income tax of 1.6% on substantially all income earned within the City. In addition, residents of the City are required to pay City income tax on income they earn outside the City. However, a credit is allowed for income taxes paid to other municipalities. In 1993, an additional .1% became effective for the Parks & Recreation Fund, which is inclusive in the 1.6% City income tax.

Employers within the City are required to withhold income tax on employees compensation and remit this tax to the City at least quarterly. Corporations and other individual taxpayers are required to pay their estimated tax quarterly and file a declaration of tax liability annually.

**CITY OF CHILLICOTHE, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2004**

As of December 31, 2004 there were \$300,101 in delinquent income taxes for which collection is uncertain, therefore these taxes are not accrued. In 2004, these municipal income taxes generated a combined total of \$10,020,765 in local tax revenue.

**NOTE 15 - INTERFUND ACTIVITY**

As of December 31, 2004, receivables and payables that resulted from various interfund transactions were as follows:

	Interfund Receivables	Interfund Payables
<b>Governmental Activities</b>		
General Fund	\$410,542	\$0
Street Construction Maintenance & Repair Fund	12,114	
<i>Nonmajor Special Revenue Funds:</i>		
Grants	0	12,114
Bus Transit	0	20,181
Total Nonmajor Special Revenue Funds	0	32,295
<i>Nonmajor Capital Projects Funds:</i>		
Safety Levy Capital	0	20,181
Parks and Recreation Capital	0	370,180
Total Nonmajor Capital Projects Funds	0	390,361
Total	<u>422,656</u>	<u>422,656</u>

All balances are scheduled to be collected in the subsequent year. All balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimburseable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

A summary of interfund transfers for 2004 are as follows:

Transfers Out	Transfers In						Total
	General	Street Construction Maintenance & Repair	Nonmajor Special Revenue	Bond Retirement	Water	Sewer	
General	\$0	\$255,000	\$1,503,000	\$24,552	\$0	\$30,000	\$1,812,552
Nonmajor Special Revenue	57,790	0	10,243	42,420	0	0	110,453
Nonmajor Capital Projects	42,832	0	667	199,548	0	0	243,047
Water	3,979	0	0	0	0	1,407	5,386
Sewer	3,992	0	0	0	161,944	0	165,936
	<u>\$108,593</u>	<u>\$255,000</u>	<u>\$1,513,910</u>	<u>\$266,520</u>	<u>\$161,944</u>	<u>\$31,407</u>	<u>\$2,337,374</u>

**CITY OF CHILLICOTHE, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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**FOR THE YEAR ENDED DECEMBER 31, 2004**

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

In the year ended December 31, 2004, the City made transfers of \$1,503,000 from the General Fund to various Nonmajor Special Revenue Funds to subsidize the programs of those funds.

**NOTE 16 - ROSS COUNTY AND CHILLICOTHE LAW ENFORCEMENT COMPLEX**

The Ross County and Chillicothe Law Enforcement Complex is a shared asset between Ross County and the City which is located in downtown Chillicothe and houses the Chillicothe Police Department, Ross County Sheriff's Department and Ross County Jail. An agreement developed by and between Ross County and the City governs the shared costs of constructing the facility as well as the continuing costs of maintaining the facility.

In the agreement with Ross County, the City has agreed to lease space in the Law Complex from the County for fifty years. All lease payments made by the City were paid at the beginning of the lease term and were considered the City's share of the costs incurred during construction of the Law Complex.

The agreement further states that Ross County and the City will share in the costs of repairs, maintenance and replacement incurred relative to the operation of the Law Complex. Those costs are explained as follows:

- \* The cost of any repairs or maintenance to the roof section which covers the Law Complex section of the facility shall be shared equally by both entities.
- \* The City shall pay a pro rata share of 18.47 percent of the costs associated with repairing, maintaining and replacing the public elevators, freight lift, heating, air conditioning, electrical systems and plumbing within the Law Complex section of the facility. The City's pro rata share of 18.47 percent is derived by taking a percentage of the square footage occupied by the City to the total square footage of the Law Complex.
- \* Any costs of repairs, maintenance or replacement to sidewalks, public areas and parking lots contiguous to the Law Complex, including snow removal, shall be shared equally by both entities.
- \* The City shall pay 100 percent of the costs of repairing, maintaining and replacing interior decorations within the City offices and 50 percent of the costs relative to interior decorations in the common offices of the Law Complex.
- \* The City shall pay 50 percent of the costs of repairing, maintaining and replacing telephone equipment in the common offices of the Law Complex.
- \* The City shall pay 18.47 percent of gas, electric, water, sewer, and solid waste disposal utilities and 50 percent of janitorial services.

**CITY OF CHILLICOTHE, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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**FOR THE YEAR ENDED DECEMBER 31, 2004**

- \* The City has no percentage interest in the jail area of the facility, rather, the City is billed on a per diem basis by Ross County for the housing of its' prisoners.

Ross County originally paid all of the costs of constructing the Law Complex, including the costs of purchasing the land on which the facility is located, which totaled \$11,995,690. Ross County billed the City for its share of these costs, after deducting certain costs related only to the jail area, based on a percentage of square footage to be occupied by the City in proportion to the total square footage of the facility.

As a result of the construction costs of the Law Complex being shared by the City and Ross County, the facility will be treated as a shared asset with both entities reflecting a proportionate share of the facility in their capital assets. Since the original construction of the Law Complex, various improvements have been made. Therefore, the City has recorded \$2,004,214 as a capital asset, which reflects the City's share of the asset.

**NOTE 17 - LANDFILL CLOSURE AND POST CLOSURE CARE**

In 1988, state and federal laws and regulations required the City to stop accepting waste at the Chillicothe Landfill and 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. Final closure of the landfill occurred in 1990.

In 2004, the City incurred \$36,827 in post closure care costs and decreased its postclosure care liability by \$572,553, which is a change in estimate. To this date, the City has incurred approximately \$1,877,721 in closure and postclosure care costs. These costs have been incurred by the Landfill Closure Fund.

The City has accrued a liability for landfill post-closure care costs of \$1,043,497. The liability is based on an average of cumulative postclosure care costs to this date projected over the next sixteen years. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. Financial assurance to fund this liability is provided through the General Fund where transfers will be made over the next sixteen years.

**NOTE 18 - RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts, theft, damage to or destruction of assets, errors and omissions, employee injuries, and natural disasters. The City has addressed these various types of risk by purchasing insurance through commercial carriers.

The City belongs to the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio local governments. PEP provides property and casualty coverage for its members. PEP is a member of the American Public Entity Excess Pool (APEEP). Member governments pay annual contributions to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

General liability insurance is maintained in the amount of \$1,000,000 for each occurrence. Other liability insurance includes \$1,000,000 for law enforcement professional liability, \$1,000,000 for public official errors and omissions liability, \$1,000,000 for automobile liability, and \$1,000,000 for uninsured motorists liability.

**CITY OF CHILLICOTHE, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2004**

In addition, the City maintains replacement cost insurance on buildings and contents in the amount of \$31,071,458. Other property insurance includes \$50,524 unscheduled and \$1,185,854 scheduled for contractor's equipment. Comprehensive boiler and machinery coverage is carried in the amount of \$29,944,250. Insurance deductibles on any of the above coverages do not exceed \$10,000.

The City participates in the Workers' Compensation Program provided by the State of Ohio. The City belongs to a pool with other Ohio cities for a workers' compensation group rating program. Settled claims have not exceeded any of the above coverage limits in the past three years.

The City has also established a limited risk health and dental program for employees. Claims are paid directly to Klais & Company, Inc., who services all claims submitted. Claims are paid through each of the General, Street Construction Maintenance and Repair, State Highway, Park and Recreation, Parking, Bus Transit, Water and Sewer Funds. Additionally, each fund is responsible for paying its respective portion of administrative costs.

An excess coverage insurance policy with Klais & Company, Inc. covers individual claims in excess of \$50,000 and aggregate claims in excess of \$1,937,940. A liability for each funds portion of the unpaid claims costs totaling \$227,685 has been accrued as a liability based on an estimate by the administrator of those unpaid claims.

Changes in the total of all funds claims liability in 2003 and 2004 are:

Year	Balance Beginning of Year	Current Year Claims	Claim Payments	Balance End of Year
2003	\$507,000	\$2,133,812	\$2,435,882	\$204,930
2004	204,930	3,366,064	3,343,309	227,685

With the exception of workers' compensation and health insurance, all insurance is held with commercial carriers. The City pays all elected officials bonds by statute.

**NOTE 19 - CONTINGENCIES**

The City participates in several federal and state assisted grants and programs that are subject to financial and compliance audits by grantor agencies or their representatives. These audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. The City believes that disallowed claims, if any, will not have a material adverse effect on the City's financial position.

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**CITY OF CHILLICOTHE, OHIO  
GOVERNMENTAL FUNDS**

**NONMAJOR SPECIAL REVENUE FUNDS**

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes. The following are descriptions of the City's nonmajor special revenue funds:

**State Highway Fund**

To account for that portion of the state gasoline tax and motor vehicle registration fees designated for maintenance and repair of state highways located within the boundaries of the City.

**Parks and Recreation Fund**

To account for proceeds of an income tax levy and transfers from the General Fund to be used for park and recreation purposes. The park operation is governed by a park board of trustees organized pursuant to Section 755.14 (A) of the Revised Code.

**HUD Fund**

To account for grant revenue received from the Federal Government, Department of Housing and Urban Development (HUD). The primary purpose of the grants is to provide funding for rental rehabilitation programs and downtown development revolving loan programs.

**Grants Fund**

To account for grant revenues that are used to fund community policing programs and provide assistance for victims of crime.

**Floodwall Fund**

To account for income tax proceeds transferred from the General Fund for the maintenance of a floodwall. The transfers are made per ordinance requirements. One quarter of one percent (.025%) is to be transferred into the fund until the fund reaches a balance of sixty thousand dollars.

**Cablevision Fund**

To account for transfers from the General Fund made for the purpose of maintenance and repair of the cable system as provided for in the cable franchise agreement.

**Income Tax Fund**

To account for the excess income tax received after ceilings for the General Fund, Floodwall Fund, and Bus Transit Fund have been reached. All income tax refunds are disbursed from this fund.

**Law Enforcement Fund**

To account for the distribution of proceeds from the sale of forfeited property or contraband to be allocated by City Council only to the police department of the City.

## **CITY OF CHILLICOTHE, OHIO**

### **Indigent Drivers Alcohol Treatment Fund**

To account for 50% part of fines (under 4511.191 (M) of the Revised Code) that are collected by Municipal Court from DUI offenders.

### **OMVI Enforcement & Education Fund**

To account for those costs incurred by the Police Department in enforcing Section 4511.19 of the Revised Code or a substantially similar municipal ordinance and in educating the public of laws governing operation of a motor vehicle while under the influence of alcohol, the dangers of operation of a motor vehicle while under the influence of alcohol, and other information relating to the operation of a motor vehicle and the consumption of alcoholic beverages.

### **Mandatory Drug Fines Fund**

To account for monies received from fines imposed for felony drug trafficking offenses which shall be paid to law enforcement agencies in the state that were primarily responsible for or involved in making the arrest of and in prosecuting the offender.

### **Parking Fund**

To account for the operation of parking meters and the parking facility. The costs of these services are financed through meter fees, parking fines, and transfers from the General Fund.

### **Bus Transit Fund**

To account for the operation of the 14 bus City Transit System. Principal sources of revenue are income tax revenue and grants.

### **Police Pension Fund**

To account for property tax revenue and transfers from the General Fund used to pay the City's accrued liability for police benefits and the employer's quarterly retirement contribution.

### **Fire Pension Fund**

To account for property tax revenue and transfers from the General Fund used to pay the City's accrued liability for fire benefits and the employer's quarterly retirement contribution.

## CITY OF CHILLICOTHE, OHIO

### NONMAJOR BOND RETIREMENT FUND

The bond retirement fund is used to account for the accumulation of resources for, and the payment of principal and interest on general obligation bonds.

### NONMAJOR CAPITAL PROJECTS FUNDS

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary and trust funds. The following are descriptions of the City's nonmajor capital projects funds:

#### **Capital Improvement Fund**

To account for General Fund transfers, which are used for the purpose of making capital improvements and for purchases of capital equipment.

#### **Issue II Fund**

To account for funds received from the Ohio Public Works Commission, used to make improvements to certain streets and alleys.

#### **Safety Levy Capital Fund**

To account for a portion of the income tax collected for the purpose of acquiring capital items for safety program purposes as provided for in the income tax ordinance.

#### **Landfill Closure Fund**

To account for postclosure care costs to monitor the landfill site. The funding for these costs are being provided by transfers from the General Fund.

#### **Parks and Recreation Capital Fund**

To account for a portion of the income tax collected for the purpose of acquiring capital items for the parks and recreation capital program as provided for in the income tax ordinance.

#### **Streetscape Fund**

To account for streetscape maintenance expenses.

## **CITY OF CHILLICOTHE, OHIO**

### **NONMAJOR PERMANENT FUND**

The permanent fund is used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting government's programs. The following is a description of the City's nonmajor permanent fund:

#### **Carlisle Hill Fund**

To account for the interest proceeds relating to a bequest to the City for the purpose of maintaining the entryway to Carlisle Hill. Since this is the only permanent fund, no combining statements are presented for the permanent fund.

### **FIDUCIARY FUNDS PRIVATE PURPOSE TRUST FUND**

The private purpose trust fund is used to report escheat property and all other trust arrangements under which principal and income benefit individuals, private organizations, or other governments. The following is a description of the City's private purpose trust fund:

#### **Unclaimed Monies Fund**

To account for assets held for owners of unclaimed intangible property. Unclaimed property is property for which the owner has not taken some action to indicate ownership interest over a certain period of time specified under Chapter 169, Ohio Revised Code. Since this is the only private purpose trust fund, no combining statements are presented for the private purpose trust fund.

### **AGENCY FUND**

The agency fund is used to account for assets held by the City in a purely custodial capacity. The following is a description of the City's agency fund:

#### **Deposits Agency Fund**

To account for various deposits held by the City until the disposition of the deposit is determined.

City of Chillicothe, Ohio

Combining Balance Sheet  
Nonmajor Governmental Funds

December 31, 2004

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
<b>Assets</b>					
Equity in Pooled Cash & Cash Equivalents	\$1,718,630	\$12,150	\$830,081	\$1,987	\$2,562,848
Cash and Cash Equivalents in Segregated Accounts	4,837	0	0	0	4,837
Investment in City Treasury	0	0	0	1,000	1,000
Intergovernmental Receivable	1,176,167	0	350,000	0	1,526,167
Income Tax Receivable	128,166	0	105,146	0	233,312
Property Tax Receivable	267,576	0	0	0	267,576
Materials and Supplies Inventory	18,698	0	0	0	18,698
Prepaid Items	11,793	0	2,139	0	13,932
<b>Total Assets</b>	<b>\$3,325,867</b>	<b>\$12,150</b>	<b>\$1,287,366</b>	<b>\$2,987</b>	<b>\$4,628,370</b>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts Payable	\$17,242	\$0	\$102,387	\$0	\$119,629
Contracts Payable	0	0	13,372	0	13,372
Accrued Wages Payable	20,607	0	0	0	20,607
Intergovernmental Payable	329,002	0	0	0	329,002
Interfund Payable	32,295	0	390,361	0	422,656
Claims Payable	29,401	0	0	0	29,401
Deferred Revenue	932,379	0	0	0	932,379
<b>Total Liabilities</b>	<b>1,360,926</b>	<b>0</b>	<b>506,120</b>	<b>0</b>	<b>1,867,046</b>
<b>Fund Balances</b>					
Reserved for Permanent Fund	0	0	0	1,000	1,000
Reserved for Encumbrances	288,931	0	29,187	0	318,118
Unreserved	1,676,010	12,150	752,059	1,987	2,442,206
<b>Total Fund Balances</b>	<b>1,964,941</b>	<b>12,150</b>	<b>781,246</b>	<b>2,987</b>	<b>2,761,324</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$3,325,867</b>	<b>\$12,150</b>	<b>\$1,287,366</b>	<b>\$2,987</b>	<b>\$4,628,370</b>

City of Chillicothe, Ohio

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
Nonmajor Governmental Funds

For the Year Ended December 31, 2004

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
<b>Revenues</b>					
Property Taxes	\$268,550	\$0	\$0	\$0	\$268,550
Municipal Income Taxes	1,090,959	0	778,748	0	1,869,707
Charges for Services	168,824	0	1,300	0	170,124
Fines, Licenses and Permits	84,218	0	0	0	84,218
Intergovernmental	1,974,672	0	553,095	0	2,527,767
Investment Earnings	73	0	0	20	93
Miscellaneous	110,963	0	53,087	0	164,050
<b>Total Revenue</b>	<b>3,698,259</b>	<b>0</b>	<b>1,386,230</b>	<b>20</b>	<b>5,084,509</b>
<b>Expenditures</b>					
<i>Current:</i>					
General Government	322,891	0	0	0	322,891
<i>Security of Persons and Property:</i>					
Police	583,407	0	0	0	583,407
Fire	722,693	0	0	0	722,693
Transportation	2,143,773	0	0	0	2,143,773
Community Environment	388,907	0	0	0	388,907
Leisure Time Activities	736,854	0	0	0	736,854
Capital Outlay	13,331	0	1,059,804	0	1,073,135
<i>Debt Service:</i>					
Principal Retirement	2,897	245,000	0	0	247,897
Interest and Fiscal Charges	400	71,414	0	0	71,814
<b>Total Expenditures</b>	<b>4,915,153</b>	<b>316,414</b>	<b>1,059,804</b>	<b>0</b>	<b>6,291,371</b>
Excess of Revenues Over (Under) Expenditures	(1,216,894)	(316,414)	326,426	20	(1,206,862)
<b>Other Financing Sources (Uses)</b>					
Transfers-In	1,513,910	266,520	0	0	1,780,430
Transfers-Out	(110,453)	0	(243,047)	0	(353,500)
<b>Total Other Sources (Uses)</b>	<b>1,403,457</b>	<b>266,520</b>	<b>(243,047)</b>	<b>0</b>	<b>1,426,930</b>
Net Change in Fund Balances	186,563	(49,894)	83,379	20	220,068
Fund Balances at Beginning of Year	1,778,378	62,044	697,867	2,967	2,541,256
Fund Balances at End of Year	<u>\$1,964,941</u>	<u>\$12,150</u>	<u>\$781,246</u>	<u>\$2,987</u>	<u>\$2,761,324</u>

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City of Chillicothe, Ohio

Combining Balance Sheet  
 Nonmajor Special Revenue Funds

December 31, 2004

	State Highway	Parks & Recreation	HUD	Grants	Floodwall
<b>Assets</b>					
Equity in Pooled Cash & Cash Equivalents	\$40,387	\$19,413	\$254,625	\$29,940	\$67,957
Cash and Cash Equivalents in Segregated Accounts	0	0	3,925	0	0
Intergovernmental Receivable	35,846	0	787,137	27,845	0
Income Taxes Receivable	0	50,396	0	0	0
Property Taxes Receivable	0	0	0	0	0
Materials and Supplies Inventory	0	0	0	0	0
Prepaid Items	0	2,378	0	0	991
<b>Total Assets</b>	<b>\$76,233</b>	<b>\$72,187</b>	<b>\$1,045,687</b>	<b>\$57,785</b>	<b>\$68,948</b>
<b>Liabilities</b>					
Accounts Payable	\$0	\$820	\$0	\$0	\$160
Accrued Wages Payable	1,357	4,917	0	0	0
Intergovernmental Payable	2,167	10,163	0	0	0
Interfund Payable	0	0	0	12,114	0
Claims Payable	1,865	8,246	0	0	0
Deferred Revenue	23,897	0	625,133	2,549	0
<b>Total Liabilities</b>	<b>29,286</b>	<b>24,146</b>	<b>625,133</b>	<b>14,663</b>	<b>160</b>
<b>Fund Balances</b>					
Reserved for Encumbrances	0	0	246,008	0	3,687
Unreserved	46,947	48,041	174,546	43,122	65,101
<b>Total Fund Balances</b>	<b>46,947</b>	<b>48,041</b>	<b>420,554</b>	<b>43,122</b>	<b>68,788</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$76,233</b>	<b>\$72,187</b>	<b>\$1,045,687</b>	<b>\$57,785</b>	<b>\$68,948</b>

<u>Cablevision</u>	<u>Income Tax</u>	<u>Law Enforcement</u>	<u>Indigent Driver's Alcohol Treatment</u>	<u>OMVI Enforcement &amp; Education</u>	<u>Mandatory Drug Fines</u>	<u>Parking</u>
\$5,765	\$264,138	\$89,361	\$144,884	\$20,719	\$38,965	\$97,193
0	0	0	442	59	411	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	23
<u>\$5,765</u>	<u>\$264,138</u>	<u>\$89,361</u>	<u>\$145,326</u>	<u>\$20,778</u>	<u>\$39,376</u>	<u>\$97,216</u>
\$0	\$0	\$0	\$0	\$0	\$0	\$12,775
0	0	0	0	0	0	1,579
0	0	0	0	0	0	2,111
0	0	0	0	0	0	0
0	0	0	0	0	0	4,438
0	0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>20,903</u>
0	0	0	0	0	0	0
<u>5,765</u>	<u>264,138</u>	<u>89,361</u>	<u>145,326</u>	<u>20,778</u>	<u>39,376</u>	<u>76,313</u>
<u>5,765</u>	<u>264,138</u>	<u>89,361</u>	<u>145,326</u>	<u>20,778</u>	<u>39,376</u>	<u>76,313</u>
<u>\$5,765</u>	<u>\$264,138</u>	<u>\$89,361</u>	<u>\$145,326</u>	<u>\$20,778</u>	<u>\$39,376</u>	<u>\$97,216</u>

continued

City of Chillicothe, Ohio

Combining Balance Sheet  
 Nonmajor Special Revenue Funds

December 31, 2004

	Bus Transit	Police Pension	Fire Pension	Total Nonmajor Special Revenue Funds
<b>Assets</b>				
Equity in Pooled Cash & Cash Equivalents	\$640,329	\$2,529	\$2,425	\$1,718,630
Cash and Cash Equivalents in Segregated Accounts	0	0	0	4,837
Intergovernmental Receivable	312,115	6,612	6,612	1,176,167
Income Taxes Receivable	77,770	0	0	128,166
Property Taxes Receivable	0	133,788	133,788	267,576
Materials and Supplies Inventory	18,698	0	0	18,698
Prepaid Items	8,401	0	0	11,793
<b>Total Assets</b>	<b>\$1,057,313</b>	<b>\$142,929</b>	<b>\$142,825</b>	<b>\$3,325,867</b>
<b>Liabilities</b>				
Accounts Payable	\$3,487	\$0	\$0	\$17,242
Accrued Wages Payable	12,754	0	0	20,607
Intergovernmental Payable	22,728	132,295	159,538	329,002
Interfund Payable	20,181	0	0	32,295
Claims Payable	14,852	0	0	29,401
Deferred Revenue	0	140,400	140,400	932,379
<b>Total Liabilities</b>	<b>74,002</b>	<b>272,695</b>	<b>299,938</b>	<b>1,360,926</b>
<b>Fund Balances</b>				
Reserved for Encumbrances	39,236	0	0	288,931
Unreserved	944,075	(129,766)	(157,113)	1,676,010
<b>Total Fund Balances</b>	<b>983,311</b>	<b>(129,766)</b>	<b>(157,113)</b>	<b>1,964,941</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$1,057,313</b>	<b>\$142,929</b>	<b>\$142,825</b>	<b>\$3,325,867</b>

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City of Chillicothe, Ohio

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
Nonmajor Special Revenue Funds

For the Year Ended December 31, 2004

	State Highway	Parks & Recreation	HUD	Grants	Floodwall
<b>Revenues</b>					
Property Taxes	\$0	\$0	\$0	\$0	\$0
Municipal Income Taxes	0	467,724	0	0	0
Charges for Services	0	200	0	0	0
Fines, Licenses and Permits	0	21,550	0	0	0
Intergovernmental	69,721	0	683,694	108,395	0
Investment Earnings	0	0	73	0	0
Miscellaneous	2,992	56,314	0	20	0
Total Revenue	<u>72,713</u>	<u>545,788</u>	<u>683,767</u>	<u>108,415</u>	<u>0</u>
<b>Expenditures</b>					
<i>Current:</i>					
General Government	0	0	0	0	0
<i>Security of Persons and Property:</i>					
Police	0	0	0	0	0
Fire	0	0	0	0	0
Transportation	128,348	0	0	0	0
Community Environment	0	0	299,774	63,123	26,010
Leisure Time Activities	0	736,854	0	0	0
Capital Outlay	0	9,456	0	3,875	0
<i>Debt Service:</i>					
Principal Retirement	0	2,897	0	0	0
Interest and Fiscal Charges	0	400	0	0	0
Total Expenditures	<u>128,348</u>	<u>749,607</u>	<u>299,774</u>	<u>66,998</u>	<u>26,010</u>
Excess of Revenues Over (Under) Expenditures	<u>(55,635)</u>	<u>(203,819)</u>	<u>383,993</u>	<u>41,417</u>	<u>(26,010)</u>
<b>Other Financing Sources (Uses)</b>					
Transfers-In	85,000	185,243	0	667	0
Transfers-Out	0	(822)	0	(34,889)	(10,243)
Total Other Sources (Uses)	<u>85,000</u>	<u>184,421</u>	<u>0</u>	<u>(34,222)</u>	<u>(10,243)</u>
Net Change in Fund Balances	29,365	(19,398)	383,993	7,195	(36,253)
Fund Balances at Beginning of Year	<u>17,582</u>	<u>67,439</u>	<u>36,561</u>	<u>35,927</u>	<u>105,041</u>
Fund Balances at End of Year	<u>\$46,947</u>	<u>\$48,041</u>	<u>\$420,554</u>	<u>\$43,122</u>	<u>\$68,788</u>

Cablevision	Income Tax	Law Enforcement	Indigent Driver's Alcohol Treatment	OMVI Enforcement & Education	Mandatory Drug Fines	Parking
\$0	\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0	0
0	0	0	0	0	0	59,871
0	0	39,655	14,969	3,065	4,979	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	5,724
<u>0</u>	<u>0</u>	<u>39,655</u>	<u>14,969</u>	<u>3,065</u>	<u>4,979</u>	<u>65,595</u>
0	322,891	0	0	0	0	0
0	0	0	0	5,000	43	0
0	0	0	0	0	0	0
0	0	0	0	0	0	151,251
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>0</u>	<u>322,891</u>	<u>0</u>	<u>0</u>	<u>5,000</u>	<u>43</u>	<u>151,251</u>
0	(322,891)	39,655	14,969	(1,935)	4,936	(85,656)
0	375,000	0	0	0	0	105,000
0	0	0	0	0	0	(489)
<u>0</u>	<u>375,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>104,511</u>
0	52,109	39,655	14,969	(1,935)	4,936	18,855
<u>5,765</u>	<u>212,029</u>	<u>49,706</u>	<u>130,357</u>	<u>22,713</u>	<u>34,440</u>	<u>57,458</u>
<u>\$5,765</u>	<u>\$264,138</u>	<u>\$89,361</u>	<u>\$145,326</u>	<u>\$20,778</u>	<u>\$39,376</u>	<u>\$76,313</u>

continued

City of Chillicothe, Ohio

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
Nonmajor Special Revenue Funds

For the Year Ended December 31, 2004

	Bus Transit	Police Pension	Fire Pension	Total Nonmajor Special Revenue Funds
<b>Revenues</b>				
Property Taxes	\$0	\$134,275	\$134,275	\$268,550
Municipal Income Taxes	623,235	0	0	1,090,959
Charges for Services	108,753	0	0	168,824
Fines, Licenses and Permits	0	0	0	84,218
Intergovernmental	1,109,434	1,714	1,714	1,974,672
Investment Earnings	0	0	0	73
Miscellaneous	45,913	0	0	110,963
Total Revenue	<u>1,887,335</u>	<u>135,989</u>	<u>135,989</u>	<u>3,698,259</u>
<b>Expenditures</b>				
<i>Current:</i>				
General Government	0	0	0	322,891
<i>Security of Persons and Property:</i>				
Police	0	578,364	0	583,407
Fire	0	0	722,693	722,693
Transportation	1,864,174	0	0	2,143,773
Community Environment	0	0	0	388,907
Leisure Time Activities	0	0	0	736,854
Capital Outlay	0	0	0	13,331
<i>Debt Service:</i>				
Principal Retirement	0	0	0	2,897
Interest and Fiscal Charges	0	0	0	400
Total Expenditures	<u>1,864,174</u>	<u>578,364</u>	<u>722,693</u>	<u>4,915,153</u>
Excess of Revenues Over (Under) Expenditures	<u>23,161</u>	<u>(442,375)</u>	<u>(586,704)</u>	<u>(1,216,894)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers-In	0	311,000	452,000	1,513,910
Transfers-Out	(21,590)	(9,200)	(33,220)	(110,453)
Total Other Sources (Uses)	<u>(21,590)</u>	<u>301,800</u>	<u>418,780</u>	<u>1,403,457</u>
Net Change in Fund Balances	1,571	(140,575)	(167,924)	186,563
Fund Balances at Beginning of Year	<u>981,740</u>	<u>10,809</u>	<u>10,811</u>	<u>1,778,378</u>
Fund Balances at End of Year	<u>\$983,311</u>	<u>(\$129,766)</u>	<u>(\$157,113)</u>	<u>\$1,964,941</u>

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City of Chillicothe, Ohio

Combining Balance Sheet  
Nonmajor Capital Projects Funds

December 31, 2004

	<u>Capital Improvement</u>	<u>Issue II</u>	<u>Safety Levy Capital</u>
<b>Assets</b>			
Equity in Pooled Cash & Cash Equivalents	\$32,000	\$0	\$656,328
Intergovernmental Receivable	0	0	0
Income Tax Receivable	0	0	77,770
Prepaid Items	0	0	2,139
Total Assets	<u>\$32,000</u>	<u>\$0</u>	<u>\$736,237</u>
<b>Liabilities</b>			
Accounts Payable	\$100,000	\$0	\$1,979
Contracts Payable	0	0	13,372
Interfund Payable	0	0	20,180
Total Liabilities	<u>100,000</u>	<u>0</u>	<u>35,531</u>
<b>Fund Balances</b>			
Reserved for Encumbrances	0	0	21,503
Unreserved	(68,000)	0	679,203
Total Fund Balances	<u>(68,000)</u>	<u>0</u>	<u>700,706</u>
Total Liabilities and Fund Balances	<u>\$32,000</u>	<u>\$0</u>	<u>\$736,237</u>

Landfill Closure	Parks & Recreation Capital	Streetscape	Total Nonmajor Capital Projects Funds
\$47,670	\$47,513	\$46,570	\$830,081
0	350,000	0	350,000
0	27,376	0	105,146
0	0	0	2,139
<u>\$47,670</u>	<u>\$424,889</u>	<u>\$46,570</u>	<u>\$1,287,366</u>
\$408	\$0	\$0	\$102,387
0	0	0	13,372
0	370,181	0	390,361
<u>408</u>	<u>370,181</u>	<u>0</u>	<u>506,120</u>
0	0	7,684	29,187
47,262	54,708	38,886	752,059
<u>47,262</u>	<u>54,708</u>	<u>46,570</u>	<u>781,246</u>
<u>\$47,670</u>	<u>\$424,889</u>	<u>\$46,570</u>	<u>\$1,287,366</u>

City of Chillicothe, Ohio

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
Nonmajor Capital Projects Funds

For the Year Ended December 31, 2004

	<u>Capital Improvement</u>	<u>Issue II</u>	<u>Safety Levy Capital</u>
<b>Revenues</b>			
Municipal Income Taxes	\$0	\$0	\$623,235
Intergovernmental Revenue	0	203,095	0
Charges for Services	0	0	0
Miscellaneous	0	0	8,011
	<u>0</u>	<u>203,095</u>	<u>631,246</u>
Total Revenue	<u>0</u>	<u>203,095</u>	<u>631,246</u>
<b>Expenditures</b>			
Capital Outlay	<u>100,000</u>	<u>203,095</u>	<u>203,600</u>
Total Expenditures	<u>100,000</u>	<u>203,095</u>	<u>203,600</u>
Excess of Revenues Over (Under) Expenditures	(100,000)	0	427,646
<b>Other Financing Sources (Uses)</b>			
Transfers-Out	<u>0</u>	<u>0</u>	<u>(221,631)</u>
Total Other Sources (Uses)	<u>0</u>	<u>0</u>	<u>(221,631)</u>
Net Change in Fund Balances	(100,000)	0	206,015
Fund Balances at Beginning of Year	<u>32,000</u>	<u>0</u>	<u>494,691</u>
Fund Balances at End of Year	<u>(\$68,000)</u>	<u>\$0</u>	<u>\$700,706</u>

<u>Landfill Closure</u>	<u>Parks &amp; Recreation Capital</u>	<u>Streetscape</u>	<u>Total Nonmajor Capital Projects Funds</u>
\$0	\$155,513	\$0	\$778,748
0	350,000	0	553,095
0	1,300	0	1,300
0	45,076	0	53,087
0	551,889	0	1,386,230
36,827	512,658	3,624	1,059,804
36,827	512,658	3,624	1,059,804
(36,827)	39,231	(3,624)	326,426
0	(21,416)	0	(243,047)
0	(21,416)	0	(243,047)
(36,827)	17,815	(3,624)	83,379
84,089	36,893	50,194	697,867
<u>\$47,262</u>	<u>\$54,708</u>	<u>\$46,570</u>	<u>\$781,246</u>

City of Chillicothe, Ohio

Statement of Changes in Assets & Liabilities  
Agency Fund

For the Year Ended December 31, 2004

	<u>Balance 1/1/2004</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/2004</u>
<b>Deposits Agency</b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	<u>\$22,718</u>	<u>\$2,966</u>	<u>\$1,828</u>	<u>\$23,856</u>
Total Assets	<u><u>\$22,718</u></u>	<u><u>\$2,966</u></u>	<u><u>\$1,828</u></u>	<u><u>\$23,856</u></u>
<b>Liabilities</b>				
Deposits Held and Due to Others	<u>\$22,718</u>	<u>\$2,966</u>	<u>\$1,828</u>	<u>\$23,856</u>
Total Liabilities	<u><u>\$22,718</u></u>	<u><u>\$2,966</u></u>	<u><u>\$1,828</u></u>	<u><u>\$23,856</u></u>

City of Chillicothe, Ohio

Schedule of Revenues, Expenditures, and Changes in  
Fund Balances - Budget and Actual (Budget Basis)  
General Fund

For the Year Ended December 31, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Local Taxes	\$9,755,098	\$9,181,713	\$9,284,022	\$102,309
Charges for Services	2,642,800	2,722,800	2,729,784	6,984
Fines, Licenses and Permits	1,343,000	1,379,760	1,387,634	7,874
Intergovernmental	1,585,033	1,761,124	1,773,078	11,954
Special Assessments	0	5,000	5,222	222
Investment Earnings	140,000	120,000	140,531	20,531
Miscellaneous	147,000	458,308	666,919	208,611
<b>Total Revenue</b>	<b>15,612,931</b>	<b>15,628,705</b>	<b>15,987,190</b>	<b>358,485</b>
<b>Expenditures</b>				
<i>Current:</i>				
General Government				
Mayor				
Personal Services	296,850	294,134	294,134	0
Fringe Benefits	157,925	183,264	183,264	0
Travel Transportation	1,050	861	861	0
Materials and Supplies	51,471	47,890	41,989	5,901
Contractual Services	0	1,187	1,187	0
Capital Outlay	0	800	699	101
Other	5,100	2,762	2,762	0
<b>Total Mayor</b>	<b>512,396</b>	<b>530,898</b>	<b>524,896</b>	<b>6,002</b>
Economic Development				
Travel Transportation	5,400	2,392	2,392	0
Materials and Supplies	9,150	10,141	10,141	0
Contractual Services	10,457	4,981	4,981	0
Other	4,200	3,866	3,866	0
<b>Total Economic Development</b>	<b>29,207</b>	<b>21,380</b>	<b>21,380</b>	<b>0</b>
City Council				
Personal Services	57,981	57,542	57,542	0
Fringe Benefits	163,300	173,072	173,072	0
Travel Transportation	900	0	0	0
Materials and Supplies	400	237	237	0
<b>Total City Council</b>	<b>222,581</b>	<b>230,851</b>	<b>230,851</b>	<b>0</b>
Treasurer				
Personal Services	36,915	35,013	35,005	8
Fringe Benefits	39,700	42,850	42,850	0
Materials and Supplies	2,150	1,139	1,139	0
Contractual Services	2,300	1,324	1,324	0
Other	300	265	265	0
<b>Total Treasurer</b>	<b>81,365</b>	<b>80,591</b>	<b>80,583</b>	<b>8</b>

continued

City of Chillicothe, Ohio

Schedule of Revenues, Expenditures, and Changes in  
Fund Balances - Budget and Actual (Budget Basis)  
General Fund

For the Year Ended December 31, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Income Tax Department				
Personal Services	141,000	142,155	137,836	4,319
Fringe Benefits	87,910	96,296	91,321	4,975
Travel Transportation	400	119	119	0
Materials and Supplies	15,300	10,750	10,750	0
Contractual Services	3,000	1,935	1,934	1
Other	1,250	100	71	29
Total Income Tax Department	248,860	251,355	242,031	9,324
Land and Buildings				
Materials and Supplies	145,250	106,637	106,637	0
Contractual Services	45,000	41,560	41,560	0
Capital Outlay	30,000	30,500	17,762	12,738
Other	25	0	0	0
Total Land and Buildings	220,275	178,697	165,959	12,738
Law Director				
Personal Services	274,900	275,800	274,894	906
Fringe Benefits	174,675	180,641	180,184	457
Travel Transportation	1,050	560	560	0
Materials and Supplies	30,475	30,743	30,742	1
Contractual Services	1,800	1,602	1,602	0
Other	3,100	4,177	4,177	0
Total Law Director	486,000	493,523	492,159	1,364
Auditor				
Personal Services	269,965	276,998	271,334	5,664
Fringe Benefits	117,200	146,088	145,737	351
Travel Transportation	3,000	2,327	2,327	0
Materials and Supplies	10,380	9,920	9,920	0
Other	1,850	948	948	0
Total Auditor	402,395	436,281	430,266	6,015
Municipal Court				
Personal Services	932,756	903,688	902,852	836
Fringe Benefits	494,369	517,820	516,628	1,192
Travel Transportation	4,790	3,025	2,649	376
Materials and Supplies	71,865	65,139	57,986	7,153
Contractual Services	4,200	4,660	4,209	451
Capital Outlay	24,615	25,511	23,586	1,925
Other	10,530	8,510	6,525	1,985
Total Municipal Court	1,543,125	1,528,353	1,514,435	13,918

continued

City of Chillicothe, Ohio

Schedule of Revenues, Expenditures, and Changes in  
Fund Balances - Budget and Actual (Budget Basis)  
General Fund

For the Year Ended December 31, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Civil Service				
Personal Services	38,500	37,870	37,828	42
Fringe Benefits	20,713	23,848	23,773	75
Travel Transportation	2,300	1,870	1,868	2
Materials and Supplies	19,900	16,838	16,722	116
Contractual Services	500	357	357	0
Capital Outlay	0	150	130	20
Other	1,950	1,685	1,685	0
Total Civil Service	83,863	82,618	82,363	255
Service Department				
Personal Services	154,800	86,572	85,936	636
Fringe Benefits	94,973	49,246	48,492	754
Materials and Supplies	8,700	6,970	6,939	31
Contractual Services	200	615	615	0
Other	150	0	0	0
Total Service Department	258,823	143,403	141,982	1,421
Engineering				
Personal Services	256,530	285,700	284,507	1,193
Fringe Benefits	148,583	184,074	183,287	787
Travel Transportation	11,900	10,015	10,015	0
Materials and Supplies	28,175	17,324	17,324	0
Contractual Services	26,050	22,399	22,399	0
Capital Outlay	0	12,587	11,764	823
Other	9,625	5,271	5,270	1
Total Engineering	480,863	537,370	534,566	2,804
Postage and Stores				
Materials and Supplies	75,000	75,000	60,526	14,474
Total Postage and Stores	75,000	75,000	60,526	14,474
Miscellaneous				
Fringe Benefits	54,300	85,221	65,221	20,000
Materials and Supplies	516,988	381,748	381,748	0
Contractual Services	117,459	123,335	115,836	7,499
Capital Outlay	10,000	10,000	6,174	3,826
Other	40,300	39,815	39,769	46
Total Miscellaneous	739,047	640,119	608,748	31,371
Total General Government	5,383,800	5,230,439	5,130,745	99,694
Security of Persons and Property				
Police Department				
Personal Services	2,480,890	2,465,874	2,465,874	0
Fringe Benefits	849,416	999,981	999,211	770
Travel Transportation	2,500	82	82	0
Materials and Supplies	151,455	123,200	123,200	0
Contractual Services	319,650	311,517	311,517	0
Other	61,600	20,661	20,661	0
Total Police Department	3,865,511	3,921,315	3,920,545	770

continued

City of Chillicothe, Ohio

Schedule of Revenues, Expenditures, and Changes in  
Fund Balances - Budget and Actual (Budget Basis)  
General Fund

For the Year Ended December 31, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Fire Department				
Personal Services	2,190,550	2,700,245	2,469,957	230,288
Fringe Benefits	668,500	930,372	930,372	0
Travel Transportation	1,300	37	37	0
Materials and Supplies	249,408	156,429	156,429	0
Contractual Services	18,000	12,844	12,844	0
Capital Outlay	0	2,124	2,124	0
Other	34,275	29,872	29,872	0
Total Fire Department	3,162,033	3,831,923	3,601,635	230,288
Civil Defense				
Other	6,350	6,350	6,350	0
Total Civil Defense	6,350	6,350	6,350	0
Humane Officer				
Personal Services	3,700	3,695	3,695	0
Fringe Benefits	885	855	855	0
Contractual Services	4,000	4,000	4,000	0
Total Humane Officer	8,585	8,550	8,550	0
School Crossing Guards				
Personal Services	49,975	42,165	42,165	0
Fringe Benefits	11,560	9,872	9,872	0
Materials and Supplies	450	0	0	0
Total School Crossing Guards	61,985	52,037	52,037	0
Total Security of Persons and Property	7,104,464	7,820,175	7,589,117	231,058
Transportation				
Streets and Sidewalks				
Materials and Supplies	211,000	203,464	203,464	0
Total Streets and Sidewalks	211,000	203,464	203,464	0
Total Transportation	211,000	203,464	203,464	0
Community Environment				
Planning Commission				
Materials and Supplies	85	90	90	0
Total Planning Commission	85	90	90	0
Design and Review				
Other	500	0	0	0
Total Design and Review	500	0	0	0
Total Community Environment	585	90	90	0

continued

City of Chillicothe, Ohio

Schedule of Revenues, Expenditures, and Changes in  
Fund Balances - Budget and Actual (Budget Basis)  
General Fund

For the Year Ended December 31, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Basic Utility Services				
Refuse Department				
Personal Services	211,950	303,872	303,842	30
Fringe Benefits	114,490	188,904	188,904	0
Materials and Supplies	45,900	25,180	25,180	0
Contractual Services	444,000	387,376	387,376	0
Other	13,250	1,402	1,402	0
Total Refuse Department	829,590	906,734	906,704	30
Total Basic Utility Services	829,590	906,734	906,704	30
Leisure Time Activities				
Swimming Pool				
Personal Services	52,000	47,247	47,247	0
Fringe Benefits	5,400	7,932	7,932	0
Materials and Supplies	48,142	36,488	35,421	1,067
Contractual Services	3,195	2,832	2,832	0
Other	1,930	595	595	0
Total Swimming Pool	110,667	95,094	94,027	1,067
Total Leisure Time Activities	110,667	95,094	94,027	1,067
Total Expenditures	13,640,106	14,255,996	13,924,147	331,849
Excess of Revenues Over Expenditures	1,972,825	1,372,709	2,063,043	690,334
<b>Other Financing Sources (Uses)</b>				
Transfers-In	80,000	120,829	122,669	1,840
Transfers-Out	(1,921,400)	(1,855,406)	(1,812,576)	42,830
Advances-Out	0	(350,000)	(350,000)	0
Total Other Sources (Uses)	(1,841,400)	(2,084,577)	(2,039,907)	44,670
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	131,425	(711,868)	23,136	735,004
Fund Balances at Beginning of Year	1,158,771	1,158,771	1,158,771	0
Prior Year Encumbrances Appropriated	12,072	12,072	12,072	0
Fund Balances at End of Year	<u>\$1,302,268</u>	<u>\$458,975</u>	<u>\$1,193,979</u>	<u>\$735,004</u>

City of Chillicothe, Ohio

Schedule of Revenues, Expenditures, and Changes in  
Fund Balances - Budget and Actual (Budget Basis)  
Street Construction Maintenance & Repair Fund

For the Year Ended December 31, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$865,000	\$829,000	\$830,543	\$1,543
Miscellaneous	5,460	41,460	23,168	(18,292)
Total Revenue	870,460	870,460	853,711	(16,749)
<b>Expenditures</b>				
<i>Current:</i>				
Transportation				
Street Maintenance & Repair				
Personal Services	576,972	575,688	549,143	26,545
Fringe Benefits	330,522	363,025	351,482	11,543
Travel Transportation	100	0	0	0
Materials and Supplies	209,881	173,430	173,430	0
Contractual Services	2,250	7,175	7,175	0
Capital Outlay	130,000	1,130,000	1,126,516	3,484
Other	19,350	8,694	8,694	0
Total Transportation	1,269,075	2,258,012	2,216,440	41,572
Total Expenditures	1,269,075	2,258,012	2,216,440	41,572
Excess of Revenues (Under) Expenditures	(398,615)	(1,387,552)	(1,362,729)	24,823
<b>Other Financing Sources</b>				
Proceeds of Notes	0	1,000,000	1,000,000	0
Transfers-In	305,000	255,000	255,000	0
Total Other Sources	305,000	1,255,000	1,255,000	0
Excess of Revenues and Other Sources (Under) Expenditures	(93,615)	(132,552)	(107,729)	24,823
Fund Balances at Beginning of Year	79,348	79,348	79,348	0
Prior Year Encumbrances Appropriated	70,931	70,931	70,931	0
Fund Balances (Deficit) at End of Year	\$56,664	\$17,727	\$42,550	\$24,823

City of Chillicothe, Ohio

Schedule of Revenues, Expenditures, and Changes in  
Fund Balances - Budget and Actual (Budget Basis)  
State Highway Fund

For the Year Ended December 31, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$72,000	\$67,000	\$67,342	\$342
Miscellaneous	660	660	2,992	2,332
Total Revenue	<u>72,660</u>	<u>67,660</u>	<u>70,334</u>	<u>2,674</u>
<b>Expenditures</b>				
<i>Current:</i>				
Transportation				
State Highway Maintenance & Repair				
Personal Services	79,407	78,715	78,690	25
Fringe Benefits	36,404	49,113	49,113	0
Total Transportation	<u>115,811</u>	<u>127,828</u>	<u>127,803</u>	<u>25</u>
Total Expenditures	<u>115,811</u>	<u>127,828</u>	<u>127,803</u>	<u>25</u>
Excess of Revenues (Under) Expenditures	(43,151)	(60,168)	(57,469)	2,699
<b>Other Financing Sources</b>				
Transfers-In	<u>85,000</u>	<u>85,000</u>	<u>85,000</u>	<u>0</u>
Total Other Sources	<u>85,000</u>	<u>85,000</u>	<u>85,000</u>	<u>0</u>
Excess of Revenues and Other Sources Over Expenditures	41,849	24,832	27,531	2,699
Fund Balances at Beginning of Year	<u>12,856</u>	<u>12,856</u>	<u>12,856</u>	<u>0</u>
Fund Balances at End of Year	<u><u>\$54,705</u></u>	<u><u>\$37,688</u></u>	<u><u>\$40,387</u></u>	<u><u>\$2,699</u></u>

City of Chillicothe, Ohio

Schedule of Revenues, Expenditures, and Changes in  
Fund Balances - Budget and Actual (Budget Basis)  
Parks and Recreation Fund

For the Year Ended December 31, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Local Taxes	\$495,000	\$470,500	\$461,553	(\$8,947)
Charges for Services	33,500	500	200	(300)
Fines, Licenses and Permits	500	25,000	21,550	(3,450)
Miscellaneous	5,256	49,887	56,318	6,431
<b>Total Revenue</b>	<b>534,256</b>	<b>545,887</b>	<b>539,621</b>	<b>(6,266)</b>
<b>Expenditures</b>				
<i>Current:</i>				
Leisure Time Activities				
Parks and Recreation				
Personal Services	313,811	383,819	381,278	2,541
Fringe Benefits	183,161	227,138	220,567	6,571
Travel Transportation	1,140	112	112	0
Materials and Supplies	138,208	122,172	108,427	13,745
Contractual Services	5,500	7,935	6,646	1,289
Capital Outlay	10,985	9,787	9,456	331
Other	24,089	12,407	11,634	773
<b>Total Leisure Time Activities</b>	<b>676,894</b>	<b>763,370</b>	<b>738,120</b>	<b>25,250</b>
<b>Total Expenditures</b>	<b>676,894</b>	<b>763,370</b>	<b>738,120</b>	<b>25,250</b>
Excess of Revenues (Under) Expenditures	(142,638)	(217,483)	(198,499)	18,984
<b>Other Financing Sources (Uses)</b>				
Transfers-In	150,000	185,243	185,243	0
Transfers-Out	(800)	(822)	(822)	0
<b>Total Other Sources (Uses)</b>	<b>149,200</b>	<b>184,421</b>	<b>184,421</b>	<b>0</b>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	6,562	(33,062)	(14,078)	18,984
Fund Balances at Beginning of Year	33,144	33,144	33,144	0
Prior Year Encumbrances Appropriated	351	351	351	0
<b>Fund Balances (Deficit) at End of Year</b>	<b>\$40,057</b>	<b>\$433</b>	<b>\$19,417</b>	<b>\$18,984</b>

City of Chillicothe, Ohio

Schedule of Revenues, Expenditures, and Changes in  
Fund Balances - Budget and Actual (Budget Basis)  
HUD Fund

For the Year Ended December 31, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$690,307	\$1,030,673	\$532,383	(\$498,290)
Investment Earnings	0	0	53	53
Total Revenue	690,307	1,030,673	532,436	(498,237)
<b>Expenditures</b>				
<i>Current:</i>				
Community Environment				
Rehabilitation & Development				
Materials and Supplies	611,011	921,377	445,782	475,595
Contractual Services	100,000	130,000	100,000	30,000
Total Community Environment	711,011	1,051,377	545,782	505,595
Total Expenditures	711,011	1,051,377	545,782	505,595
Excess of Revenues (Under) Expenditures	(20,704)	(20,704)	(13,346)	7,358
Deficit Fund Balances at Beginning of Year	(10,738)	(10,738)	(10,738)	0
Prior Year Encumbrances Appropriated	32,703	32,703	32,703	0
Fund Balances at End of Year	\$1,261	\$1,261	\$8,619	\$7,358

City of Chillicothe, Ohio

Schedule of Revenues, Expenditures, and Changes in  
Fund Balances - Budget and Actual (Budget Basis)  
Grants Fund

For the Year Ended December 31, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$110,421	\$182,721	\$83,099	(\$99,622)
Investment Earnings	0	0	20	20
Total Revenue	<u>110,421</u>	<u>182,721</u>	<u>83,119</u>	<u>(99,602)</u>
<b>Expenditures</b>				
<i>Current:</i>				
Community Environment				
State Grants				
Contractual	0	83,832	16,410	67,422
Capital Outlay	6,667	6,667	3,875	2,792
Other	79,082	73,250	34,598	38,652
Total Community Environment	<u>85,749</u>	<u>163,749</u>	<u>54,883</u>	<u>108,866</u>
Total Expenditures	<u>85,749</u>	<u>163,749</u>	<u>54,883</u>	<u>108,866</u>
Excess of Revenues Over Expenditures	24,672	18,972	28,236	9,264
<b>Other Financing Sources (Uses)</b>				
Transfers-In	667	667	667	0
Transfers-Out	(30,589)	(34,889)	(34,889)	0
Total Other Sources (Uses)	<u>(29,922)</u>	<u>(34,222)</u>	<u>(34,222)</u>	<u>0</u>
Excess of Revenues and Other Financing Sources (Under) Expenditures and Other Uses	(5,250)	(15,250)	(5,986)	9,264
Fund Balances at Beginning of Year	<u>35,927</u>	<u>35,927</u>	<u>35,927</u>	<u>0</u>
Fund Balances at End of Year	<u>\$30,677</u>	<u>\$20,677</u>	<u>\$29,941</u>	<u>\$9,264</u>

City of Chillicothe, Ohio

Schedule of Revenues, Expenditures, and Changes in  
Fund Balances - Budget and Actual (Budget Basis)  
Floodwall Fund

For the Year Ended December 31, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Total Revenue	\$0	\$0	\$0	\$0
<b>Expenditures</b>				
<i>Current:</i>				
Community Environment				
Floodwall Maintenance				
Transportation	200	0	0	0
Materials and Supplies	14,050	16,500	15,836	664
Contractual Services	750	0	0	0
Capital Outlay	15,000	15,000	14,239	761
Total Community Environment	30,000	31,500	30,075	1,425
Total Expenditures	30,000	31,500	30,075	1,425
Excess of Revenues (Under) Expenditures	(30,000)	(31,500)	(30,075)	1,425
<b>Other Financing (Uses)</b>				
Transfers-Out	0	(10,243)	(10,243)	0
Total Other (Uses)	0	(10,243)	(10,243)	0
Excess of Revenues (Under) Expenditures and Other Uses	(30,000)	(41,743)	(40,318)	1,425
Fund Balances at Beginning of Year	104,588	104,588	104,588	0
Fund Balances at End of Year	\$74,588	\$62,845	\$64,270	\$1,425

City of Chillicothe, Ohio

Schedule of Revenues, Expenditures, and Changes in  
Fund Balances - Budget and Actual (Budget Basis)  
Cablevision Fund

For the Year Ended December 31, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Total Revenue	\$0	\$0	\$0	\$0
<b>Expenditures</b>				
Total Expenditures	0	0	0	0
Excess of Revenues Over (Under) Expenditures	0	0	0	0
Fund Balances at Beginning of Year	5,765	5,765	5,765	0
Fund Balances at End of Year	<u>\$5,765</u>	<u>\$5,765</u>	<u>\$5,765</u>	<u>\$0</u>

City of Chillicothe, Ohio

Schedule of Revenues, Expenditures, and Changes in  
Fund Balances - Budget and Actual (Budget Basis)  
Income Tax Fund

For the Year Ended December 31, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Total Revenue	\$0	\$0	\$0	\$0
<b>Expenditures</b>				
<i>Current:</i>				
General Government				
Unallocated & Refunded Income Tax				
Other	375,000	375,000	322,891	52,109
Total General Government	375,000	375,000	322,891	52,109
Total Expenditures	375,000	375,000	322,891	52,109
Excess of Revenues (Under) Expenditures	(375,000)	(375,000)	(322,891)	52,109
<b>Other Financing Sources</b>				
Transfers-In	375,000	375,000	375,000	0
Total Other Sources	375,000	375,000	375,000	0
Excess of Revenues and Other Sources Over Expenditures and Other Uses	0	0	52,109	52,109
Fund Balances at Beginning of Year	212,029	212,029	212,029	0
Fund Balances at End of Year	<u>\$212,029</u>	<u>\$212,029</u>	<u>\$264,138</u>	<u>\$52,109</u>

City of Chillicothe, Ohio

Schedule of Revenues, Expenditures, and Changes in  
Fund Balances - Budget and Actual (Budget Basis)  
Law Enforcement Fund

For the Year Ended December 31, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Fines, Licenses and Permits	\$10,000	\$10,000	\$39,655	\$29,655
Total Revenue	10,000	10,000	39,655	29,655
<b>Expenditures</b>				
<i>Current:</i>				
Security of Persons and Property Enforcement & Education Other	10,000	10,000	0	10,000
Total Security of Persons and Property	10,000	10,000	0	10,000
Total Expenditures	10,000	10,000	0	10,000
Excess of Revenues Over Expenditures	0	0	39,655	39,655
Fund Balances at Beginning of Year	49,706	49,706	49,706	0
Fund Balances at End of Year	\$49,706	\$49,706	\$89,361	\$39,655

City of Chillicothe, Ohio

Schedule of Revenues, Expenditures, and Changes in  
Fund Balances - Budget and Actual (Budget Basis)  
Indigent Driver's Alcohol Treatment Fund

For the Year Ended December 31, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Fines, Licenses and Permits	\$15,000	\$15,000	\$15,103	\$103
Total Revenue	15,000	15,000	15,103	103
<b>Expenditures</b>				
<i>Current:</i>				
Security of Persons and Property				
Alcohol Treatment				
Contractual Services	10,000	10,000	0	10,000
Total Security of Persons and Property	10,000	10,000	0	10,000
Total Expenditures	10,000	10,000	0	10,000
Excess of Revenues Over Expenditures	5,000	5,000	15,103	10,103
Fund Balances at Beginning of Year	129,781	129,781	129,781	0
Fund Balances at End of Year	\$134,781	\$134,781	\$144,884	\$10,103

City of Chillicothe, Ohio

Schedule of Revenues, Expenditures, and Changes in  
Fund Balances - Budget and Actual (Budget Basis)  
OMVI Enforcement and Education Fund

For the Year Ended December 31, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Fines, Licenses and Permits	\$3,000	\$3,000	\$3,181	\$181
Total Revenue	3,000	3,000	3,181	181
<b>Expenditures</b>				
<i>Current:</i>				
Security of Persons and Property Enforcement & Education Other	10,000	10,000	5,000	5,000
Total Security of Persons and Property	10,000	10,000	5,000	5,000
Total Expenditures	10,000	10,000	5,000	5,000
Excess of Revenues (Under) Expenditures	(7,000)	(7,000)	(1,819)	5,181
Fund Balances at Beginning of Year	22,538	22,538	22,538	0
Fund Balances at End of Year	\$15,538	\$15,538	\$20,719	\$5,181

City of Chillicothe, Ohio

Schedule of Revenues, Expenditures, and Changes in  
Fund Balances - Budget and Actual (Budget Basis)  
Mandatory Drug Fines Fund

For the Year Ended December 31, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Fines, Licenses and Permits	\$3,000	\$3,000	\$4,880	\$1,880
Total Revenue	3,000	3,000	4,880	1,880
<b>Expenditures</b>				
<i>Current:</i>				
Security of Persons and Property Enforcement & Education Other	1,000	1,000	43	957
Total Security of Persons and Property	1,000	1,000	43	957
Total Expenditures	1,000	1,000	43	957
Excess of Revenues Over Expenditures	2,000	2,000	4,837	2,837
Fund Balances at Beginning of Year	34,128	34,128	34,128	0
Fund Balances at End of Year	\$36,128	\$36,128	\$38,965	\$2,837

City of Chillicothe, Ohio

Schedule of Revenues, Expenditures, and Changes in  
Fund Balances - Budget and Actual (Budget Basis)  
Parking Fund

For the Year Ended December 31, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Charges for Services	\$47,000	\$47,000	\$59,871	\$12,871
Miscellaneous	600	600	5,724	5,124
Total Revenue	47,600	47,600	65,595	17,995
<b>Expenditures</b>				
<i>Current:</i>				
Transportation				
Traffic Control & Parking Facility				
Personal Services	91,135	80,072	73,396	6,676
Fringe Benefits	39,194	43,743	43,297	446
Travel	150	150	0	150
Materials and Supplies	25,500	15,941	10,334	5,607
Contractual Services	700	760	341	419
Capital Outlay	22,775	24,675	17,272	7,403
Other	1,150	1,150	45	1,105
Total Transportation	180,604	166,491	144,685	21,806
Total Expenditures	180,604	166,491	144,685	21,806
Excess of Revenues (Under) Expenditures	(133,004)	(118,891)	(79,090)	39,801
<b>Other Financing Sources (Uses)</b>				
Transfers-In	132,000	105,000	105,000	0
Transfers-Out	(9,500)	(2,500)	(489)	2,011
Total Other Sources (Uses)	122,500	102,500	104,511	2,011
Excess of Revenues and Other Sources (Under) Expenditures and Other Uses	(10,504)	(16,391)	25,421	41,812
Fund Balances at Beginning of Year	56,221	56,221	56,221	0
Prior Year Encumbrances Appropriated	2,775	2,775	2,775	0
Fund Balances at End of Year	\$48,492	\$42,605	\$84,417	\$41,812

City of Chillicothe, Ohio

Schedule of Revenues, Expenditures, and Changes in  
Fund Balances - Budget and Actual (Budget Basis)  
Bus Transit Fund

For the Year Ended December 31, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Local Taxes	\$650,000	\$605,875	\$613,713	\$7,838
Charges for Services	109,000	109,000	108,753	(247)
Intergovernmental	2,980,432	2,980,432	989,758	(1,990,674)
Miscellaneous	17,320	17,320	45,913	28,593
Total Revenue	<u>3,756,752</u>	<u>3,712,627</u>	<u>1,758,137</u>	<u>(1,954,490)</u>
<b>Expenditures</b>				
<i>Current:</i>				
Transportation				
Bus Transit System				
Personal Services	744,084	796,091	788,943	7,148
Fringe Benefits	313,630	429,700	428,951	749
Travel Transportation	2,800	2,440	625	1,815
Materials and Supplies	258,300	229,578	142,709	86,869
Contractual Services	21,748	23,108	5,044	18,064
Capital Outlay	2,192,801	2,314,919	329,452	1,985,467
Other	209,200	209,200	197,826	11,374
Total Transportation	<u>3,742,563</u>	<u>4,005,036</u>	<u>1,893,550</u>	<u>2,111,486</u>
Total Expenditures	<u>3,742,563</u>	<u>4,005,036</u>	<u>1,893,550</u>	<u>2,111,486</u>
Excess of Revenues Over (Under) Expenditures	14,189	(292,409)	(135,413)	156,996
<b>Other Financing (Uses)</b>				
Transfers-Out	<u>(25,500)</u>	<u>(25,500)</u>	<u>(21,591)</u>	<u>3,909</u>
Total Other (Uses)	<u>(25,500)</u>	<u>(25,500)</u>	<u>(21,591)</u>	<u>3,909</u>
Excess of Revenues (Under) Expenditures and Other Uses	(11,311)	(317,909)	(157,004)	160,905
Fund Balances at Beginning of Year	685,582	685,582	685,582	0
Prior Year Encumbrances Appropriated	<u>72,513</u>	<u>72,513</u>	<u>72,513</u>	<u>0</u>
Fund Balances at End of Year	<u>\$746,784</u>	<u>\$440,186</u>	<u>\$601,091</u>	<u>\$160,905</u>

City of Chillicothe, Ohio

Schedule of Revenues, Expenditures, and Changes in  
Fund Balances - Budget and Actual (Budget Basis)  
Police Pension Fund

For the Year Ended December 31, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Local Taxes	\$144,480	\$133,877	\$134,275	\$398
Intergovernmental	0	0	1,714	1,714
Total Revenue	144,480	133,877	135,989	2,112
<b>Expenditures</b>				
<i>Current:</i>				
Security of Persons and Property				
Police Pension & Disability				
Fringe Benefits	386,400	448,400	443,097	5,303
Other	3,000	3,000	2,972	28
Total Security of Persons & Property	389,400	451,400	446,069	5,331
Total Expenditures	389,400	451,400	446,069	5,331
Excess of Revenues (Under) Expenditures	(244,920)	(317,523)	(310,080)	7,443
<b>Other Financing Sources (Uses)</b>				
Transfers-In	386,400	386,400	311,000	(75,400)
Transfers-Out	(9,200)	(9,200)	(9,200)	0
Total Other Sources (Uses)	377,200	377,200	301,800	(75,400)
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	132,280	59,677	(8,280)	(67,957)
Fund Balances at Beginning of Year	10,809	10,809	10,809	0
Fund Balances at End of Year	\$143,089	\$70,486	\$2,529	(\$67,957)

City of Chillicothe, Ohio

Schedule of Revenues, Expenditures, and Changes in  
Fund Balances - Budget and Actual (Budget Basis)  
Fire Pension Fund

For the Year Ended December 31, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Local Taxes	\$144,480	\$133,877	\$134,275	\$398
Intergovernmental	0	0	1,714	1,714
Total Revenue	144,480	133,877	135,989	2,112
<b>Expenditures</b>				
<i>Current:</i>				
Security of Persons and Property				
Fire Pension & Disability				
Fringe Benefits	435,000	563,000	560,182	2,818
Other	3,000	3,000	2,973	27
Total Security of Persons & Property	438,000	566,000	563,155	2,845
Total Expenditures	438,000	566,000	563,155	2,845
Excess of Revenues (Under) Expenditures	(293,520)	(432,123)	(427,166)	4,957
<b>Other Financing Sources (Uses)</b>				
Transfers-In	435,000	463,000	452,000	(11,000)
Transfers-Out	(33,220)	(33,220)	(33,220)	0
Total Other Sources (Uses)	401,780	429,780	418,780	(11,000)
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	108,260	(2,343)	(8,386)	(6,043)
Fund Balances at Beginning of Year	10,810	10,810	10,810	0
Fund Balances at End of Year	\$119,070	\$8,467	\$2,424	(\$6,043)

City of Chillicothe, Ohio

Schedule of Revenues, Expenditures, and Changes in  
Fund Balances - Budget and Actual (Budget Basis)  
Bond Retirement Fund

For the Year Ended December 31, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Total Revenue	\$0	\$0	\$0	\$0
<b>Expenditures</b>				
<i>Debt Service:</i>				
Principal Retirement	245,000	245,000	245,000	0
Interest and Fiscal Charges	71,520	71,520	71,413	107
Total Debt Service	316,520	316,520	316,413	107
Total Expenditures	316,520	316,520	316,413	107
Excess of Revenues (Under) Expenditures	(316,520)	(316,520)	(316,413)	107
<b>Other Financing Sources</b>				
Transfers-In	266,520	266,520	266,520	0
Total Other Sources	266,520	266,520	266,520	0
Excess of Revenues and Other Sources (Under) Expenditures	(50,000)	(50,000)	(49,893)	107
Fund Balances at Beginning of Year	62,044	62,044	62,044	0
Fund Balances at End of Year	\$12,044	\$12,044	\$12,151	\$107

City of Chillicothe, Ohio

Schedule of Revenues, Expenditures, and Changes in  
Fund Balances - Budget and Actual (Budget Basis)  
Capital Improvement Fund

For the Year Ended December 31, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Total Revenue	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b>Expenditures</b>				
Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances at Beginning of Year	<u>32,000</u>	<u>32,000</u>	<u>32,000</u>	<u>0</u>
Fund Balances at End of Year	<u><u>\$32,000</u></u>	<u><u>\$32,000</u></u>	<u><u>\$32,000</u></u>	<u><u>\$0</u></u>

City of Chillicothe, Ohio

Schedule of Revenues, Expenditures, and Changes in  
Fund Balances - Budget and Actual (Budget Basis)  
Issue II Improvements Fund

For the Year Ended December 31, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$220,000	\$220,000	\$203,095	(\$16,905)
Total Revenue	220,000	220,000	203,095	(16,905)
<b>Expenditures</b>				
Capital Outlay	220,000	220,000	203,095	16,905
Total Capital Outlay	220,000	220,000	203,095	16,905
Total Expenditures	220,000	220,000	203,095	16,905
Excess of Revenues Over (Under) Expenditures	0	0	0	0
Fund Balances at Beginning of Year	(220,000)	(220,000)	(220,000)	0
Prior Year Encumbrances Appropriated	220,000	220,000	220,000	0
Fund Balances at End of Year	\$0	\$0	\$0	\$0

City of Chillicothe, Ohio

Schedule of Revenues, Expenditures, and Changes in  
Fund Balances - Budget and Actual (Budget Basis)  
Safety Levy Capital Fund

For the Year Ended December 31, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Local Taxes	\$650,000	\$605,875	\$613,713	\$7,838
Miscellaneous	0	0	8,011	8,011
Total Revenue	650,000	605,875	621,724	15,849
<b>Expenditures</b>				
Capital Outlay				
Capital Outlay	251,257	261,768	212,862	48,906
Total Capital Outlay	251,257	261,768	212,862	48,906
Total Expenditures	251,257	261,768	212,862	48,906
Excess of Revenues Over Expenditures	398,743	344,107	408,862	64,755
<b>Other Financing (Uses)</b>				
Transfers-Out	(151,767)	(222,214)	(221,631)	583
Total Other (Uses)	(151,767)	(222,214)	(221,631)	583
Excess of Revenues and Other Sources Over Expenditures and Other Uses	246,976	121,893	187,231	65,338
Fund Balances at Beginning of Year	437,408	437,408	437,408	0
Prior Year Encumbrances Appropriated	8,207	8,207	8,207	0
Fund Balances at End of Year	\$692,591	\$567,508	\$632,846	\$65,338

City of Chillicothe, Ohio

Schedule of Revenues, Expenditures, and Changes in  
Fund Balances - Budget and Actual (Budget Basis)  
Landfill Closure Fund

For the Year Ended December 31, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Total Revenue	\$0	\$0	\$0	\$0
<b>Expenditures</b>				
Capital Outlay				
Capital Outlay	60,000	60,000	36,419	23,581
Total Capital Outlay	60,000	60,000	36,419	23,581
Total Expenditures	60,000	60,000	36,419	23,581
Excess of Revenues Over (Under) Expenditures	(60,000)	(60,000)	(36,419)	23,581
Fund Balances at Beginning of Year	84,089	84,089	84,089	0
Fund Balances at End of Year	\$24,089	\$24,089	\$47,670	\$23,581

City of Chillicothe, Ohio

Schedule of Revenues, Expenditures, and Changes in  
Fund Balances - Budget and Actual (Budget Basis)  
Parks and Recreation Capital Fund

For the Year Ended December 31, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Local Taxes	\$135,500	\$141,375	\$152,160	\$10,785
Intergovernmental	350,000	350,000	0	(350,000)
Miscellaneous	14,500	39,359	46,376	7,017
Total Revenue	500,000	530,734	198,536	(332,198)
<b>Expenditures</b>				
Capital Outlay				
Materials and Supplies	13,500	13,500	10,622	2,878
Contractual Services	100	0	0	0
Capital Outlay	495,531	528,798	503,422	25,376
Total Capital Outlay	509,131	542,298	514,044	28,254
Total Expenditures	509,131	542,298	514,044	28,254
Excess of Revenues Over (Under) Expenditures	(9,131)	(11,564)	(315,508)	(303,944)
<b>Other Financing Sources (Uses)</b>				
Advances-In	0	0	350,000	350,000
Transfers-Out	(22,000)	(22,000)	(21,416)	584
Total Other Sources (Uses)	(22,000)	(22,000)	328,584	350,584
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(31,131)	(33,564)	13,076	46,640
Fund Balances at Beginning of Year	34,438	34,438	34,438	0
Fund Balances at End of Year	\$3,307	\$874	\$47,514	\$46,640

City of Chillicothe, Ohio

Schedule of Revenues, Expenditures, and Changes in  
Fund Balances - Budget and Actual (Budget Basis)  
Streetscape Fund

For the Year Ended December 31, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Total Revenue	\$0	\$0	\$0	\$0
<b>Expenditures</b>				
Capital Outlay				
Capital Outlay	10,000	10,000	8,487	1,513
Total Capital Outlay	10,000	10,000	8,487	1,513
Total Expenditures	10,000	10,000	8,487	1,513
Excess of Revenues Over (Under) Expenditures	(10,000)	(10,000)	(8,487)	(1,513)
Fund Balances at Beginning of Year	50,195	50,195	50,195	0
Fund Balances at End of Year	\$40,195	\$40,195	\$41,708	\$1,513

City of Chillicothe, Ohio

Schedule of Revenues, Expenditures, and Changes in  
Fund Balances - Budget and Actual (Budget Basis)  
Carlisle Hill Fund

For the Year Ended December 31, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Investment Earnings	\$40	\$40	\$20	(\$20)
Total Revenue	40	40	20	(20)
<b>Expenditures</b>				
<i>Current:</i>				
Community Environment				
Other	1,200	1,200	0	1,200
Total Expenditures	1,200	1,200	0	1,200
Excess of Revenues Over (Under) Expenditures	(1,160)	(1,160)	20	1,180
Fund Balances at Beginning of Year	2,967	2,967	2,967	0
Fund Balances at End of Year	\$1,807	\$1,807	\$2,987	\$1,180

City of Chillicothe, Ohio

Schedule of Revenues, Expenditures, and Changes in  
Fund Equity - Budget and Actual (Budget Basis)  
Water Fund

For the Year Ended December 31, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Charges for Services	\$4,203,000	\$4,203,000	\$4,333,251	\$130,251
Investment Income	2,000	2,000	21,216	19,216
Other Operating Revenue	10,820	10,820	272,084	261,264
<b>Total Revenue</b>	<b>4,215,820</b>	<b>4,215,820</b>	<b>4,626,551</b>	<b>410,731</b>
<b>Expenses</b>				
<i>Current:</i>				
Personal Services	867,910	974,681	930,986	43,695
Fringe Benefits	429,831	513,304	511,906	1,398
Travel Transportation	450	300	0	300
Contractual Services	347,810	296,800	293,307	3,493
Materials and Supplies	633,201	596,108	564,443	31,665
Other Operating Expenses	754,859	574,271	538,503	35,768
Capital Outlay	1,339,110	1,369,110	915,145	453,965
<i>Debt Service:</i>				
Principal Retirement	1,960,429	3,057,661	2,850,000	207,661
Interest and Fiscal Charges	351,150	453,918	453,366	552
<b>Total Expenses</b>	<b>6,684,750</b>	<b>7,836,153</b>	<b>7,057,656</b>	<b>778,497</b>
Excess of Revenues Over (Under) Expenses	(2,468,930)	(3,620,333)	(2,431,105)	1,189,228
<b>Other Financing Sources (Uses)</b>				
Proceeds of Notes	0	1,200,000	1,200,000	0
Transfers-In	308,950	308,950	161,944	(147,006)
Transfers-Out	(6,300)	(6,300)	(5,386)	914
<b>Total Other Sources (Uses)</b>	<b>302,650</b>	<b>1,502,650</b>	<b>1,356,558</b>	<b>(146,092)</b>
Excess of Revenues and Other Sources Over (Under) Expenses and Other Uses	(2,166,280)	(2,117,683)	(1,074,547)	1,043,136
Fund Equity at Beginning of Year	6,346,502	6,346,502	6,346,502	0
Prior Year Encumbrances Appropriated	880,847	880,847	880,847	0
<b>Fund Equity at End of Year</b>	<b>\$5,061,069</b>	<b>\$5,109,666</b>	<b>\$6,152,802</b>	<b>\$1,043,136</b>

City of Chillicothe, Ohio

Schedule of Revenues, Expenditures, and Changes in  
Fund Equity - Budget and Actual (Budget Basis)  
Sewer Fund

For the Year Ended December 31, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Charges for Services	\$2,794,400	\$2,794,400	\$2,975,032	\$180,632
Investment Income	500	500	1,458	958
Other Operating Revenues	7,560	7,560	32,978	25,418
<b>Total Revenue</b>	<b>2,802,460</b>	<b>2,802,460</b>	<b>3,009,468</b>	<b>207,008</b>
<b>Expenses</b>				
<i>Current:</i>				
Personal Services	911,320	968,919	924,294	44,625
Fringe Benefits	507,403	611,234	603,158	8,076
Travel Transportation	844	917	770	147
Contractual Services	62,325	48,097	23,402	24,695
Materials and Supplies	357,949	313,645	307,291	6,354
Other Operating Expenses	704,868	349,981	349,071	910
Capital Outlay	891,315	1,143,286	858,686	284,600
<i>Debt Service:</i>				
Principal Retirement	1,467,467	1,595,422	295,000	1,300,422
Interest and Fiscal Charges	255,765	127,810	127,807	3
<b>Total Expenses</b>	<b>5,159,256</b>	<b>5,159,311</b>	<b>3,489,479</b>	<b>1,669,832</b>
Excess of Revenues Over (Under) Expenses	(2,356,796)	(2,356,851)	(480,011)	1,876,840
<b>Other Financing Sources (Uses)</b>				
Transfers-In	225,000	30,000	31,407	1,407
Transfers-Out	(628,250)	(313,100)	(165,936)	147,164
<b>Total Other Sources (Uses)</b>	<b>(403,250)</b>	<b>(283,100)</b>	<b>(134,529)</b>	<b>148,571</b>
Excess of Revenues and Other Sources Over (Under) Expenses and Other Uses	(2,760,046)	(2,639,951)	(614,540)	2,025,411
Fund Equity at Beginning of Year	3,250,583	3,250,583	3,250,583	0
Prior Year Encumbrances Appropriated	395,443	395,443	395,443	0
<b>Fund Equity at End of Year</b>	<b>\$885,980</b>	<b>\$1,006,075</b>	<b>\$3,031,486</b>	<b>\$2,025,411</b>

City of Chillicothe, Ohio

Schedule of Revenues, Expenditures, and Changes in  
Fund Balances - Budget and Actual (Budget Basis)  
Unclaimed Monies Fund

For the Year Ended December 31, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Miscellaneous	\$15,000	\$15,000	\$17,267	\$2,267
Total Revenue	15,000	15,000	17,267	2,267
<b>Expenditures</b>				
<i>Current:</i>				
General Government				
Unclaimed Monies				
Other	0	1,500	350	1,150
Total General Government	0	1,500	350	1,150
Total Expenditures	0	1,500	350	1,150
Excess of Revenues Over (Under) Expenditures	15,000	13,500	16,917	3,417
<b>Other Financing Sources (Uses)</b>				
Transfers-Out	0	(15,000)	(14,076)	924
Total Other Sources (Uses)	0	(15,000)	(14,076)	924
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	15,000	(1,500)	2,841	4,341
Fund Balances at Beginning of Year	61,394	61,394	61,394	0
Fund Balances at End of Year	\$76,394	\$59,894	\$64,235	\$4,341

**CITY OF CHILICOTHE  
GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION  
LAST TEN FISCAL YEARS**

Table 1

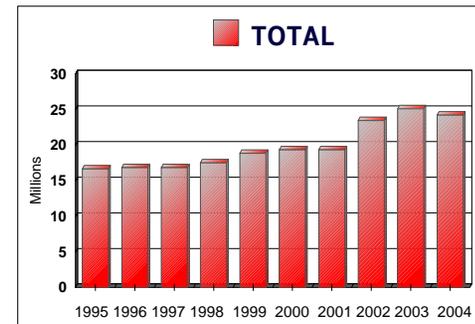
	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
<b>General Government</b>	\$4,182,086	\$3,719,934	\$4,261,976	\$4,483,092	\$4,743,515	\$4,852,165	\$5,186,334	\$8,253,668	\$7,393,976	<b>\$7,151,308</b>
<b>Security of Persons &amp; Property</b>	6,046,290	6,534,995	6,066,279	6,596,471	7,265,341	7,749,666	7,863,743	8,476,179	8,711,972	<b>8,993,943</b>
<b>Transportation</b>	2,496,318	3,043,442	2,947,119	3,032,695	2,951,151	3,144,877	3,021,633	3,336,160	3,439,101	<b>4,324,254</b>
<b>Community Environment</b>	860,274	1,002,976	835,453	397,983	296,156	601,779	432,699	533,551	701,489	<b>388,920</b>
<b>Basic Utility Services</b>	699,311	689,479	741,063	833,684	963,720	1,018,359	1,038,420	893,922	890,736	<b>916,882</b>
<b>Leisure Time Activities</b>	578,552	608,682	615,619	633,893	680,082	708,576	730,341	771,929	822,761	<b>830,216</b>
<b>Capital Outlay</b>	1,159,255	575,199	756,275	940,767	760,693	602,319	508,306	616,504	525,325	<b>1,210,634</b>
<b>Debt Service</b>	642,387	640,476	615,932	597,453	1,194,722	672,884	559,492	552,826	2,601,970	<b>390,961</b>
<b>Total</b>	<b>\$16,664,473</b>	<b>\$16,815,183</b>	<b>\$16,839,716</b>	<b>\$17,516,038</b>	<b>\$18,855,380</b>	<b>\$19,350,625</b>	<b>\$19,340,968</b>	<b>\$23,434,739</b>	<b>\$25,087,330</b>	<b>\$24,207,118</b>

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Source: Chillicothe City Auditor

(1) 1995 - 2004 are reported on GAAP basis; 1995 - 2001 did not report the City's Municipal Court operations as a part of the general governmental expenditures.

Note: General governmental expenditures include general, special revenue, debt service, capital project and permanent funds.



**CITY OF CHILLICOTHE  
GENERAL GOVERNMENTAL REVENUES BY SOURCE  
LAST TEN FISCAL YEARS**

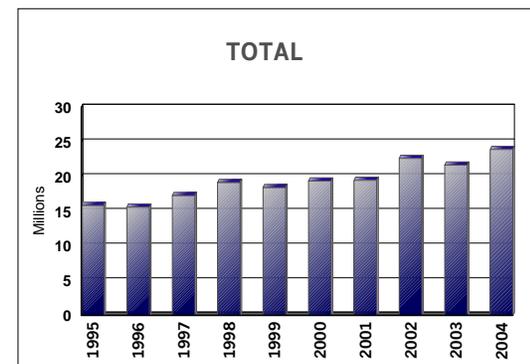
**Table 2**

YEAR	LOCAL TAXES	CHARGES FOR SERVICES	FINES, LICENSES & PERMITS	INTER-GOVERNMENTAL	SPECIAL ASSESSMENTS	INTEREST	OTHER	TOTAL
1995 (1)	\$8,639,774	\$631,406	\$1,141,197	\$4,215,268	\$131,104	\$578,241	\$519,494	\$15,856,484
1996 (1)	8,951,489	674,140	1,086,366	3,690,474	129,767	610,183	508,821	15,651,240
1997 (1)	9,603,877	2,078,501	1,191,387	3,344,926	126,986	542,494	427,492	17,315,663
1998 (1)	10,223,543	2,257,395	1,439,458	3,658,562	119,265	658,762	821,781	19,178,766
1999 (1)	10,406,953	1,666,596	1,481,959	3,707,165	130,183	662,905	397,458	18,453,219
2000 (1)	10,683,702	1,646,356	1,503,614	3,808,469	123,662	948,055	674,489	19,388,347
2001 (1)	11,050,649	1,715,355	1,600,285	4,033,644	12,628	690,107	407,108	19,509,776
2002 (1)	11,066,815	2,211,337	4,451,859	4,357,747	3,689	266,635	308,983	22,667,065
2003 (1)	10,984,741	2,732,346	3,077,953	4,210,207	3,430	144,920	564,002	21,717,599
<b>2004 (1)</b>	<b>11,599,319</b>	<b>2,878,583</b>	<b>3,153,361</b>	<b>5,332,461</b>	<b>5,222</b>	<b>146,091</b>	<b>837,783</b>	<b>23,952,820</b>

Source: Chillicothe City Auditor

Note: General governmental revenues include general, special revenue, debt service, capital project and permanent funds.

(1) 1995 - 2004 are reported on GAAP basis; 1995 - 2001 did not report the City's Municipal Court operations as a part of the general governmental revenues.



**CITY OF CHILLICOTHE  
PROPERTY TAX LEVIES AND COLLECTIONS -  
REAL, PUBLIC UTILITY AND TANGIBLE PERSONAL PROPERTY TAXES  
LAST TEN FISCAL YEARS**

**Table 3**

COLLECTION YEAR	CURRENT TAX LEVY	CURRENT TAX COLLECTIONS	PERCENT OF CURRENT TAXES COLLECTED	DELINQUENT TAX COLLECTIONS	TOTAL TAX COLLECTIONS	RATIO OF TOTAL TAX COLLECTIONS TO CURRENT TAX LEVY	TOTAL OUTSTANDING DELINQUENT TAXES	RATIO OF OUTSTANDING DELINQUENT TAXES TO CURRENT TAX LEVY
1995	\$1,082,022	\$1,080,661	99.87%	\$21,026	\$1,101,687	101.82%	\$38,082	3.52%
1996	1,188,764	1,168,687	98.31%	17,251	1,185,938	99.76%	45,065	3.79%
1997	1,241,178	1,217,394	98.08%	21,514	1,238,908	99.82%	47,791	3.85%
1998	1,284,717	1,261,575	98.20%	27,607	1,289,182	100.35%	48,899	3.81%
1999	1,374,337	1,350,362	98.26%	20,201	1,370,563	99.73%	44,675	3.25%
2000	1,393,689	1,369,358	98.25%	25,636	1,394,994	100.09%	37,211	2.67%
2001	1,399,265	1,382,712	98.82%	26,722	1,409,434	100.73%	39,819	2.85%
2002	1,469,163	1,429,337	97.29%	27,771	1,457,108	99.18%	42,707	2.91%
2003	1,518,557	1,486,333	97.88%	32,415	1,518,748	100.01%	48,375	3.19%
<b>2004</b>	<b>1,403,152</b>	<b>1,362,926</b>	<b>97.13%</b>	<b>36,425</b>	<b>1,399,351</b>	<b>99.73%</b>	<b>51,693</b>	<b>3.68%</b>

Source: Ross County Auditor

**CITY OF CHILLICOTHE  
 ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
 LAST TEN FISCAL YEARS**

**Table 4**

YEAR	REAL PROPERTY		PERSONAL PROPERTY		PUBLIC UTILITY PROPERTY		TOTAL		RATIO OF TOTAL ASSESSED VALUE TO TOTAL ESTIMATED ACTUAL VALUE
	ASSESSED VALUE	EST. ACTUAL VALUE	ASSESSED VALUE	EST. ACTUAL VALUE	ASSESSED VALUE	EST. ACTUAL VALUE	(1) ASSESSED VALUE	(2) ESTIMATED ACTUAL VALUE	
1995	\$195,932,420	\$559,806,914	\$122,290,910	\$489,163,640	\$25,447,860	\$28,918,022	\$343,671,190	\$1,077,888,576	31.88%
1996	227,459,300	649,883,714	122,362,540	489,450,160	24,358,590	27,680,216	374,180,430	1,167,014,090	32.06%
1997	232,568,730	664,482,086	134,527,400	538,109,600	23,681,060	26,910,295	390,777,190	1,229,501,981	31.78%
1998	238,158,710	680,453,457	127,875,960	511,503,840	23,974,270	27,243,489	390,008,940	1,219,200,786	31.99%
1999	273,952,180	782,720,514	133,939,782	535,759,128	25,596,250	29,086,648	433,488,212	1,347,566,290	32.17%
2000	277,047,580	791,564,514	138,200,360	552,801,440	25,226,420	28,666,386	440,474,360	1,373,032,340	32.08%
2001	281,716,700	804,904,857	134,758,760	539,035,040	26,229,520	29,806,273	442,704,980	1,373,746,170	32.23%
2002	317,916,300	908,332,286	126,066,490	525,277,042	22,138,160	25,157,000	466,120,950	1,458,766,328	31.95%
2003	320,113,840	914,610,971	136,569,160	593,778,956	25,010,810	28,421,375	481,693,810	1,536,811,302	31.34%
<b>2004</b>	<b>325,706,610</b>	<b>930,590,314</b>	<b>99,150,970</b>	<b>431,091,174</b>	<b>21,397,510</b>	<b>24,315,352</b>	<b>446,255,090</b>	<b>1,385,996,840</b>	<b>32.20%</b>

Source: Ross County Auditor

(1) Assessed Value Calculation: Real Property Assessed Value + Personal Property Assessed Value + Public Utility Property Assessed Value

(2) Estimated Actual Value Calculation: Real Property Estimated Actual Value + Personal Property Estimated Actual Value + Public Utility Property Estimated Actual Value

**CITY OF CHILLICOTHE  
SPECIAL ASSESSMENT BILLINGS AND COLLECTIONS  
LAST TEN FISCAL YEARS**

**Table 5**

<u>YEAR</u>	<u>DELINQUENT ASSESSMENTS</u>	<u>CURRENT ASSESSMENTS BILLED</u>	<u>TOTAL ASSESSMENTS BILLED</u>	<u>TOTAL ASSESSMENTS COLLECTED</u>	<u>RATIO OF ASSESSMENTS COLLECTED TO ASSESSMENTS BILLED</u>	<u>OUTSTANDING DELINQUENT ASSESSMENTS</u>
1995	\$33,648	\$131,875	\$165,523	\$133,795	80.83%	\$31,728
1996	34,667	122,158	156,825	130,816	83.42%	26,009
1997	15,070	139,067	154,137	138,364	89.77%	15,773
1998	18,224	120,639	138,863	119,916	86.36%	18,947
1999	21,222	127,460	148,682	132,142	88.88%	16,540
2000	19,073	122,480	141,553	120,700	85.27%	20,853
2001	15,899	6,695	22,594	14,998	66.38%	7,596
2002	3,727	2,387	6,114	5,345	87.42%	769
2003	947	13,884	14,831	11,047	74.49%	3,784
<b>2004</b>	<b>4,446</b>	<b>15,132</b>	<b>19,578</b>	<b>13,514</b>	<b>69.03%</b>	<b>6,064</b>

Source: Ross County Auditor

**CITY OF CHILLICOTHE  
RATIO OF NET GENERAL OBLIGATION BONDED DEBT TO ASSESSED VALUE  
AND NET GENERAL OBLIGATION BONDED DEBT PER CAPITA  
LAST TEN FISCAL YEARS**

**Table 6**

YEAR	(1) POPULATION	(2) ASSESSED VALUE	GROSS BONDED DEBT	(3) LESS DEBT SERVICE FUNDS	(4) LESS SELF- SUPPORTING DEBT	NET BONDED DEBT	RATIO OF NET BONDED DEBT TO ASSESSED VALUE	NET BONDED DEBT PER CAPITA
1995	22,176	\$343,671,190	\$23,595,000	\$35,440	\$19,660,000	\$3,899,560	1.135%	175.85
1996	22,176	374,180,430	22,555,000	46,262	18,855,000	3,653,738	0.976%	164.76
1997	22,176	390,777,190	21,475,000	58,131	18,020,000	3,396,869	0.869%	153.18
1998	22,726	390,008,940	20,355,000	70,396	17,150,000	3,134,604	0.804%	137.93
1999	22,726	433,488,212	19,740,000	78,705	16,240,000	3,421,295	0.789%	150.55
2000	22,041	440,474,360	18,500,000	92,536	15,290,000	3,117,464	0.708%	141.44
2001	22,041	442,704,980	17,305,000	99,783	14,410,000	2,795,217	0.631%	126.82
2002	21,796	466,120,950	16,060,000	104,236	13,490,000	2,465,764	0.529%	113.13
2003	21,796	481,693,810	17,060,000	62,044	14,655,000	2,342,956	0.486%	107.49
<b>2004</b>	<b>21,796</b>	<b>446,255,090</b>	<b>15,670,000</b>	<b>12,150</b>	<b>13,510,000</b>	<b>2,147,850</b>	<b>0.481%</b>	<b>98.54</b>

(1) Bureau of the Census/Ohio Valley Regional Development Commission

(2) From Table 4

(3) Amount available in debt service fund for repayment of general obligation bonds.

(4) Self-supporting debt represents bonded debt paid with enterprise.

**CITY OF CHILLICOTHE  
COMPUTATION OF LEGAL DEBT MARGIN  
DECEMBER 31, 2004**

**Table 7**

<hr/>	
Total Of All City Debt Outstanding. . . . .	\$17,870,000
Debt Exempt from Computation:	
Notes Payable from Governmental Fund Revenues. . . . .	1,000,000
Revenue Bonds Payable from Enterprise Fund Revenues . . . . .	\$11,490,000
G. O. Bonds Payable from Enterprise Fund Revenues. . . . .	2,020,000
Notes Payable from Enterprise Fund Revenues. . . . .	1,200,000
Total Exempt Debt . . . . .	<u>15,710,000</u>
Net Indebtedness (Voted and Unvoted) . . . . .	2,160,000
Less: Available funds in Debt Service Fund as of December 31, 2004 . . . . .	<u>12,150</u>
Total Net Indebtedness Subject to Direct Debt Limitation . . . . .	<u>\$2,147,850</u>
Assessed Valuation of City (2004 collection year) . . . . .	<u>\$446,255,090</u>
Direct Debt Limitation (10.5% of City Assessed Valuation) . . . . .	\$46,856,784
Total Net Indebtedness Subject to 10.5% Debt Limitation . . . . .	<u>2,147,850</u>
DIRECT DEBT MARGIN . . . . .	<u>\$44,708,934</u>
Unvoted Debt Limitation (5.5% of City Assessed Valuation) . . . . .	\$24,544,030
Total Net Indebtedness Subject to 5.5% Debt Limitation . . . . .	<u>2,147,850</u>
UNVOTED DEBT MARGIN . . . . .	<u>\$22,396,180</u>

**Source: Chillicothe City Auditor**

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

**Table 8**

YEAR	CITY OF CHILLICOTHE			ROSS COUNTY			CHILLICOTHE CITY SCHOOL DISTRICT				TOTAL
	OPERATING MILLAGE	DEBT SERVICE MILLAGE	TOTAL CITY MILLAGE	OPERATING MILLAGE	DEBT SERVICE MILLAGE	TOTAL COUNTY MILLAGE	OPERATING MILLAGE	DEBT SERVICE MILLAGE	TOTAL SCHOOL MILLAGE	OTHER	
1995	3.20	0.00	3.20	9.40	0.00	9.40	37.70	0.70	38.40	3.80	54.80
1996	3.20	0.00	3.20	10.90	0.00	10.90	37.70	0.70	38.40	3.80	56.30
1997	3.20	0.00	3.20	9.40	0.00	9.40	37.70	0.40	38.10	3.80	54.50
1998	3.20	0.00	3.20	9.40	0.00	9.40	37.70	0.20	37.90	3.80	54.30
1999	3.20	0.00	3.20	9.40	0.00	9.40	37.70	0.10	37.80	3.80	54.20
2000	3.20	0.00	3.20	9.40	0.00	9.40	37.70	0.04	37.74	3.80	54.14
2001	3.20	0.00	3.20	9.40	0.00	9.40	37.70	0.00	37.70	3.80	54.10
2002	3.20	0.00	3.20	9.40	0.00	9.40	37.70	0.00	37.70	3.80	54.10
2003	3.20	0.00	3.20	9.40	0.00	9.40	37.70	0.00	37.70	3.80	54.10
<b>2004</b>	<b>3.20</b>	<b>0.00</b>	<b>3.20</b>	<b>9.40</b>	<b>0.00</b>	<b>9.40</b>	<b>37.70</b>	<b>0.00</b>	<b>37.70</b>	<b>3.80</b>	<b>54.10</b>

Source: Ross County Auditor

**CITY OF CHILlicoTHE  
COMPUTATION OF DIRECT AND OVERLAPPING  
NET GENERAL OBLIGATION BONDED DEBT  
DECEMBER 31, 2004**

**Table 9**

POLITICAL SUBDIVISION	NET G.O. BONDED DEBT OUTSTANDING	PERCENTAGE APPLICABLE TO CITY	AMOUNT APPLICABLE TO CITY
Direct			
.....			
City of Chillicothe	\$2,147,850	100.00%	\$2,147,850
Overlapping			
.....			
Ross County	10,351,509	43.71%	4,524,645
Union-Scioto Local Schools	3,329,898	12.84%	427,559
Southeastern Local Schools	3,365,640	7.59%	255,452
Pickaway-Ross Vocational School	175,000	26.59%	46,533
Springfield Township	173,769	3.87%	6,725
Zane Trace Local School	3,691,361	1.01%	37,283
Chillicothe City Schools	34,000,000	93.51%	31,793,400
Scioto Township	183,750	86.35%	158,668
Sub-Total Overlapping Districts			<u>37,250,265</u>
Grand Total			<u><u>\$39,398,115</u></u>

**Source: Chillicothe City Auditor/Ross County Auditor**

**NOTE: Net General Obligation Bonded Debt includes General Obligation Bonds Payable less self-supporting Enterprise Debt and amounts available in Debt Service Funds.**

**CITY OF CHILlicoTHE  
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES  
FOR GENERAL OBLIGATION BONDED DEBT (1)  
TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES  
LAST TEN FISCAL YEARS**

**Table 10**

YEAR	PRINCIPAL	INTEREST	TOTAL DEBT SERVICES	(2) TOTAL GENERAL GOVERNMENT EXPENDITURES	RATIO OF DEBT SERVICE TO GENERAL GOVERNMENTAL EXPENDITURES
1995	\$230,000	\$227,797	\$457,797	\$16,664,473	2.75%
1996	235,000	218,369	453,369	16,815,183	2.70%
1997	245,000	207,793	452,793	16,839,716	2.69%
1998	250,000	196,155	446,155	17,516,038	2.55%
1999	280,000	198,684	478,684	18,855,380	2.54%
2000	290,000	199,434	489,434	19,350,625	2.53%
2001	315,000	184,194	499,194	19,340,968	2.58%
2002	325,000	167,379	492,379	23,434,739	2.10%
2003	245,000	62,044	307,044	25,087,330	1.22%
<b>2004</b>	<b>245,000</b>	<b>71,414</b>	<b>316,414</b>	<b>24,207,118</b>	<b>1.31%</b>

**Source: Chillicothe City Auditor**

**(1) General obligation bonded debt represents the commitment of governmental resources only. Enterprise debt is not included.**

**(2) Includes general, special revenue, debt service, capital project and permanent funds...See Table 1.**

**CITY OF CHILLICOTHE  
DEMOGRAPHIC STATISTICS AND  
AVERAGE UNEMPLOYMENT RATES  
LAST TEN FISCAL YEARS**

**Table 11**

YEAR	(1) POPULATION	(1) PER CAPITA INCOME	(1) MEDIAN AGE	(2) SCHOOL ENROLLMENT	(3) ROSS COUNTY UNEMPLOYMENT	(3) STATE OF OHIO UNEMPLOYMENT	(3) UNITED STATES UNEMPLOYMENT
1995	22,176	\$12,529	37.2	4,005	5.8%	4.8%	5.6%
1996	22,176	12,529	37.2	4,256	6.1%	4.9%	5.4%
1997	22,176	12,529	37.2	4,091	5.8%	4.5%	4.9%
1998	22,726	12,529	37.2	4,120	4.9%	3.9%	4.5%
1999	22,726	12,529	37.2	4,280	4.4%	4.0%	4.1%
2000	22,041	12,529	37.2	4,230	5.7%	3.9%	4.0%
2001	22,041	12,529	40.0	4,017	6.4%	5.3%	5.5%
2002	21,796	19,101	40.0	3,841	6.2%	5.7%	5.8%
2003	21,796	19,101	40.0	3,743	7.1%	6.0%	6.0%
<b>2004</b>	<b>21,796</b>	<b>19,101</b>	<b>40.0</b>	<b>3,733</b>	<b>9.1%</b>	<b>6.1%</b>	<b>5.4%</b>

**Data Sources:**

(1) Bureau of the Census/Ohio Valley Regional Development Commission

(2) Chillicothe Board of Education/Bishop Flaget Parochial School Office/Landmark Christian Academy/Southern Hills Academy

(3) Ohio Job & Family Services, Office of Workforce Development

**CITY OF CHILLICOTHE  
PROPERTY VALUE, CONSTRUCTION AND BANK DEPOSITS  
LAST TEN FISCAL YEARS**

**Table 12**

YEAR	REAL PROPERTY VALUE (1)				NEW CONSTRUCTION (2)			
	COMMERCIAL/ INDUSTRIAL	AGRICULTURAL/ RESIDENTIAL	EXEMPTIONS	TOTAL	COMMERCIAL/ INDUSTRIAL CONSTRUCTION	AGRICULTURAL/ RESIDENTIAL CONSTRUCTION	TOTAL	(3) BANK DEPOSITS
1995	\$212,664,800	\$347,142,114	\$100,219,514	\$660,026,428	\$1,316,000	\$2,986,771	\$4,302,771	\$86,555,000
1996	229,934,086	419,949,628	122,777,857	772,661,571	3,102,600	7,708,029	10,810,629	86,441,000
1997	238,616,029	425,866,057	124,078,000	788,560,086	8,781,429	5,657,943	14,439,372	87,351,000
1998	248,676,257	431,777,200	124,876,257	805,329,714	8,558,000	4,733,571	13,291,571	92,107,000
1999	276,558,543	506,161,971	126,838,342	909,558,856	7,365,457	5,895,829	13,261,286	90,807,000
2000	276,887,200	514,677,314	130,149,400	921,713,914	3,623,886	7,827,771	11,451,657	86,959,000
2001	279,956,714	524,948,143	131,717,886	936,622,743	4,139,514	5,664,542	9,804,056	99,668,000
2002	309,259,086	599,073,200	147,701,771	1,056,034,057	2,812,742	5,379,371	8,192,113	109,916,000
2003	310,573,971	604,037,000	148,345,286	1,062,956,257	2,102,629	5,771,771	7,874,400	114,375,000
<b>2004</b>	<b>315,305,857</b>	<b>615,284,457</b>	<b>151,620,486</b>	<b>1,082,210,800</b>	<b>4,646,800</b>	<b>9,206,229</b>	<b>13,853,029</b>	<b>112,049,000</b>

(1) Estimated actual real property value from Table 4

(2) Source: Ross County Auditor

(3) Source: Federal Reserve Bank of Cleveland

**CITY OF CHILLICOTHE  
PRINCIPAL REAL & PERSONAL PROPERTY TAXPAYERS  
DECEMBER 31, 2004**

**Table 13**

Taxpayers	Type	Real Estate Assessed Valuation	Tangible Personal Property Assessed Valuation	Total Assessed Valuation	Percentage of Total Assessed Valuation
MeadWestvaco	Paper Manufacturer	\$26,508,150	\$62,867,280	\$89,375,430	20.03%
Horizon Telcom, Inc	Telephone/Communications	2,318,470	9,847,540	12,166,010	2.73%
American Electric Power	Electric Utility	603,290	9,223,370	9,826,660	2.20%
PPG Industries, Inc.	Distribution Center	2,810,420	2,213,820	5,024,240	1.13%
DDR Ohio Opportunity II LLC	Shopping Center	3,389,440	0	3,389,440	0.76%
Chillicothe Mall	Shopping Center	3,353,600	0	3,353,600	0.75%
R G Chilli Assoc. LTD/Wal-Mart	Retail Store	1,602,880	1,411,690	3,014,570	0.68%
Central Center LTD.	Shopping Center	2,761,660	0	2,761,660	0.62%
Real Estate Finance Trust	Shopping Center	2,259,030	0	2,259,030	0.51%
Zane Plaza LLC	Shopping Center	<u>1,550,700</u>	<u>0</u>	<u>1,550,700</u>	<u>0.35%</u>
Total Top Ten Taxpayers		47,157,640	85,563,700	132,721,340	29.74%
All Others		<u>278,548,970</u>	<u>34,984,780</u>	<u>313,533,750</u>	<u>70.26%</u>
TOTAL		<u>\$325,706,610</u>	<u>\$120,548,480</u>	<u>\$446,255,090</u>	<u>100.00%</u>

**Source: Ross County Auditor**

**CITY OF CHILLICOTHE  
ENTERPRISE REVENUE BOND COVERAGE  
DECEMBER 31, 2004**

**Table 14**

YEAR	(1) GROSS REVENUE	EXPENSES, NET OF DEPRECIATION AND INTEREST	NET REVENUE AVAILABLE FOR DEBT SERVICE	DEBT SERVICE REQUIREMENTS			COVERAGE
				PRINCIPAL	INTEREST	TOTAL	
<u>Water Fund Bond Coverage:</u>							
1995	\$3,810,203	\$1,511,105	\$2,299,098	\$535,000	\$856,113	\$1,391,113	1.65
1996	3,807,968	1,473,090	2,334,878	555,000	836,043	1,391,043	1.68
1997	3,878,223	2,275,750	1,602,473	575,000	816,020	1,391,020	1.15
1998	3,821,755	2,502,620	1,319,135	600,000	792,158	1,392,158	0.95
1999	3,844,349	2,370,428	1,473,921	625,000	766,658	1,391,658	1.06
2000	3,967,096	2,432,293	1,534,803	655,000	738,845	1,393,845	1.10
2001	4,019,211	2,511,184	1,508,027	685,000	708,715	1,393,715	1.08
2002	4,261,581	2,580,987	1,680,594	715,000	676,520	1,391,520	1.21
2003	4,237,212	3,003,396	1,233,816	750,000	642,200	1,392,200	0.89
<b>2004</b>	<b>4,681,173</b>	<b>2,395,727</b>	<b>2,285,446</b>	<b>850,000</b>	<b>426,668</b>	<b>1,276,668</b>	<b>1.79</b>
<u>Sewer Fund Bond Coverage:</u>							
1995	\$2,304,071	\$1,401,121	\$902,950	\$160,000	\$122,915	\$282,915	3.19
1996	2,343,746	1,315,080	1,028,666	165,000	117,406	282,406	3.64
1997	2,389,270	1,972,097	417,173	170,000	112,348	282,348	1.48
1998	2,453,774	2,032,993	420,781	175,000	106,398	281,398	1.50
1999	2,494,278	1,704,291	789,987	180,000	99,835	279,835	2.82
2000	2,526,320	1,749,893	776,427	185,000	92,815	277,815	2.79
2001	2,678,013	1,992,229	685,784	195,000	85,415	280,415	2.45
2002	2,906,583	2,039,687	866,896	205,000	77,323	282,323	3.07
2003	2,875,559	2,406,215	469,344	210,000	68,405	278,405	1.69
<b>2004</b>	<b>3,049,095</b>	<b>2,444,535</b>	<b>604,560</b>	<b>220,000</b>	<b>58,955</b>	<b>278,955</b>	<b>2.17</b>

Source: Chillicothe City Auditor

(1) Gross revenue includes operating revenue and interest income.

# TABLE 15

## FUND CASH SUMMARY REPORT LAST TEN FISCAL YEARS

The information presented in the following table for each individual fund is strictly on the cash basis. Various funds reflected in this report are treated as individual funds for cash basis accounting (internally) however, for different reasons have been adjusted/combined into other funds for financial reporting on the budget and GAAP basis. Therefore, the amounts reflected in this report will not necessarily agree nor are they intended to agree with the various other statements or schedules contained in this comprehensive annual financial report.

Source: Chillicothe City Auditor

CITY OF CHILLICOTHE  
FUND CASH SUMMARY REPORT  
LAST TEN FISCAL YEARS

TABLE 15

	1995	1996	1997	1998	1999
BROUGHT FORWARD BAL-GENERAL FUND	\$1,810,374	\$2,122,965	\$1,345,229	\$1,601,735	\$2,719,324
TOTAL REVENUE	13,474,252	13,430,671	13,443,456	14,628,482	14,937,975
EXPENSES					
POLICE	3,152,311	3,373,095	3,237,519	3,506,078	3,524,319
FIRE	2,549,076	2,763,312	2,641,944	2,787,036	3,142,210
CIVIL DEFENSE	6,350	6,350	6,350	6,350	6,350
HUMANE OFFICER	8,601	9,181	8,335	13,259	8,416
CROSSING GUARDS	105,516	106,825	107,192	97,802	66,752
SWIMMING POOL	97,447	102,807	112,847	102,633	106,366
PLANNING	138	137	142	129	47
DESIGN AND REVIEW	9	47	82	24	2
REFUSE COLLECTION	331,967	345,106	384,502	490,024	631,922
REFUSE DISPOSAL	335,252	400,258	361,947	340,137	327,805
STREETS & SIDEWALKS	195,208	344,118	185,915	187,793	187,070
MAYOR	409,855	434,382	419,747	444,907	447,564
MAYOR SPECIAL PROGRAMS	34,117	10,749	8,530	25,060	23,663
ECONOMIC DEVELOPMENT	24,545	29,331	25,202	18,072	15,799
CITY COUNCIL	114,262	116,179	112,322	121,539	124,907
TREASURER	46,968	48,356	52,766	51,074	53,990
INCOME TAX	131,642	133,058	190,200	141,746	148,143
PUBLIC LANDS & BLDGS	144,214	151,956	171,457	233,544	207,425
LAW DIRECTOR	281,264	294,177	320,673	338,826	360,300
AUDITOR	331,833	344,110	389,689	352,391	368,883
MUNICIPAL COURT	957,411	988,252	1,057,556	1,095,544	1,171,271
CIVIL SERVICE	52,948	57,011	61,047	57,241	63,349
SERVICE ADMINISTRATION	127,072	126,988	139,679	137,473	163,669
SERVICE MECHANIC	39,076	41,843	39,254	48,568	44,307
ENGINEERING	429,041	431,104	440,914	432,986	456,001
RCI	7,196	7,731	7,926	9,466	9,237
CODE ENFORCEMENT	9,916	9,449	10,425	17,815	18,430
GENERAL FUND TRANSFERS	1,590,014	2,032,255	2,129,945	1,693,637	1,915,000
MISCELLANEOUS	637,075	492,328	534,547	646,919	698,831
SAFETY LEVY OTHER	152,184	0	0	0	0
SAFETY LEVY CAPITAL	531,035	331,766	0	0	0
LANDFILL CLOSURE	137,022	24,115	0	0	0
POLICE-DARE PROGRAM	0	0	0	0	0
MUNICIPAL COURT-COMPUTERS	191,096	102,637	28,297	112,818	183,519
MUNICIPAL COURT-BLDG FUND	0	0	0	0	798
MUNI COURT-PROBATION SERV	0	0	0	0	0
TOTAL EXPENSES	13,161,662	13,659,014	13,186,951	13,510,893	14,476,344
GENERAL FUND BALANCE	\$2,122,965	\$1,894,622	\$1,601,735	\$2,719,324	\$3,180,954

CITY OF CHILLICOTHE  
FUND CASH SUMMARY REPORT  
LAST TEN FISCAL YEARS

TABLE 15

	2000	2001	2002	2003	2004
BROUGHT FORWARD BAL-GENERAL FUND	\$3,180,954	\$3,145,839	\$3,301,563	\$2,198,210	\$1,162,685
TOTAL REVENUE	15,536,481	15,652,519	15,078,599	15,953,400	16,213,953
EXPENSES					
POLICE	3,889,302	3,976,939	4,177,283	4,467,467	4,230,120
FIRE	3,669,934	3,750,956	3,916,318	4,149,315	4,048,210
CIVIL DEFENSE	6,350	6,350	6,350	6,350	6,350
HUMANE OFFICER	8,446	8,613	8,638	8,489	8,550
CROSSING GUARDS	67,665	62,335	62,624	60,293	52,037
SWIMMING POOL	112,096	98,344	108,882	127,696	94,027
PLANNING	233	239	387	28	122
DESIGN AND REVIEW	12	0	5	381	0
REFUSE COLLECTION	616,872	601,456	585,445	566,009	519,328
REFUSE DISPOSAL	360,412	355,426	342,514	345,540	387,376
STREETS & SIDEWALKS	192,383	184,293	168,919	195,993	203,464
MAYOR	439,743	475,671	495,021	499,822	495,815
MAYOR SPECIAL PROGRAMS	26,750	28,884	28,236	30,841	29,983
ECONOMIC DEVELOPMENT	11,797	11,021	16,402	14,962	20,936
CITY COUNCIL	128,493	143,771	172,061	186,200	230,883
TREASURER	55,879	62,358	66,039	71,108	80,583
INCOME TAX	142,355	154,141	164,447	245,151	257,186
PUBLIC LANDS & BLDGS	157,898	226,502	196,500	184,716	165,959
LAW DIRECTOR	366,592	420,162	465,827	570,853	493,227
AUDITOR	386,202	406,090	431,977	471,342	432,713
MUNICIPAL COURT	1,235,190	1,329,027	1,409,561	1,519,935	1,502,971
CIVIL SERVICE	69,266	72,337	70,065	80,272	81,026
SERVICE ADMINISTRATION	179,385	193,774	174,339	165,027	130,260
SERVICE MECHANIC	44,580	47,498	49,792	58,005	12,188
ENGINEERING	519,879	594,663	601,822	643,263	497,241
RCI	12,306	10,630	10,361	9,456	10,271
CODE ENFORCEMENT	12,329	11,491	16,474	24,271	19,734
GENERAL FUND TRANSFERS	2,020,000	1,499,581	1,636,875	1,360,136	1,399,553
MISCELLANEOUS	584,354	615,946	669,999	764,822	603,750
SAFETY LEVY OTHER	0	0	0	0	0
SAFETY LEVY CAPITAL	0	0	0	0	0
LANDFILL CLOSURE	0	0	0	0	0
POLICE-DARE PROGRAM	0	0	0	0	0
MUNICIPAL COURT-COMPUTERS	121,806	139,797	128,787	148,302	143,203
MUNICIPAL COURT-BLDG FUND	133,089	8,500	0	12,877	7,230
MUNI COURT-PROBATION SERV	0	0	0	0	1,999
TOTAL EXPENSES	15,571,596	15,496,795	16,181,952	16,988,925	16,166,295
GENERAL FUND BALANCE	\$3,145,839	\$3,301,563	\$2,198,210	\$1,162,685	\$1,210,343

CITY OF CHILLICOTHE  
FUND CASH SUMMARY REPORT  
LAST TEN FISCAL YEARS

TABLE 15

	1995	1996	1997	1998	1999
BROUGHT FORWARD					
BAL-POLICE DARE PROGRAM	\$0	\$0	\$14	\$14	\$14
TOTAL REVENUE	0	0	0	0	0
TOTAL EXPENSES	0	0	0	0	0
POLICE-DARE BALANCE	\$0	\$0	\$14	\$14	\$14
BROUGHT FORWARD					
BAL-STREET CONSTRUCTION	\$130,346	\$123,380	\$215,860	\$272,237	\$190,050
TOTAL REVENUE	1,213,493	1,582,997	1,281,113	1,162,119	1,515,679
EXPENSES					
ST CONST-MAINTENANCE	1,164,361	1,386,402	1,181,994	1,144,838	922,820
ST CONST-RCJFS	0	0	0	0	0
ST CONST-SNOW REMOVAL	25,478	81,545	19,217	22,204	23,455
ST CONST-SIGNS & PAINT	19,621	22,569	23,524	77,264	31,506
ST CONST-TRANSFERS	11,000	0	0	0	0
TOTAL EXPENSES	1,220,460	1,490,516	1,224,736	1,244,306	977,780
STREET CONST BALANCE	\$123,380	\$215,860	\$272,237	\$190,050	\$727,949
BROUGHT FORWARD					
BAL-STATE HIGHWAY	\$13,382	\$24,791	\$14,848	\$31,544	\$8,898
TOTAL REVENUE	133,923	162,529	140,984	106,826	153,465
EXPENSES					
ST HIGH-SNOW REMOVAL	0	0	0	0	0
ST HIGH-SIGNS & PAINT	122,513	123,472	124,287	129,472	142,145
ST HIGH-TRANSFERS	0	49,000	0	0	0
TOTAL EXPENSES	122,513	172,472	124,287	129,472	142,145
STATE HIGHWAY BALANCE	\$24,791	\$14,848	\$31,544	\$8,898	\$20,218
BROUGHT FORWARD					
BALANCE-PARKS	\$21,236	\$36,128	\$10,152	\$44,627	\$9,932
TOTAL REVENUE	226,319	211,141	263,970	216,411	289,971
TOTAL EXPENSES	211,427	237,117	229,495	251,106	261,552
PARKS BALANCE	\$36,128	\$10,152	\$44,627	\$9,932	\$38,351

CITY OF CHILLICOTHE  
FUND CASH SUMMARY REPORT  
LAST TEN FISCAL YEARS

TABLE 15

	2000	2001	2002	2003	2004
BROUGHT FORWARD					
BAL-POLICE DARE PROGRAM	\$14	\$0	\$0	\$0	\$0
TOTAL REVENUE	0	0	0	0	0
TOTAL EXPENSES	14	0	0	0	0
POLICE-DARE BALANCE	\$0	\$0	\$0	\$0	\$0
BROUGHT FORWARD					
BAL-STREET CONSTRUCTION	\$727,949	\$386,546	\$250,543	\$168,294	\$150,279
TOTAL REVENUE	1,543,215	1,114,044	1,277,462	1,243,339	2,108,711
EXPENSES					
ST CONST-MAINTENANCE	1,824,178	1,186,534	1,298,764	1,182,115	1,071,687
ST CONST-RCJFS	0	0	0	0	13,193
ST CONST-SNOW REMOVAL	21,212	23,171	24,566	36,072	28,877
ST CONST-SIGNS & PAINT	39,228	40,342	36,381	43,168	30,283
ST CONST-TRANSFERS	0	0	0	0	0
TOTAL EXPENSES	1,884,618	1,250,047	1,359,711	1,261,355	1,144,039
STREET CONST BALANCE	\$386,546	\$250,543	\$168,294	\$150,278	\$1,114,951
BROUGHT FORWARD					
BAL-STATE HIGHWAY	\$20,218	\$21,970	\$20,716	\$11,517	\$12,856
TOTAL REVENUE	143,531	144,086	153,173	165,813	155,333
EXPENSES					
ST HIGH-SNOW REMOVAL	0	0	0	0	0
ST HIGH-SIGNS & PAINT	141,779	145,339	162,373	164,473	127,803
ST HIGH-TRANSFERS	0	0	0	0	0
TOTAL EXPENSES	141,779	145,339	162,373	164,473	127,803
STATE HIGHWAY BALANCE	\$21,970	\$20,716	\$11,517	\$12,856	\$40,387
BROUGHT FORWARD					
BALANCE-PARKS	\$38,351	\$53,600	\$62,860	\$28,951	\$2,804
TOTAL REVENUE	281,378	267,998	255,300	296,434	326,142
TOTAL EXPENSES	266,128	258,739	289,209	322,582	319,524
PARKS BALANCE	\$53,600	\$62,860	\$28,951	\$2,804	\$9,421

CITY OF CHILLICOTHE  
FUND CASH SUMMARY REPORT  
LAST TEN FISCAL YEARS

TABLE 15

	1995	1996	1997	1998	1999
BROUGHT FORWARD BALANCE-RECREATION	\$126,923	\$142,804	\$41,357	\$99,602	\$9,956
TOTAL REVENUE	297,251	156,748	341,156	207,654	362,574
TOTAL EXPENSES	281,370	258,195	282,911	297,299	322,011
RECREATION BALANCE	\$142,804	\$41,357	\$99,602	\$9,956	\$50,519
 BROUGHT FORWARD BALANCE-HUD	 \$41,648	 \$52,642	 \$21,150	 \$112,808	 \$93,963
TOTAL REVENUE	634,709	690,147	609,436	313,809	202,385
TOTAL EXPENSES	623,714	721,640	517,777	332,654	227,332
HUD BALANCE	\$52,642	\$21,150	\$112,808	\$93,963	\$69,016
 BROUGHT FORWARD BALANCE GRANTS	 \$0	 \$0	 \$0	 \$20,563	 \$18,046
TOTAL REVENUE	0	0	50,563	48,046	92,079
TOTAL EXPENSES	0	0	30000	50,563	79,540
GRANTS BALANCE	\$0	\$0	\$20,563	\$18,046	\$30,585
 BROUGHT FORWARD BALANCE-FLOODWALL	 \$95,148	 \$118,027	 \$95,851	 \$98,764	 \$98,320
TOTAL REVENUE	35,000	40,752	10,000	18,500	16,000
TOTAL EXPENSES	12,121	62,928	7,086	18,945	11,429
FLOODWALL BALANCE	\$118,027	\$95,851	\$98,764	\$98,320	\$102,891
 BROUGHT FORWARD BALANCE-STREET RESTORATION	 \$4,378	 \$6,606	 \$6,135	 \$6,735	 \$6,946
TOTAL REVENUE	6,993	2,175	940	1,373	0
TOTAL EXPENSES	4,765	2,646	340	1,161	0
STREET RESTOR BALANCE	\$6,606	\$6,135	\$6,735	\$6,946	\$6,946

CITY OF CHILLICOTHE  
FUND CASH SUMMARY REPORT  
LAST TEN FISCAL YEARS

TABLE 15

	2000	2001	2002	2003	2004
BROUGHT FORWARD BALANCE-RECREATION	\$50,519	\$39,903	\$43,293	\$65,359	\$30,691
TOTAL REVENUE	332,313	377,926	403,714	393,326	398,723
TOTAL EXPENSES	342,930	374,536	381,648	427,994	419,418
RECREATION BALANCE	\$39,903	\$43,293	\$65,359	\$30,691	\$9,996
 BROUGHT FORWARD BALANCE-HUD	 \$69,016	 \$78,802	 \$50,347	 \$392,677	 \$21,966
TOTAL REVENUE	519,704	373,052	833,621	306,734	532,435
TOTAL EXPENSES	509,918	401,507	491,291	677,445	299,774
HUD BALANCE	\$78,802	\$50,347	\$392,677	\$21,966	\$254,627
 BROUGHT FORWARD BALANCE STATE GRANT	 \$30,585	 \$34,940	 \$25,393	 \$29,523	 \$35,927
TOTAL REVENUE	75,527	46,767	46,345	176,480	83,786
TOTAL EXPENSES	71,172	56,313	42,215	170,077	89,772
STATE GRANT BALANCE	\$34,940	\$25,393	\$29,523	\$35,927	\$29,941
 BROUGHT FORWARD BALANCE-FLOODWALL	 \$102,891	 \$127,078	 \$109,371	 \$114,898	 \$104,589
TOTAL REVENUE	40,000	40,000	40,000	0	0
TOTAL EXPENSES	15,813	57,707	34,472	10,310	36,631
FLOODWALL BALANCE	\$127,078	\$109,371	\$114,898	\$104,589	\$67,957
 BROUGHT FORWARD BALANCE-STREET RESTORATION	 \$6,946	 \$6,886	 \$6,886	 \$6,886	 \$6,886
TOTAL REVENUE	250	0	0	0	0
TOTAL EXPENSES	310	0	0	0	0
STREET RESTOR BALANCE	\$6,886	\$6,886	\$6,886	\$6,886	\$6,886

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	1995	1996	1997	1998	1999
BROUGHT FORWARD BALANCE-FEMA	\$0	\$0	\$0	\$0	\$0
TOTAL REVENUE	0	0	17,131	5,491	0
TOTAL EXPENSES	0	0	17,131	5,491	0
FEMA BALANCE	\$0	\$0	\$0	\$0	\$0
BROUGHT FORWARD BALANCE-CABLEVISION	\$4,733	\$1,203	\$873	\$543	\$1,863
TOTAL REVENUE	580	0	1,200	1,500	4,818
TOTAL EXPENSES	4,110	330	1,530	180	916
CABLEVISION BALANCE	\$1,203	\$873	\$543	\$1,863	\$5,765
BROUGHT FORWARD BALANCE-FIRE HAZARD	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
TOTAL REVENUE	0	0	0	0	0
TOTAL EXPENSES	0	0	0	0	0
FIRE HAZARD BALANCE	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
BROUGHT FORWARD BAL-LITTER	\$12,567	\$27,627	\$42,498	\$34,123	\$0
TOTAL REVENUE	241,559	223,940	215,451	63,525	0
TOTAL EXPENSES					
LITTER	52,331	46,323	45,436	10,255	0
LITTER T SHIRT	7	0	0	0	0
LITTER KAB	0	0	0	0	0
RECYCLES PROGRAM	174,161	162,747	178,389	87,393	0
TOTAL EXPENSES	226,499	209,070	223,826	97,648	0
LITTER BALANCE	\$27,627	\$42,498	\$34,123	\$0	\$0

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	2000	2001	2002	2003	2004
BROUGHT FORWARD BALANCE-FEMA	\$0	\$0	\$0	\$0	\$0
TOTAL REVENUE	0	0	0	0	0
TOTAL EXPENSES	0	0	0	0	0
FEMA BALANCE	\$0	\$0	\$0	\$0	\$0
BROUGHT FORWARD BALANCE-CABLEVISION	\$5,765	\$5,765	\$5,765	\$5,765	\$5,765
TOTAL REVENUE	0	0	0	0	0
TOTAL EXPENSES	0	0	0	0	0
CABLEVISION BALANCE	\$5,765	\$5,765	\$5,765	\$5,765	\$5,765
BROUGHT FORWARD BALANCE-FIRE HAZARD	\$1,000	\$1,000	\$1,000	\$1,000	\$0
TOTAL REVENUE	0	0	0	0	0
TOTAL EXPENSES	0	0	0	1,000	0
FIRE HAZARD BALANCE	\$1,000	\$1,000	\$1,000	\$0	\$0
BROUGHT FORWARD BAL-LITTER	\$0	\$0	\$0	\$0	\$0
TOTAL REVENUE	0	0	0	0	0
EXPENSES					
LITTER	0	0	0	0	0
LITTER T SHIRT	0	0	0	0	0
LITTER KAB	0	0	0	0	0
RECYCLES PROGRAM	0	0	0	0	0
TOTAL EXPENSES	0	0	0	0	0
LITTER BALANCE	\$0	\$0	\$0	\$0	\$0

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	1995	1996	1997	1998	1999
BROUGHT FORWARD BALANCE-UNALL INCOME TAX	\$429,434	\$332,285	\$522,706	\$412,727	\$965,521
TOTAL REVENUE	284,851	490,420	400,021	952,794	542,691
TOTAL EXPENSES	382,000	300,000	510,000	400,000	900,000
UNALL INCOME TAX BALANCE	\$332,285	\$522,706	\$412,727	\$965,521	\$608,212
BROUGHT FORWARD BALANCE-INCOME TAX REF	\$18,228	\$25,566	\$9,715	\$15,038	\$32,055
TOTAL REVENUE	150,000	160,000	255,000	250,000	250,000
TOTAL EXPENSES	142,661	175,851	249,676	232,983	241,739
INCOME TAX REF BALANCE	\$25,566	\$9,715	\$15,038	\$32,055	\$40,316
BROUGHT FORWARD BAL-LAW ENFORCE TRUST FUND	\$6,199	\$9,668	\$1,647	\$0	\$2,082
TOTAL REVENUE	5,097	70	513	2,082	3,862
TOTAL EXPENSES	1,628	8,091	2,160	0	0
LAW ENFORCE TRUST FUND BALANCE	\$9,668	\$1,647	\$0	\$2,082	\$5,945
BROUGHT FORWARD BAL-INDIG DRIV ALCOHOL TREAT	\$34,493	\$41,406	\$43,775	\$48,510	\$53,099
TOTAL REVENUE	20,933	20,369	17,236	16,589	18,313
TOTAL EXPENSES	14,021	18,000	12,500	12,000	4,500
INDIG DRIV ALCOHOL TREAT BALANCE	\$41,406	\$43,775	\$48,510	\$53,099	\$66,911
BROUGHT FORWARD BAL-OMVI EDUCA/ENFORCE	\$11,410	\$13,702	\$10,158	\$11,625	\$11,989
TOTAL REVENUE	2,292	2,220	4,382	3,677	5,479
TOTAL EXPENSES	0	5,764	2,915	3,314	0
OMVI EDUCA/ENFORCE BALANCE	\$13,702	\$10,158	\$11,625	\$11,989	\$17,468

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	2000	2001	2002	2003	2004
BROUGHT FORWARD BALANCE-UNALL INCOME TAX	\$608,212	\$158,212	\$158,212	\$385,856	\$200,856
TOTAL REVENUE	0	0	227,644	0	0
TOTAL EXPENSES	450,000	0	0	185,000	0
UNALL INCOME TAX BALANCE	\$158,212	\$158,212	\$385,856	\$200,856	\$200,856
BROUGHT FORWARD BALANCE-INCOME TAX REF	\$40,316	\$15,368	\$20,865	\$3,830	\$11,173
TOTAL REVENUE	250,000	300,000	345,000	350,000	375,000
TOTAL EXPENSES	274,948	294,503	362,035	342,658	322,890
INCOME TAX REF BALANCE	\$15,368	\$20,865	\$3,830	\$11,173	\$63,282
BROUGHT FORWARD BAL-LAW ENFORCE TRUST FUND	\$5,945	\$8,476	\$42,597	\$41,660	\$49,706
TOTAL REVENUE	13,215	39,456	74	14,915	39,655
TOTAL EXPENSES	10,684	5,335	1,011	6,869	0
LAW ENFORCE TRUST FUND BALANCE	\$8,476	\$42,597	\$41,660	\$49,706	\$89,361
BROUGHT FORWARD BAL-INDIG DRIV ALCOHOL TREAT	\$66,911	\$83,619	\$95,794	\$113,410	\$129,782
TOTAL REVENUE	19,708	19,795	19,116	16,371	15,103
TOTAL EXPENSES	3,000	7,620	1,500	0	0
INDIG DRIV ALCOHOL TREAT BALANCE	\$83,619	\$95,794	\$113,410	\$129,782	\$144,884
BROUGHT FORWARD BAL-OMVI EDUCA/ENFORCE	\$17,468	\$21,040	\$20,184	\$21,674	\$22,538
TOTAL REVENUE	3,572	4,144	3,990	3,364	3,181
TOTAL EXPENSES	0	5,000	2,500	2,500	5,000
OMVI EDUCA/ENFORCE BALANCE	\$21,040	\$20,184	\$21,674	\$22,538	\$20,719

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	1995	1996	1997	1998	1999
BROUGHT FORWARD BAL-MANDATORY DRUG FINES	\$4,861	\$7,167	\$9,047	\$12,197	\$14,733
TOTAL REVENUE	2,306	1,880	3,151	2,965	5,129
TOTAL EXPENSES	0	0	0	429	0
MANDATORY DRUG FINES BALANCE	\$7,167	\$9,047	\$12,197	\$14,733	\$19,862
BROUGHT FORWARD BAL-TRAFFIC CONT-ON STREET	\$19,906	\$11,607	\$22,316	\$15,969	\$14,635
TOTAL REVENUE	125,485	147,470	134,041	142,412	176,076
EXPENSES					
TR CONT-ON ST-SIGNALS	99,696	103,217	105,785	107,531	122,763
TR CONT-ON ST-METERS	34,089	33,543	34,604	36,216	37,681
TR CONT-ON ST-TRANSFERS	0	0	0	0	0
TOTAL EXPENSES	133,785	136,761	140,389	143,746	160,445
TRAFFIC CONT-ON ST-BALANCE	\$11,607	\$22,316	\$15,969	\$14,635	\$30,265
BROUGHT FORWARD BAL-TRAFFIC CONT-OFF STREET	\$6,055	\$11,337	\$3	\$3,156	\$5,297
TOTAL REVENUE	5,282	3,666	3,153	2,140	2,951
TOTAL EXPENSES	0	15,000	0	0	0
TRAFFIC CONT-OFF-BALANCE	\$11,337	\$3	\$3,156	\$5,297	\$8,248
BROUGHT FORWARD BALANCE-PARKING FACILITY	\$15,013	\$18,361	\$3,619	\$6,118	\$7,698
TOTAL REVENUE	3,347	2,258	2,499	1,580	1,772
TOTAL EXPENSES	0	17,000	0	0	0
PARKING FACILITY BALANCE	\$18,361	\$3,619	\$6,118	\$7,698	\$9,470

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	2000	2001	2002	2003	2004
BROUGHT FORWARD BAL-MANDATORY DRUG FINES	\$19,862	\$23,001	\$26,986	\$31,363	\$34,128
TOTAL REVENUE	3,833	3,985	4,687	2,765	4,880
TOTAL EXPENSES	694	0	310	0	43
MANDATORY DRUG FINES BALANCE	\$23,001	\$26,986	\$31,363	\$34,128	\$38,965
BROUGHT FORWARD BAL-TRAFFIC CONT-ON STREET	\$30,265	\$90,374	\$81,425	\$67,633	\$46,767
TOTAL REVENUE	225,675	207,354	185,196	200,939	159,283
EXPENSES					
TR CONT-ON ST-SIGNALS	122,811	154,199	153,650	143,489	78,779
TR CONT-ON ST-METERS	42,755	62,104	45,339	78,316	53,619
TR CONT-ON ST-TRANSFERS	0	0	0	0	0
TOTAL EXPENSES	165,566	216,302	198,988	221,805	132,398
TRAFFIC CONT-ON ST-BALANCE	\$90,374	\$81,425	\$67,633	\$46,767	\$73,653
BROUGHT FORWARD BAL-TRAFFIC CONT-OFF STREET	\$8,248	\$10,263	\$5,386	\$8,623	\$9,413
TOTAL REVENUE	2,015	5,123	8,237	10,790	15,059
TOTAL EXPENSES	0	10,000	5,000	10,000	8,000
TRAFFIC CONT-OFF-BALANCE	\$10,263	\$5,386	\$8,623	\$9,413	\$16,472
BROUGHT FORWARD BALANCE-PARKING FACILITY	\$9,470	\$10,631	\$4,448	\$6,485	\$2,815
TOTAL REVENUE	1,160	3,817	6,038	6,330	8,252
TOTAL EXPENSES	0	10,000	4,000	10,000	4,000
PARKING FACILITY BALANCE	\$10,631	\$4,448	\$6,485	\$2,815	\$7,068

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	1995	1996	1997	1998	1999
BROUGHT FORWARD BALANCE-BUS	\$558,128	\$468,915	\$410,314	\$143,234	\$208,416
TOTAL REVENUE	1,237,896	1,140,041	1,119,488	1,347,341	1,308,639
TOTAL EXPENSES	1,327,109	1,198,642	1,386,568	1,282,159	1,130,343
BUS BALANCE	\$468,915	\$410,314	\$143,234	\$208,416	\$386,713
BROUGHT FORWARD BAL-POLICE PENSION FUND	\$6,387	\$3,048	\$28,023	\$1,248	\$1,073
TOTAL REVENUE	364,025	412,309	367,179	421,585	562,571
TOTAL EXPENSES	367,365	387,334	393,953	421,760	563,007
POLICE PENSION FUND BAL	\$3,048	\$28,023	\$1,248	\$1,073	\$637
BROUGHT FORWARD BALANCE-FIRE PENSION FUND	\$6,658	\$9,149	\$10,581	\$3,224	\$10,632
TOTAL REVENUE	405,225	458,865	437,565	483,716	926,976
TOTAL EXPENSES	402,734	457,432	444,923	476,307	937,119
FIRE PENSION FUND BALANCE	\$9,149	\$10,581	\$3,224	\$10,632	\$489
BROUGHT FORWARD BAL-DEBT SERVICE RESERVE	\$23,723	\$34,725	\$45,540	\$57,403	\$69,804
TOTAL REVENUE	468,799	464,183	582,890	575,581	582,216
TOTAL EXPENSES	457,798	453,368	571,028	563,180	574,030
DEBT SERVICE RESERVE BAL	\$34,725	\$45,540	\$57,403	\$69,804	\$77,990
BROUGHT FORWARD BAL-CAPITAL IMPROVEMENT	\$53,057	\$53,057	\$53,057	\$1	\$277,895
TOTAL REVENUE	0	0	1,944	277,894	0
TOTAL EXPENSES	0	0	55,000	0	0
CAPITAL IMPROVEMENT BAL	\$53,057	\$53,057	\$1	\$277,895	\$277,895

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	2000	2001	2002	2003	2004
BROUGHT FORWARD BALANCE-BUS	\$386,713	\$629,404	\$851,866	\$901,417	\$758,095
TOTAL REVENUE	1,411,508	1,481,456	1,478,736	1,563,913	1,758,137
TOTAL EXPENSES	1,168,817	1,258,994	1,429,186	1,707,235	1,875,904
BUS BALANCE	\$629,404	\$851,866	\$901,417	\$758,095	\$640,327
BROUGHT FORWARD BAL-POLICE PENSION FUND	\$637	\$1,706	\$27,741	\$10,754	\$10,809
TOTAL REVENUE	452,399	484,397	460,986	490,386	446,989
TOTAL EXPENSES	451,330	458,362	477,973	490,331	455,269
POLICE PENSION FUND BAL	\$1,706	\$27,741	\$10,754	\$10,809	\$2,529
BROUGHT FORWARD BALANCE-FIRE PENSION FUND	\$489	\$15,996	\$36,617	\$25,175	\$10,810
TOTAL REVENUE	582,399	584,397	610,986	613,625	587,989
TOTAL EXPENSES	566,892	563,776	622,428	627,991	596,374
FIRE PENSION FUND BALANCE	\$15,996	\$36,617	\$25,175	\$10,810	\$2,424
BROUGHT FORWARD BAL-DEBT SERVICE RESERVE	\$77,990	\$91,512	\$99,625	\$104,195	\$157,044
TOTAL REVENUE	620,876	507,307	496,948	2,601,572	266,520
TOTAL EXPENSES	607,354	499,194	492,379	2,548,722	411,414
DEBT SERVICE RESERVE BAL	\$91,512	\$99,625	\$104,195	\$157,044	\$12,151
BROUGHT FORWARD BAL-CAPITAL IMPROVEMENT	\$277,895	\$277,895	\$100,000	\$100,000	\$32,000
TOTAL REVENUE	0	0	0	0	0
TOTAL EXPENSES	0	177,895	0	68,000	0
CAPITAL IMPROVEMENT BAL	\$277,895	\$100,000	\$100,000	\$32,000	\$32,000

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	1995	1996	1997	1998	1999
BROUGHT FORWARD BAL-ISSUE II	\$0	\$46,451	\$9,539	\$0	\$0
TOTAL REVENUE	596,912	198,140	0	0	127,227
TOTAL EXPENSES	550,461	235,051	9,539	0	127,227
ISSUE II BALANCE	\$46,451	\$9,539	\$0	\$0	\$0
BROUGHT FORWARD BAL-CAP PROJECT-ST IMP	\$0	\$1,796,970	\$1	\$1	\$0
TOTAL REVENUE	2,000,000	283,607	0	0	0
TOTAL EXPENSES	203,030	2,080,576	0	1	0
CAP PROJECT-ST IMP BALANCE	\$1,796,970	\$1	\$1	\$0	\$0
BROUGHT FORWARD BAL-SAFETY LEVY CAPITAL	\$0	\$0	\$549,379	\$623,703	\$264,425
TOTAL REVENUE	0	0	518,114	541,952	578,109
TOTAL EXPENSES	0	0	443,790	901,230	665,937
SAFETY LEVY CAPITAL BALANCE	\$0	\$0	\$623,703	\$264,425	\$176,597
BROUGHT FORWARD BAL-LANDFILL CLOSURE	\$0	\$0	\$0	\$165,765	\$37,247
TOTAL REVENUE	0	0	405,001	0	125,000
TOTAL EXPENSES	0	0	239,236	128,518	71,794
LANDFILL CLOSURE BALANCE	\$0	\$0	\$165,765	\$37,247	\$90,453
BROUGHT FORWARD BAL-PARKS/REC CAPITAL	\$70,749	\$14,769	\$28,958	\$8,116	\$187,476
TOTAL REVENUE	159,353	431,499	184,886	454,904	128,388
TOTAL EXPENSES	215,333	417,310	205,728	275,545	183,624
PARKS/REC CAPITAL BALANCE	\$14,769	\$28,958	\$8,116	\$187,476	\$132,240

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BROUGHT FORWARD BAL-ISSUE II	\$0	\$0	\$0	\$0	\$0
TOTAL REVENUE	0	0	0	0	203,095
TOTAL EXPENSES	0	0	0	0	203,095
ISSUE II BALANCE	\$0	\$0	\$0	\$0	\$0
BROUGHT FORWARD BAL-CAP PROJECT-ST IMP	\$0	\$0	\$0	\$0	\$0
TOTAL REVENUE	0	0	0	0	0
TOTAL EXPENSES	0	0	0	0	0
CAP PROJECT-ST IMP BALANCE	\$0	\$0	\$0	\$0	\$0
BROUGHT FORWARD BAL-SAFETY LEVY CAPITAL	\$176,597	\$297,075	\$392,914	\$395,792	\$445,615
TOTAL REVENUE	576,471	598,357	601,196	586,771	621,724
TOTAL EXPENSES	455,993	502,518	598,317	536,948	411,010
SAFETY LEVY CAPITAL BALANCE	\$297,075	\$392,914	\$395,792	\$445,615	\$656,328
BROUGHT FORWARD BAL-LANDFILL CLOSURE	\$90,453	\$151,760	\$176,696	\$125,832	\$84,089
TOTAL REVENUE	125,000	75,000	0	0	0
TOTAL EXPENSES	63,694	50,064	50,864	41,743	36,419
LANDFILL CLOSURE BALANCE	\$151,760	\$176,696	\$125,832	\$84,089	\$47,670
BROUGHT FORWARD BAL-PARKS/REC CAPITAL	\$132,240	\$152,923	\$81,642	\$49,216	\$34,438
TOTAL REVENUE	314,284	164,389	161,029	107,481	548,536
TOTAL EXPENSES	293,601	235,670	193,455	122,259	535,461
PARKS/REC CAPITAL BALANCE	\$152,923	\$81,642	\$49,216	\$34,438	\$47,514

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	1995	1996	1997	1998	1999
BROUGHT FORWARD BALANCE-STREETScape	\$6,009	\$10,108	\$12,364	\$12,521	\$7,760
TOTAL REVENUE	123,894	122,440	120,579	113,721	119,496
TOTAL EXPENSES	119,794	120,184	120,422	118,482	121,476
STREETScape BALANCE	\$10,108	\$12,364	\$12,521	\$7,760	\$5,780
BROUGHT FORWARD BALANCE-WATER FUND	\$1,470,869	\$1,734,338	\$2,290,443	\$2,678,610	\$2,557,882
TOTAL REVENUE	3,640,340	3,806,032	3,873,211	3,761,458	3,727,124
EXPENSES					
WATER ADMINISTRATION	598,388	658,567	940,095	1,005,161	805,455
WATER SUPPLY & TREATMENT	873,783	862,735	938,238	962,188	1,088,831
WATER DISTRIBUTION	586,441	420,203	453,557	570,863	601,806
WATER TRANSFERS	1,318,259	1,308,421	1,153,155	1,343,974	1,310,059
TOTAL EXPENSES	3,376,871	3,249,926	3,485,045	3,882,186	3,806,151
WATER BALANCE	\$1,734,338	\$2,290,443	\$2,678,610	\$2,557,882	\$2,478,855
BROUGHT FORWARD BAL-WATER CONST PROJECT #1	\$425,227	\$78,370	\$78,370	\$0	\$0
TOTAL REVENUE	0	0	0	0	0
TOTAL EXPENSES	346,856	0	78,370	0	0
WATER CONST PROJ #1 BAL	\$78,370	\$78,370	\$0	\$0	\$0
BROUGHT FORWARD BAL-WATER CONST PROJECT #2	\$128,209	\$199,584	\$0	\$0	\$0
TOTAL REVENUE	97,216	7,575	0	0	0
TOTAL EXPENSES	25,841	207,158	0	0	0
WATER CONST PROJ #2 BAL	\$199,584	\$0	\$0	\$0	\$0

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BROUGHT FORWARD BALANCE-STREETSCAPE	\$5,780	\$22,392	\$40,427	\$50,053	\$50,194
TOTAL REVENUE	145,456	25,106	16,128	7,500	0
TOTAL EXPENSES	128,844	7,071	6,502	7,358	3,624
STREETSCAPE BALANCE	\$22,392	\$40,427	\$50,053	\$50,194	\$46,571
BROUGHT FORWARD BALANCE-WATER FUND	\$2,478,855	\$2,671,889	\$2,041,848	\$2,237,161	\$2,108,680
TOTAL REVENUE	3,765,426	3,944,083	4,289,829	4,168,751	4,383,091
EXPENSES					
WATER ADMINISTRATION	745,428	702,196	735,950	726,651	784,366
WATER SUPPLY & TREATMENT	947,142	1,201,064	1,137,498	1,117,821	1,084,669
WATER DISTRIBUTION	558,837	1,012,091	713,481	852,760	848,291
WATER TRANSFERS	1,320,986	1,658,772	1,507,587	1,600,000	1,637,620
TOTAL EXPENSES	3,572,393	4,574,123	4,094,516	4,297,232	4,354,946
WATER BALANCE	\$2,671,889	\$2,041,848	\$2,237,161	\$2,108,680	\$2,136,825
BROUGHT FORWARD BAL-WATER CONST PROJECT #1	\$0	\$0	\$0	\$0	\$0
TOTAL REVENUE	0	0	0	0	0
TOTAL EXPENSES	0	0	0	0	0
WATER CONST PROJ #1 BAL	\$0	\$0	\$0	\$0	\$0
BROUGHT FORWARD BAL-WATER CONST PROJECT #2	\$0	\$0	\$0	\$0	\$0
TOTAL REVENUE	0	0	0	0	0
TOTAL EXPENSES	0	0	0	0	0
WATER CONST PROJ #2 BAL	\$0	\$0	\$0	\$0	\$0

CITY OF CHILLICOTHE  
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TABLE 15

	1995	1996	1997	1998	1999
BROUGHT FORWARD BAL-WATER CONST PROJECT #3	\$79,091	\$0	\$0	\$0	\$0
TOTAL REVENUE	0	0	0	0	0
TOTAL EXPENSES	79,091	0	0	0	0
WATER CONST PROJ #3 BAL	\$0	\$0	\$0	\$0	\$0
BROUGHT FORWARD BAL-WATER TOWER	\$0	\$0	\$0	\$0	\$0
TOTAL REVENUE	0	0	0	0	0
TOTAL EXPENSES	0	0	0	0	0
WATER TOWER BALANCE	\$0	\$0	\$0	\$0	\$0
BROUGHT FORWARD BAL-WATER DEBT SERVICE #4	\$1,402,704	\$1,404,925	\$1,532,952	\$1,394,125	\$1,391,029
TOTAL REVENUE	65,393	186,458	(104,454)	52,610	49,195
TOTAL EXPENSES	63,172	58,432	34,373	55,706	46,099
WATER DEBT SERVICE #4 BAL	\$1,404,925	\$1,532,952	\$1,394,125	\$1,391,029	\$1,394,125
BROUGHT FORWARD BAL-WATER BOND FUND #4	\$145,883	\$159,929	\$154,372	\$138,389	\$167,669
TOTAL REVENUE	1,405,158	1,386,831	1,375,037	1,421,437	1,374,010
TOTAL EXPENSES	1,391,113	1,392,388	1,391,020	1,392,158	1,394,754
WATER BOND FUND #4 BAL	\$159,929	\$154,372	\$138,389	\$167,669	\$146,925
BROUGHT FORWARD BAL-WATER R&I FUND	\$1,317,060	\$1,317,060	\$1,317,060	\$1,317,060	\$1,317,060
TOTAL REVENUE	0	0	0	0	0
TOTAL EXPENSES	0	0	0	0	0
WATER R&I FUND BALANCE	\$1,317,060	\$1,317,060	\$1,317,060	\$1,317,060	\$1,317,060

CITY OF CHILLICOTHE  
FUND CASH SUMMARY REPORT  
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TABLE 15

	2000	2001	2002	2003	2004
BROUGHT FORWARD BAL-WATER CONST PROJECT #3	\$0	\$0	\$0	\$0	\$0
TOTAL REVENUE	0	0	0	0	0
TOTAL EXPENSES	0	0	0	0	0
WATER CONST PROJ #3 BAL	\$0	\$0	\$0	\$0	\$0
BROUGHT FORWARD BAL-WATER TOWER	\$0	\$0	\$102,310	\$38,866	\$1,198,444
TOTAL REVENUE	0	130,300	0	1,501,140	1,503,528
TOTAL EXPENSES	0	27,990	63,444	341,562	2,266,235
WATER TOWER BALANCE	\$0	\$102,310	\$38,866	\$1,198,444	\$435,737
BROUGHT FORWARD BAL-WATER DEBT SERVICE #4	\$1,394,125	\$1,427,068	\$1,401,005	\$1,396,038	\$1,269,418
TOTAL REVENUE	61,065	40,345	5,301	(94,797)	11,397
TOTAL EXPENSES	28,122	66,408	10,267	31,824	2,156
WATER DEBT SERVICE #4 BAL	\$1,427,068	\$1,401,005	\$1,396,038	\$1,269,418	\$1,278,659
BROUGHT FORWARD BAL-WATER BOND FUND #4	\$146,925	\$127,063	\$164,353	\$115,789	\$79,311
TOTAL REVENUE	1,373,983	1,431,005	1,342,956	12,697,722	1,569,003
TOTAL EXPENSES	1,393,845	1,393,715	1,391,520	12,734,200	1,283,918
WATER BOND FUND #4 BAL	\$127,063	\$164,353	\$115,789	\$79,311	\$364,396
BROUGHT FORWARD BAL-WATER R&I FUND	\$1,317,060	\$1,317,060	\$1,493,862	\$1,670,664	\$1,200,000
TOTAL REVENUE	0	176,802	176,802	(470,664)	0
TOTAL EXPENSES	0	0	0	0	0
WATER R&I FUND BALANCE	\$1,317,060	\$1,493,862	\$1,670,664	\$1,200,000	\$1,200,000

CITY OF CHILLICOTHE  
FUND CASH SUMMARY REPORT  
LAST TEN FISCAL YEARS

TABLE 15

	1995	1996	1997	1998	1999
BROUGHT FORWARD					
BAL-WATER SYSTEM RESERVE	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000
TOTAL REVENUE	0	0	0	0	0
TOTAL EXPENSES	0	0	0	0	0
WATER SYSTEM RESERVE BAL	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000
TOTAL REVENUE WATER FUNDS	5,208,106	5,386,896	5,143,795	5,235,506	5,150,329
TOTAL EXPENSES WATER FUNDS	5,282,944	4,907,904	4,988,808	5,330,050	5,247,004
BALANCE ALL WATER FUNDS	\$5,394,206	\$5,873,197	\$6,028,184	\$5,933,640	\$5,836,965
BROUGHT FORWARD					
BAL-RT 104 WATER/SEWER	\$0	\$0	\$0	\$0	\$498,798
TOTAL REVENUE	0	0	0	500,005	500,020
TOTAL EXPENSES	0	0	0	1,207	524,775
RT 104 WATER/SEWER BALANCE	\$0	\$0	\$0	\$498,798	\$474,043
BROUGHT FORWARD					
BALANCE-SEWER FUND	\$1,035,928	\$1,033,758	\$1,212,000	\$1,232,626	\$1,242,623
TOTAL REVENUE	2,295,179	2,345,831	2,416,143	2,475,459	3,168,076
EXPENSES					
SEWER ADMINISTRATION	590,109	636,527	756,705	770,607	1,521,103
SEWER SUPPLY & TREATMENT	1,063,925	884,895	1,032,762	990,543	931,682
SEWER COLLECTION	282,486	275,286	246,429	344,964	279,341
SEWER TRANSFERS	360,829	370,882	359,620	359,348	288,043
TOTAL EXPENSES	2,297,349	2,167,590	2,395,516	2,465,462	3,020,169
SEWER BALANCE	\$1,033,758	\$1,212,000	\$1,232,626	\$1,242,623	\$1,390,531
BROUGHT FORWARD					
BALANCE-SEWER DEBT SERVICE	\$283,809	\$283,947	\$284,841	\$290,627	\$311,596
TOTAL REVENUE	13,251	11,552	11,624	32,272	9,355
TOTAL EXPENSES	13,113	10,658	5,838	11,303	38,036
SEWER DEBT SERVICE BALANCE	\$283,947	\$284,841	\$290,627	\$311,596	\$282,915

CITY OF CHILLICOTHE  
FUND CASH SUMMARY REPORT  
LAST TEN FISCAL YEARS

TABLE 15

	2000	2001	2002	2003	2004
BROUGHT FORWARD					
BAL-WATER SYSTEM RESERVE	\$500,000	\$500,000	\$500,000	\$500,000	\$1,103,000
TOTAL REVENUE	0	0	0	603,000	0
TOTAL EXPENSES	0	0	0	0	0
WATER SYSTEM RESERVE BAL	\$500,000	\$500,000	\$500,000	\$1,103,000	\$1,103,000
TOTAL REVENUE WATER FUNDS	5,200,474	5,722,534	5,814,887	18,405,152	7,467,019
TOTAL EXPENSES WATER FUNDS	4,994,360	6,062,236	5,559,747	17,404,818	7,907,254
BALANCE ALL WATER FUNDS	\$6,043,079	\$5,703,377	\$5,958,518	\$6,958,853	\$6,518,618
BROUGHT FORWARD					
BAL-RT 104 WATER/SEWER	\$474,043	\$365,179	\$338,893	\$321,518	\$268,497
TOTAL REVENUE	500,030	500,040	500,055	626,173	241,708
TOTAL EXPENSES	608,894	526,326	517,431	679,194	510,205
RT 104 WATER/SEWER BALANCE	\$365,179	\$338,893	\$321,518	\$268,497	\$0
BROUGHT FORWARD					
BALANCE-SEWER FUND	\$1,390,531	\$1,491,106	\$1,583,190	\$1,738,109	\$1,086,058
TOTAL REVENUE	2,955,959	2,921,903	2,928,667	2,891,407	3,039,417
EXPENSES					
SEWER ADMINISTRATION	1,219,626	984,751	792,755	553,541	617,182
SEWER SUPPLY & TREATMENT	946,320	1,131,344	1,163,682	1,166,677	1,235,601
SEWER COLLECTION	335,009	355,462	449,738	497,887	1,353,077
SEWER TRANSFERS	354,429	358,262	367,573	1,325,353	277,039
TOTAL EXPENSES	2,855,384	2,829,819	2,773,748	3,543,458	3,482,899
SEWER BALANCE	\$1,491,106	\$1,583,190	\$1,738,109	\$1,086,058	\$642,577
BROUGHT FORWARD					
BALANCE-SEWER DEBT SERVICE	\$282,915	\$289,600	\$281,311	\$282,963	\$283,080
TOTAL REVENUE	12,392	8,187	1,076	282	887
TOTAL EXPENSES	5,707	13,476	2,423	165	2,498
SEWER DEBT SERVICE BALANCE	\$289,600	\$284,311	\$279,963	\$283,080	\$281,469

CITY OF CHILLICOTHE  
FUND CASH SUMMARY REPORT  
LAST TEN FISCAL YEARS

TABLE 15

	1995	1996	1997	1998	1999
BROUGHT FORWARD BALANCE-SEWER PROJECT #1	\$0	\$0	\$0	\$0	\$0
TOTAL REVENUE	0	0	0	0	0
TOTAL EXPENSES	0	0	0	0	0
SEWER PROJECT #1 BALANCE	\$0	\$0	\$0	\$0	\$0
 BROUGHT FORWARD BALANCE-SEWER BOND FUND	 \$24,241	 \$24,336	 \$31,304	 \$23,231	 \$4,573
TOTAL REVENUE	283,010	289,843	274,275	262,740	305,307
TOTAL EXPENSES	282,915	282,875	282,348	281,398	279,835
SEWER BOND FUND BALANCE	\$24,336	\$31,304	\$23,231	\$4,573	\$30,045
 BROUGHT FORWARD BALANCE-SEWER R&I FUND	 \$371,271	 \$431,271	 \$491,271	 \$551,271	 \$618,466
TOTAL REVENUE	60,000	60,000	60,000	67,195	0
TOTAL EXPENSES	0	0	0	0	0
SEWER R&I FUND BALANCE	\$431,271	\$491,271	\$551,271	\$618,466	\$618,466
 BROUGHT FORWARD BAL-SEWER SYSTEM RESERVE	 \$519,834	 \$463,897	 \$408,036	 \$352,174	 \$284,980
TOTAL REVENUE	36,160	36,160	36,160	24,827	24,827
TOTAL EXPENSES	92,097	92,021	92,021	92,021	92,021
SEWER SYSTEM RESERVE BAL	\$463,897	\$408,036	\$352,174	\$284,980	\$217,785
 TOTAL REVENUE SEWER FUNDS	 2,687,601	 2,743,386	 2,798,201	 2,862,492	 3,507,565
TOTAL EXPENSES SEWER FUNDS	2,685,474	2,553,144	2,775,724	2,850,184	3,430,061
BALANCE ALL SEWER FUNDS	\$2,237,210	\$2,427,451	\$2,449,929	\$2,462,237	\$2,539,741

CITY OF CHILLICOTHE  
FUND CASH SUMMARY REPORT  
LAST TEN FISCAL YEARS

TABLE 15

	2000	2001	2002	2003	2004
BROUGHT FORWARD BALANCE-SEWER PROJECT #1	\$0	\$2,987,207	\$1,788,511	\$1,314,759	\$1,320,422
TOTAL REVENUE	3,004,125	3,000,000	4,145,561	3,156,059	95,000
TOTAL EXPENSES	16,918	4,198,696	4,619,312	3,150,396	143,853
SEWER PROJECT #1 BALANCE	\$2,987,207	\$1,788,511	\$1,314,759	\$1,320,422	\$1,271,569
 BROUGHT FORWARD BALANCE-SEWER BOND FUND	 \$30,045	 \$25,856	 \$27,916	 \$23,985	 \$23,224
TOTAL REVENUE	273,626	282,475	278,392	277,644	280,108
TOTAL EXPENSES	277,815	280,415	282,323	278,405	278,955
SEWER BOND FUND BALANCE	\$25,856	\$27,916	\$23,985	\$23,224	\$24,377
 BROUGHT FORWARD BALANCE-SEWER R&I FUND	 \$618,466	 \$618,466	 \$618,466	 \$618,466	 \$618,466
TOTAL REVENUE	0	0	0	0	0
TOTAL EXPENSES	0	0	0	0	0
SEWER R&I FUND BALANCE	\$618,466	\$618,466	\$618,466	\$618,466	\$618,466
 BROUGHT FORWARD BAL-SEWER SYSTEM RESERVE	 \$217,785	 \$217,786	 \$217,786	 \$217,787	 \$219,776
TOTAL REVENUE	92,022	92,022	92,022	48,000	0
TOTAL EXPENSES	92,021	92,021	92,021	46,011	0
SEWER SYSTEM RESERVE BAL	\$217,786	\$217,786	\$217,787	\$219,776	\$219,776
 TOTAL REVENUE SEWER FUNDS	 6,338,124	 6,304,587	 7,445,717	 6,373,392	 3,415,412
TOTAL EXPENSES SEWER FUNDS	3,247,845	7,414,428	7,769,827	7,018,435	7,018,435
BALANCE ALL SEWER FUNDS	\$5,630,021	\$4,520,179	\$4,193,069	\$3,551,026	\$3,058,234

CITY OF CHILLICOTHE  
FUND CASH SUMMARY REPORT  
LAST TEN FISCAL YEARS

TABLE 15

	1995	1996	1997	1998	1999
BROUGHT FORWARD BALANCE-OWDA	\$341	\$341	\$341	\$341	\$341
TOTAL REVENUE	0	0	0	0	0
TOTAL EXPENSES	0	0	0	0	0
OWDA BALANCE	\$341	\$341	\$341	\$341	\$341
BROUGHT FORWARD BALANCE-PATTON PARK	\$973	\$973	\$973	\$973	\$973
TOTAL REVENUE	0	0	0	0	0
TOTAL EXPENSES	0	0	0	0	0
PATTON PARK BALANCE	\$973	\$973	\$973	\$973	\$973
BROUGHT FORWARD BALANCE-UNCLAIMED MONIES	\$97,105	\$54,049	\$41,798	\$41,208	\$49,897
TOTAL REVENUE	12,240	7,548	13,669	18,106	14,424
TOTAL EXPENSES	55,296	19,799	14,259	9,417	12,612
UNCLAIMED MONIES BALANCE	\$54,049	\$41,798	\$41,208	\$49,897	\$51,710
BROUGHT FORWARD BALANCE-CARLISLE HILL TRUST	\$2,477	\$2,537	\$2,597	\$2,657	\$2,717
TOTAL REVENUE	60	60	60	60	60
TOTAL EXPENSES	0	0	0	0	0
CARLISLE HILL TRUST BALANCE	\$2,537	\$2,597	\$2,657	\$2,717	\$2,777
BROUGHT FORWARD BALANCE-SUB DIVISION INSP	\$2,750	\$2,750	\$7,026	\$13,976	\$24,551
TOTAL REVENUE	0	4,276	6,950	10,575	0
TOTAL EXPENSES	0	0	0	0	0
SUB DIV INSPECTION BALANCE	\$2,750	\$7,026	\$13,976	\$24,551	\$24,551

CITY OF CHILLICOTHE  
FUND CASH SUMMARY REPORT  
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TABLE 15

	2000	2001	2002	2003	2004
BROUGHT FORWARD BALANCE-OWDA	\$341	\$0	\$0	\$0	\$0
TOTAL REVENUE	0	0	0	0	0
TOTAL EXPENSES	341	0	0	0	0
OWDA BALANCE	\$0	\$0	\$0	\$0	\$0
BROUGHT FORWARD BALANCE-PATTON PARK	\$973	\$973	\$0	\$0	\$0
TOTAL REVENUE	0	0	0	0	0
TOTAL EXPENSES	0	973	0	0	0
PATTON PARK BALANCE	\$973	\$0	\$0	\$0	\$0
BROUGHT FORWARD BALANCE-UNCLAIMED MONIES	\$51,710	\$58,308	\$54,266	\$56,917	\$61,394
TOTAL REVENUE	15,017	9,061	20,407	18,456	17,267
TOTAL EXPENSES	8,419	13,103	17,756	13,979	14,426
UNCLAIMED MONIES BALANCE	\$58,308	\$54,266	\$56,917	\$61,394	\$64,235
BROUGHT FORWARD BALANCE-CARLISLE HILL TRUST	\$2,777	\$2,837	\$2,887	\$2,927	\$2,967
TOTAL REVENUE	60	50	40	40	20
TOTAL EXPENSES	0	0	0	0	0
CARLISLE HILL TRUST BALANCE	\$2,837	\$2,887	\$2,927	\$2,967	\$2,987
BROUGHT FORWARD BALANCE-SUB DIVISION INSP	\$24,551	\$34,840	\$1,371	\$8,360	\$9,205
TOTAL REVENUE	10,289	1,531	6,989	845	750
TOTAL EXPENSES	0	35,000	0	0	0
SUB DIV INSPECTION BALANCE	\$34,840	\$1,371	\$8,360	\$9,205	\$9,955

CITY OF CHILLICOTHE  
FUND CASH SUMMARY REPORT  
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TABLE 15

	1995	1996	1997	1998	1999
BROUGHT FORWARD BALANCE-BARRICADE DEPOSIT	\$480	\$480	\$480	\$480	\$480
TOTAL REVENUE	0	0	0	0	0
TOTAL EXPENSES	0	0	0	0	0
BARRICADE DEPOSIT BALANCE	\$480	\$480	\$480	\$480	\$480
BROUGHT FORWARD BALANCE-SECURITY DEPOSIT	\$1,080	\$2,080	\$1,980	\$2,580	\$3,480
TOTAL REVENUE	1,000	600	2,000	2,300	2,000
TOTAL EXPENSES	0	700	1,400	1,400	1,400
SECURITY DEPOSIT BALANCE	\$2,080	\$1,980	\$2,580	\$3,480	\$4,080
BROUGHT FORWARD BALANCE-STATE BLDG PERMIT	\$98	\$139	\$156	\$279	\$607
TOTAL REVENUE	2,551	1,911	1,290	1,564	1,497
TOTAL EXPENSES	2,510	1,894	1,167	1,236	1,851
STATE BLDG PERMIT BALANCE	\$139	\$156	\$279	\$607	\$254
BROUGHT FORWARD BALANCE-POSTAGE ROTARY	\$4,832	\$3,754	\$5,652	\$3,934	\$3,840
TOTAL REVENUE	28,568	38,571	37,668	41,048	41,744
TOTAL EXPENSES	29,646	36,673	39,387	41,141	41,210
POSTAGE ROTARY BALANCE	\$3,754	\$5,652	\$3,934	\$3,840	\$4,373
TOTAL REVENUE COLLECTED	30,159,901	29,023,783	28,936,676	31,036,326	32,257,478
TOTAL EXPENSES	28,242,229	30,360,406	28,454,641	29,134,009	31,439,201
BALANCE FOR ALL FUNDS	\$13,263,982	\$11,927,359	\$12,409,394	\$14,311,712	\$15,129,989

CITY OF CHILLICOTHE  
FUND CASH SUMMARY REPORT  
LAST TEN FISCAL YEARS

TABLE 15

	2000	2001	2002	2003	2004
BROUGHT FORWARD BALANCE-BARRICADE DEPOSIT	\$480	\$480	\$480	\$480	\$480
TOTAL REVENUE	0	0	0	0	0
TOTAL EXPENSES	0	0	0	0	0
BARRICADE DEPOSIT BALANCE	\$480	\$480	\$480	\$480	\$480
BROUGHT FORWARD BALANCE-SECURITY DEPOSIT	\$4,080	\$4,680	\$5,280	\$5,580	\$5,580
TOTAL REVENUE	1,300	2,000	1,000	0	0
TOTAL EXPENSES	700	1,400	700	0	0
SECURITY DEPOSIT BALANCE	\$4,680	\$5,280	\$5,580	\$5,580	\$5,580
BROUGHT FORWARD BALANCE-STATE BLDG PERMIT	\$254	\$318	\$197	\$552	\$567
TOTAL REVENUE	1,912	1,963	2,444	2,874	2,216
TOTAL EXPENSES	1,848	2,085	2,088	2,860	1,828
STATE BLDG PERMIT BALANCE	\$318	\$197	\$552	\$567	\$955
BROUGHT FORWARD BALANCE-POSTAGE ROTARY	\$4,373	\$2,726	\$3,292	\$2,733	\$8,157
TOTAL REVENUE	40,658	45,735	49,248	60,839	62,175
TOTAL EXPENSES	42,306	45,169	49,807	55,415	60,526
POSTAGE ROTARY BALANCE	\$2,726	\$3,292	\$2,733	\$8,157	\$9,806
TOTAL REVENUE COLLECTED	35,327,836	35,107,976	36,554,992	50,600,020	36,079,052
TOTAL EXPENSES	32,350,408	36,444,006	37,306,676	52,128,278	39,116,831
BALANCE FOR ALL FUNDS	\$18,107,417	\$16,771,386	\$16,016,702	\$14,491,445	\$14,563,897

**CITY OF CHILLICOTHE  
MISCELLANEOUS STATISTICS  
DECEMBER 31, 2004**

Table 16

<b>DATE INCORPORATED</b>	<b>1796</b>
<b>FORM OF GOVERNMENT</b>	<b>Council/Mayor</b>
<b>AREA (SQUARE MILES)</b>	<b>10.95 square miles</b>
<b>MILES OF STREETS, ALLEYS</b>	<b>96.8 miles</b>
<b>NUMBER OF CITY EMPLOYEES</b>	<b>295</b>

DEPARTMENT	FULL TIME	PART TIME	TOTAL
Auditor	7	0	7
Civil Service	1	0	1
City Council	10	1	11
Engineering	9	0	9
Fire	41	0	41
Humane Officer	0	1	1
Income Tax	3	0	3
Law Director	8	1	9
Mayor	7	0	7
Municipal Court	22	4	26
Parks	6	0	6
Police	49	0	49
Recreation	4	2	6
School Crossing	0	15	15
Service	26	6	32
Sewage	18	1	19
Traffic Control	1	0	1
Transit	18	6	24
Treasurer	1	1	2
Water	26	0	26
<b>Total</b>	<b>257</b>	<b>38</b>	<b>295</b>

CITY FLEET (Licensed On-Road):

Fire	17
Police	22
Refuse	9
Other	75

FIRE PROTECTION:

Number of Fire Stations	3
Number of Firefighters & Officers	40

POLICE PROTECTION:

Number of Police Stations	1
Number of Police Officers	44

MUNICIPAL WATER DIVISION:

Number of Customer Accounts	9,262 accounts
Average Daily Pumpage (Mil. Gals./Day)	3.145 mil (7.0 mil. gals./day capacity)
Miles of Water Mains	100 miles

MUNICIPAL SEWER DIVISION:

Number of Customer Accounts	8,717 accounts
Miles of Sanitary/Storm Sewer Lines	101 miles

continued

**CITY OF CHILLICOTHE  
MISCELLANEOUS STATISTICS  
DECEMBER 31, 2004**

**Table 16**

<b>RECREATION &amp; TRAVEL:</b>	
Municipal Parks	12
Playgrounds	4
Recreation/Fitness Centers	4
Golf Courses	1-Private 1-Public
Swimming Facilities	4
Tennis Courts	4
Motels	7
Bed & Breakfasts	6
 <b>CULTURAL:</b>	
Libraries	
Public Libraries	2
In Circulation Volumes	176,833
In Circulation Audio Visual	16,033
Ohio University Chillicothe Library	54,855 Volumes    515 Audio Visual
Museums	5
Theatre Groups	2
 <b>COMMUNICATIONS:</b>	
T.V. Station	1 - WWHO Channel 53
Cable T.V. Station	2
Radio Stations - F.M.	2 - WFCB, WKKJ
Radio Stations - A.M.	2 - WBEX, WCHI
Newspapers (Daily)	1 - Circulation Daily 16,200
Weekly Shopper	2 - Circulation-Ross County 26,486 weekly
Magazine	1 - Circulation - Quarterly 5,000
 <b>SCHOOL SYSTEM</b>	
<b>CHILLICOTHE CITY SCHOOL SYSTEM</b>	
High Schools	1
Intermediate	2
Elementary	3
Student Population	3,202
Teacher Population	229
Student/Teacher Ratio	13.98:1
Southern Hills Academy	Grades 1-8 (student population 93, includes 31 preschoolers and 9 daycare)
 <b>PAROCHIAL SCHOOLS</b>	
Bishop Flaget	Grades 1-8
Student Population	209 (includes 15 preschoolers)
Landmark Christian Academy	Grades 1-12 (student population 36)
 <b>HIGHER EDUCATION</b>	
Ohio University Chillicothe	
Regional Campus	1

**Source: Chillicothe City Auditor**

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**Auditor of State  
Betty Montgomery**

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**CITY OF CHILLICOTHE**

**ROSS 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  
JUNE 7, 2005**