

CITY OF XENIA

Single Audit Reports

December 31, 2008



Mary Taylor, CPA
Auditor of State

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

We have reviewed the *Independent Auditor's Report* of the City of Xenia, Greene County, prepared by Plattenburg & Associates, Inc., for the audit period January 1, 2008 through December 31, 2008. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Mary Taylor

Mary Taylor, CPA
Auditor of State

July 29, 2009

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CITY OF XENIA, OHIO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2008

Federal Grantor/Pass - Through Grantor, Program Title	Pass Through Entity Number	CFDA	Receipts	Disbursements
<u>United States Department of Housing Urban Development</u>				
Passed Through Ohio Housing and Community Partnerships:				
Community Development Block Grant	NA	14.228	\$397,140	\$334,537
Home Investment Partnerships Program	NA	14.239	16,655	6,081
			<u>413,795</u>	<u>340,618</u>
<u>United States Department of Justice- Office of Justice Program</u>				
Direct Funding				
Crime Victim Assistance	NA	16.575	42,775	44,438
Violence Against Women	NA	16.588	53,851	49,878
Edward Bryne Memorial Justice Assistance Grant	NA	16.738	25,969	32,542
			<u>122,595</u>	<u>126,858</u>
<u>United States Department of Homeland Security</u>				
Passed Through Ohio Emergency Management Agency:				
National Urban Search and Rescue	NA	97.025	16,673	40,276
Disaster Grants - Public Assistance	NA	97.036	31,787	201,080
Hazard Mitigation Grant	NA	97.039	25,693	17,009
			<u>74,153</u>	<u>258,365</u>
TOTALS			<u><u>\$610,543</u></u>	<u><u>\$725,841</u></u>

NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES

NOTE A -- SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of federal awards expenditures is a summary of the activity of the City's federal award programs.
The schedule has been prepared on the cash basis of accounting.

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component unit and remaining fund information of the City of Xenia (the City), as of and for the year ended December 31, 2008, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 26, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the City's financial statements that is more than inconsequential will not be prevented or detected by the City's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

We noted certain matters that we reported to management of the City in a separate letter dated June 26, 2009.

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

Plattenburg & Associates, Inc.

Plattenburg & Associates, Inc.
June 26, 2009

**REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

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

Compliance

We have audited the compliance of the City of Xenia (the City), with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2008. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

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

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2008.

Internal Control Over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A *control deficiency* in a City's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the City's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the City's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the City's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate discretely presented component unit and remaining fund information of the City as of and for the year ended December 31, 2008, and have issued our report thereon dated June 26, 2009. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

Plattenburg & Associates, Inc.

Plattenburg & Associates, Inc.
June 26, 2009

CITY OF XENIA, OHIO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2008

Section I – Summary of Auditor’s Results

<i>(d)(1)(i)</i>	<i>Type of Financial Statement Opinion</i>	Unqualified
<i>(d)(1)(ii)</i>	<i>Were there any material control weakness conditions reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(ii)</i>	<i>Were there any other significant control deficiencies reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(iii)</i>	<i>Was there any material reported non-compliance at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any material internal control weakness conditions reported for major federal programs?</i>	No
<i>(d)(1)(iv)</i>	<i>Were the any other significant control deficiencies reported for major federal programs?</i>	No
<i>(d)(1)(v)</i>	<i>Type of Major Programs' Compliance Opinion</i>	Unqualified
<i>(d)(1)(vi)</i>	<i>Are there any reportable findings under Section .510?</i>	No
<i>(d)(1)(vii)</i>	<i>Major Programs (list):</i>	CFDA #14.228 Community Development Block Grant CFDA #97.036 Disaster Grants - Public Assistance
<i>(d)(1)(viii)</i>	<i>Dollar Threshold: Type A/B Programs</i>	Type A: > \$300,000 Type B: all others
<i>(d)(1)(ix)</i>	<i>Low Risk Auditee?</i>	No

Section II – Findings Related to the Financial Statements Required to be Reported in Accordance with GAGAS

None

Section III – Federal Award Findings and Questioned Costs

None

Section IV – Summary of Prior Audit Findings and Questioned Costs

Prior Year Finding 2007-1 Material Weakness- Financial Reporting

Status: Corrected



XENIA

VIVID HISTORY. VIBRANT FUTURE.



CITY OF XENIA, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2008



THE CITY OF XENIA, OHIO

GREENE COUNTY

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED
DECEMBER 31, 2008**

**Prepared by:
Department of Finance**

**Mark A. Bazalak
Finance Director**

**Ryan Duke
Assistant Finance Director**



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INTRODUCTORY SECTION





Department of Finance

101 North Detroit Street • Xenia, Ohio 45385-2996 • Bus. (937) 376-7235 • Fax (937) 374-1818

June 30, 2009

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

Dear Ladies and Gentlemen:

The Comprehensive Annual Financial Report of the City of Xenia, Ohio for the fiscal year ended December 31, 2008 is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City's Finance Department. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the City. All disclosures necessary to enable the reader to gain an understanding of the City of Xenia's financial activities have been included.

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

If \$500,000 or more in federal awards is expended in the fiscal year, the City of Xenia is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996 and U.S. Office of Management and Budget Circular A-133, "Audits of State and Local Governments". The City's expenditures of federal awards in 2008 did require that a single audit be performed. Information related to this single audit can be found in a separate audit report.

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

- v -

City of Hospitality

An Equal Opportunity Employer

***Letter of Transmittal
For the Year Ended December 31, 2008***

MAJOR INITIATIVES

For the Year

The City has continued to establish and work towards clearly defined goals and objectives. During the budget review process, goals and objectives are developed and prioritized by the City Council and City Staff. The goal and objective setting process drives the organization. It is a continuous cycle of reviewing short and long-term goals, setting goals and objectives, evaluating the results, and reassessing short and long-term goals and their priority. In preparing the 2008 budget, the City identified several major programs/projects needed to meet citizens' needs for cost effective services, to comply with applicable mandated federal and state requirements and to maintain the City's infrastructure.

These programs/projects include:

- Continued the installation of new financial software.
- Continued the implementation of the Comprehensive Housing Improvement Program (CHIP) grant.
- Continued the sand filter under drain and media replacement project at the Water Treatment Plant.
- Completed Implementation of Automated Meter reading to allow monthly reading of water meters.
- Completed the development of a Wastewater Treatment Plant master plan
- Completed the upgrade of the City's fiber optic institutional network
- Began the installation of the new Countywide Records Management and Computer Aided Dispatch System for the police and fire departments
- Purchased playground equipment for Spring Hill Park
- Approved an enterprise zone agreement for Cornerstone Research Group for a manufacturing operation at the OVCH South Industrial Park
- Completed a leak analysis of the City-Owned Water Distribution System
- Completed a Comprehensive Classification Study for non-union employees
- Completed the East Church Street Reconstruction Project
- Began Accepting Online Utility Payments
- Awarded a contract for the engineering design of a Programmable Logic Control System for the City Water Treatment Plant
- Awarded a Contract for installation of an upgrade to the HVAC System for City Hall
- Completed the upgrade of the City Traffic Signalization System
- Began the preliminary engineering design of the West Main Street Enhancement Project Phase 1

***Letter of Transmittal
For the Year Ended December 31, 2008***

For the Future

In 2007 City Council adopted several vision elements for a vital sustained community. These elements include public safety, quality of life, good governance, health and wellness, public service, education, community image, community involvement, housing, business development, retail and service presence, and a viable workforce. Each element contains several strategic goals that City Council and Administration will strive to achieve in the City's pursuit of a vibrant future.

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

The City has continued an aggressive program to improve and increase services and to repair, replace and expand its public facilities, streets and utilities systems. The utilization of the State's Issue 2 and Local Transportation Improvement Program has helped fund nineteen (19) such projects totaling \$5,457,939 since their inception.

The major projects planned for 2009 are to install a new Uninterrupted Power Supply for City Hall; application for State assistance through the Clean Ohio Assistance Fund for a phase II environmental site assessment for the former Hooven and Allison Industrial Complex; repaving of U.S. 68 from South Monroe to Dowdell; Installation of a new emergency standby generator for the Water Treatment Plant; Begin preliminary engineering design for phase II of the West Main Street Enhancement Project and construction engineering of Phase I; Award contract to Buxton to help develop a retail economic development strategy; Award Contract a for a infiltration/inflow study for the City Sanitary Sewer Collection System; award a contract for design of the Jamestown Connector Bikepath Tunnel; award a contract for the fire department Self Contained Breathing Apparatus; Recapitalize the Downtown Façade Loan Improvement Program; Reconstruction of Miami avenue utilizing Issue II money; and the installation of a programmable Logic Controller System for the Water Treatment Plant.

In the area of economic development, the City of Xenia will continue to provide financial and marketing assistance to promote retention and expansion of existing businesses and to attract new business. In the area of commercial development the Progress Center with Lowe's and the Wal-Mart Super Center opened in 2006. This site continues to develop, expanding the tax base of the community, and enhancing the quality of services to the citizens. In March of 2009 the City approved a contract with Buxton to develop a retail economic development strategy. The focus will be on the downtown and the Progress Drive areas of the City. The City is aggressively pursuing annexation to increase the availability of suitable sites for economic development. The sites will be developed as environmentally clean industrial/commercial parks. One such park that has begun to develop is the OVCH South Industrial Park. In 2008 the City approved an enterprise zone agreement for Cornerstone Research Group for a manufacturing operation at the site. Finally, with the enactment of legislation in 1989 designating the entire City as a rural enterprise zone for possible partial tax abatement for real and personal property taxes, all the economic development tools and resources are in place for the future. The City is optimistic that the investment made in its infrastructure and economic development program will continue to increase its economic base and quality of life for its citizens.

***Letter of Transmittal
For the Year Ended December 31, 2008***

The dream of a hike/bike trail between Xenia and Yellow Springs became a reality with its completion in October of 1992 as part of the Little Miami Scenic Trail. The Little Miami Scenic Trail is part of an 80-mile network that extends from eastern Cincinnati to Springfield. During 1993 the H-Connector hike/bike transportation system design was started and the design work was completed in 1996. The H-Connector will utilize railroad right-of-way purchased by the City and other local jurisdictions to connect the Little Miami Scenic Trail commencing at Hedges Road South of Xenia, with the Mad River Bikeway and the Great Miami Trail in Dayton. The construction of the H-Connector spoke to link it with the Ohio to Erie bicycle trail was completed in 1998.

In conjunction with the H-Connector project, the City acquired approximately seven acres of railroad property in southern Xenia adjacent to the Little Miami Scenic Trail bikeway and constructed the "Xenia Station" bicycle transportation hub, a replica railway telegraph office, which opened in May of 1998. The construction of the Little Miami Scenic Trail bikeway from Hedges Road to the Xenia Station site was completed in June 1997 and the construction of the H-Connector bikeway from the Little Miami Scenic Trail to the Mad River bikeway was completed in the fall of 1997. During 2006 the City was notified that the state had awarded funding for the completion of the Jamestown Connector Project. This project will consist of a tunnel under U.S. 35 By-pass, and construction of a ten-foot wide asphalt bike path from Jasper Road to Washington Street. These sites provide recreation to the citizens of Xenia and have attracted many biking and hiking enthusiasts from outside the Xenia area, which will continue to bolster the local economy into future years.

FINANCIAL INFORMATION

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

Single Audit

As a recipient of federal and state financial assistance, the city is also responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation and internal audit by City management. As part of the City's single audit, described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal and state assistance programs, as well as to determine that the City has complied with applicable state and local laws and regulations. The results of the City's single audit for the fiscal year ended December 31, 2008 provided no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations.

***Letter of Transmittal
For the Year Ended December 31, 2008***

Budgeting Controls

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

Cash Management

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

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

	<u>2007</u>	<u>2008</u>
Average Monthly Investment	\$14,142,100	\$14,510,049
Average Yield	4.40%	4.50%
Total Investment Earnings	\$615,118	\$652,861

The average yield is a calculated percentage of total investment earnings to average monthly investments. The increase in investment earnings is \$37,743 or 6.1% higher than 2007 because of favorable interest rates and a larger average investment balance.

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

***Letter of Transmittal
For the Year Ended December 31, 2008***

Risk Management

The City of Xenia is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, and natural disasters for which the City of Xenia participates in the Ohio Government Risk Management Plan. This program is a fully reinsured product that provides for 100% “transfer” of risk over the prior year.

OTHER INFORMATION

Independent Audit

State statutes require an annual audit by the State Auditor's Office or, at the State Auditor's discretion, an independent certified public accounting firm. The City and the State Auditor's Office selected the firm Plattenburg and Associates, Inc. to perform the 2008 audit of the City. The auditors' unqualified opinion is included in the Financial Section of this report.

Awards

The Government Finance Officer's Association (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting to the City of Xenia for its comprehensive annual financial report for the year ended December 31, 2007. This was the twenty-fifth consecutive year that the City has received the prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized comprehensive annual financial report. The report satisfied both generally accepted accounting principles and applicable legal requirements.

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

Acknowledgments

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

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

Respectfully submitted,



Mark A. Bazalak
Finance Director

***List of Principal Officials
For the Year Ended December 31, 2008***

CITY COUNCIL

Patricia L. Felton	President
Jeanne Mills	Vice President
Phyllis A. Pennewitt	Mayor
William R. (Bill) Miller	
Frank Louderback	
John Caupp	
Dennis Propes	

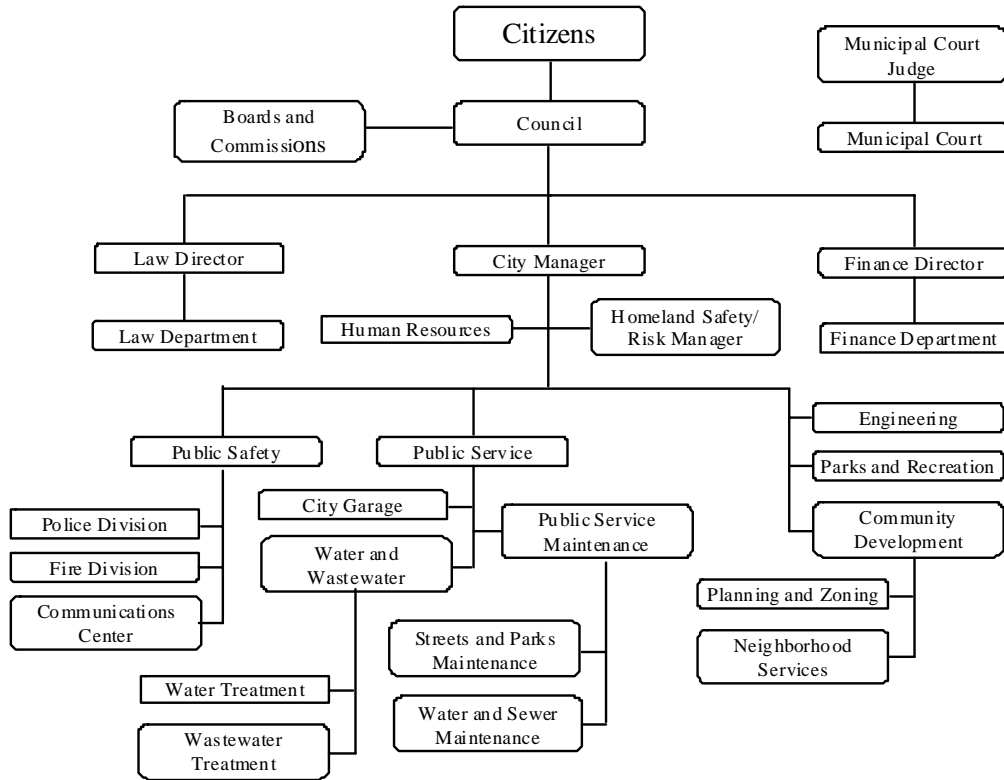
APPOINTED OFFICIALS

Ronald C. Lewis	Law Director
Mark A. Bazelak	Finance Director
James W. Percival	City Manager

DEPARTMENT OF FINANCE STAFF

Mark A. Bazelak	Finance Director
Ryan Duke	Assistant Finance Director
Diana Steck	Accounts Receivable Manager
Edgar Cardenas	Information Technology Manager
Darryl McGinnis	Information Technology Analyst
Craig Birchard	Information Technology Technician
Michelle Johnson	Secretary to Finance Director/City Clerk
Denise Estle	Finance Technician/Finance
Mary Ann Richardson	Finance Clerk/Accounts Payable
Bill McCarthy	Finance Clerk/Payroll
Kathy A. Andrews	Finance Clerk/Income Tax
Dennis W. Evans	Finance Clerk/Income Tax
Karly Burns	Finance Clerk/Income Tax
Jannette Reedy	Finance Clerk/Utility Billing
Deborah Smith	Finance Clerk/Utility Billing
Rebecca Moore	Finance Clerk/Utility Billing
Julie Willis	Finance Clerk/Utility Billing

**City Organizational Chart
For the Year Ended December 31, 2008**

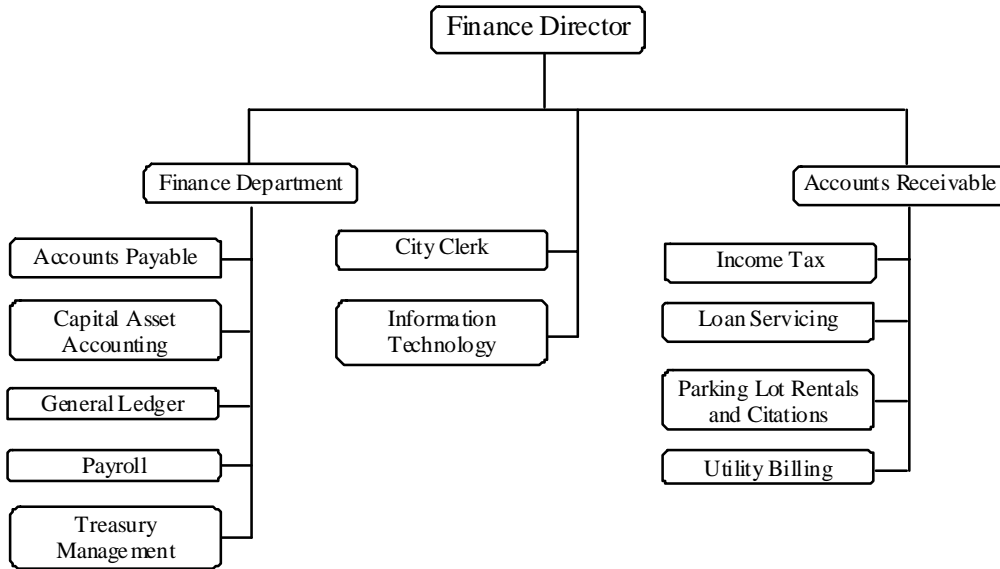


- Commissions**
 Records
 Traffic Commission
 Beautification & Environmental
 Community Relations
 Civil Service
 Planning

- Boards**
 Loan Trust
 Tax Appeals
 Zoning Appeals
 Recreation Arts & Cultural Activities

Xenia Economic Growth Corporation

***Finance Department Organizational Chart
For the Year Ended December 31, 2008***



Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

City of Xenia
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2007

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.



President

Executive Director

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component unit and remaining fund information of the City of Xenia (the City) as of and for the year ended December 31, 2008, 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 *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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 discretely presented component unit and remaining fund information of the City, as of December 31, 2008, and the respective changes in financial position, and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund and the Major Special Revenue 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 June 26, 2009, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

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

Plattenburg & Associates, Inc.

Plattenburg & Associates, Inc.
June 26, 2009

Management's Discussion and Analysis

For the Year Ended December 31, 2008

Unaudited

The discussion and analysis of Xenia City's financial performance provides an overall review of the City's financial activities for the fiscal year ended December 31, 2008. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and financial statements to enhance their understanding of the City's financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for 2008 are as follows:

The total change in the net assets of the City was \$4,258,295. Net assets of governmental activities increased \$1,577,723, which represents a 4.0% increase from 2007. Net assets of business-type activities increased by \$2,680,572 or 10.2% from 2007.

General revenues accounted for \$14.64 million or 46.0% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$17.22 million or 54.0% of total revenues of \$31.86 million.

The total assets of governmental activities increased by \$2,415,872 as a result of revenue growth and limited expenditure increases. Current and other assets increased \$1,049,064.

The City had \$18.4 million in expenses related to governmental activities; \$5.3 million of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$14.6 million provided additional support for these programs.

The general fund had \$16.7 million in revenues, \$15.2 million in expenditures and transfers to other funds of \$0.7 million. The general fund balance increased \$776,931 to \$4,208,412.

The net assets for enterprise funds increased \$2,665,638 due primarily to large infrastructure contributions for new subdivisions.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

These statements are as follows:

The Government-Wide Financial Statements – These statements provide both long-term and short-term information about the City's overall financial status.

Management's Discussion and Analysis

For the Year Ended December 31, 2008

Unaudited

The Fund Financial Statements – These statements focus on individual parts of the City, reporting the City's operations in more detail than the government-wide statements.

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

Government-wide Financial Statements

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

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

Over time, increases or decreases in the City's net assets are an indicator of whether its financial health is improving or deteriorating, respectively.

To assess the overall health of the City, additional non-financial factors such as property tax base and current property tax laws as well as diversification in income tax base must be considered.

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

Governmental Activities – Most of the City's program's and services are reported here including public safety, public health and welfare services, recreation, community development, highways and streets, and general government.

Business-Type Activities – These services are provided on a charge for goods or services basis to recover all of the expenses of the goods or services provided. All of the City's enterprise activities are reported as business-type activities.

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

Fund Financial Statements

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

Management's Discussion and Analysis

For the Year Ended December 31, 2008

Unaudited

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

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

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City’s own programs. All of the City’s fiduciary activities are reported in the separate Statement of Fiduciary Assets and Liabilities.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

The following table shows a comparison of net assets between 2007 and 2008.

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Current and other assets	\$14,664,706	\$13,615,642	\$9,320,601	\$8,711,169	\$23,985,307	\$22,326,811
Capital assets, net	33,911,546	32,544,738	28,656,488	27,489,052	62,568,034	60,033,790
Total assets	<u>48,576,252</u>	<u>46,160,380</u>	<u>37,977,089</u>	<u>36,200,221</u>	<u>86,553,341</u>	<u>82,360,601</u>
Long-term debt outstanding	4,403,844	4,214,790	8,598,361	9,228,801	13,002,205	13,443,591
Other liabilities	3,615,739	2,966,644	439,621	712,885	4,055,360	3,679,529
Total liabilities	<u>8,019,583</u>	<u>7,181,434</u>	<u>9,037,982</u>	<u>9,941,686</u>	<u>17,057,565</u>	<u>17,123,120</u>
Net assets						
Invested in capital assets net of related debt	31,133,709	29,833,471	21,529,277	19,755,819	52,662,986	49,589,290
Restricted	5,630,788	5,272,948	0	0	5,630,788	5,272,948
Unrestricted	3,792,172	3,872,527	7,409,830	6,502,716	11,202,002	10,375,243
Total net assets	<u>\$40,556,669</u>	<u>\$38,978,946</u>	<u>\$28,939,107</u>	<u>\$26,258,535</u>	<u>\$69,495,776</u>	<u>\$65,237,481</u>

CITY OF XENIA, OHIO

Management's Discussion and Analysis

For the Year Ended December 31, 2008

Unaudited

Change in Net Assets – The following table shows the changes in net assets for the fiscal year 2008 compared to 2007.

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Revenues						
Program Revenues						
Charges for services and sales	\$3,886,976	\$3,107,598	\$9,365,834	\$9,320,687	\$13,252,810	\$12,428,285
Operating grants and contributions	442,322	266,159	36,459	0	478,781	266,159
Capital grants and contributions	993,095	533,226	2,494,773	353,157	3,487,868	886,383
General Revenues:						
Income taxes	8,848,826	8,786,104	0	0	8,848,826	8,786,104
Other local taxes	2,106,148	1,619,664	0	0	2,106,148	1,619,664
Motor vehicle and gasoline taxes	1,445,405	1,369,889	0	0	1,445,405	1,369,889
Intergovernmental, unrestricted	1,608,619	1,994,721	0	0	1,608,619	1,994,721
Investment earnings	294,596	402,797	0	0	294,596	402,797
Miscellaneous	341,238	302,915	0	0	341,238	302,915
Total revenues	19,967,225	18,383,073	11,897,066	9,673,844	31,864,291	28,056,917
Expenses						
Program Expenses						
General government	3,913,536	3,609,339	0	0	3,913,536	3,609,339
Public safety	11,372,519	11,119,299	0	0	11,372,519	11,119,299
Health	67,910	63,718	0	0	67,910	63,718
Highways and streets	2,054,733	2,284,521	0	0	2,054,733	2,284,521
Community development	360,443	345,551	0	0	360,443	345,551
Recreation	481,111	521,131	0	0	481,111	521,131
Debt service:						
Interest and fiscal charges	129,250	134,336	0	0	129,250	134,336
Water	0	0	2,845,241	2,688,400	2,845,241	2,688,400
Sewer	0	0	4,187,892	3,968,134	4,187,892	3,968,134
Sanitation	0	0	1,643,058	1,711,596	1,643,058	1,711,596
Storm Water	0	0	164,575	140,479	164,575	140,479
Loan	0	0	638	25,918	638	25,918
Parking Revenue	0	0	68,202	72,464	68,202	72,464
CDBG and UDAG Revolving Loan	0	0	100,898	173,225	100,898	173,225
Housing Rehabilitation Loan	0	0	215,990	58,686	215,990	58,686
Total expenses	18,379,502	18,077,895	9,226,494	8,838,902	27,605,996	26,916,797
Total change in net assets						
before transfers	1,587,723	305,178	2,670,572	834,942	4,258,295	1,140,120
Transfers	(10,000)	(5,583,398)	10,000	5,583,398	0	0
Total change in net assets	1,577,723	(5,278,220)	2,680,572	6,418,340	4,258,295	1,140,120
Beginning net assets	38,978,946	44,257,166	26,258,535	19,840,195	65,237,481	64,097,361
Ending net assets	\$40,556,669	\$38,978,946	\$28,939,107	\$26,258,535	\$69,495,776	\$65,237,481

Management's Discussion and Analysis

For the Year Ended December 31, 2008

Unaudited

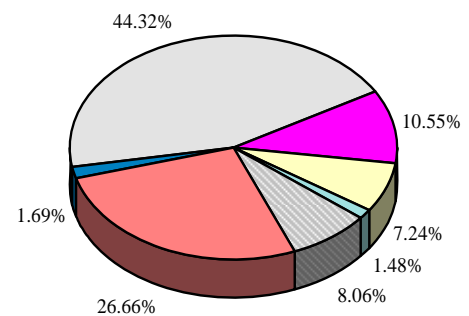
Governmental Activities

Net assets of the City's governmental activities increased by \$1,577,723. This increase can be attributed to consistent revenue growth compared to very limited expenditure increases.

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

Other local taxes and income taxes made up 10.55% and 44.32% respectively of revenues for governmental activities for the City in fiscal year 2008. The City's reliance upon tax revenues is demonstrated by the following graph indicating 62.11% of total revenues from general tax revenues.

Revenue Sources	2008	Percent of Total
Municipal income taxes	\$8,848,826	44.32%
Other local taxes	2,106,148	10.55%
Motor vehicle and gas taxes	1,445,405	7.24%
Investment earnings	294,596	1.48%
Intergovernmental, unrestricted	1,608,619	8.06%
Program revenues	5,322,393	26.66%
Miscellaneous	341,238	1.69%
Total Revenue	\$19,967,225	100.00%



Business-Type Activities

Net assets of the business-type activities increased \$2,680,572. The majority of this increase can be credited to the contribution of infrastructure by developers for new subdivisions.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The City's governmental funds reported a combined fund balance of \$9,253,443 which is an increase from last year's balance of \$8,273,869. The schedule below indicates the fund balance and the total change in fund balance as of December 31, 2008 and 2007:

	Fund Balance December 31, 2008	Fund Balance December 31, 2007	Increase (Decrease)
General	\$4,208,412	\$3,431,481	\$776,931
State Gas and Vehicle License	379,659	337,270	42,389
Capital Improvements	2,133,819	2,038,971	94,848
Other Governmental	2,531,553	2,466,147	65,406
Total	\$9,253,443	\$8,273,869	\$979,574

Management's Discussion and Analysis

For the Year Ended December 31, 2008

Unaudited

General Fund – Revenues: General Fund revenues in 2008 increased approximately 7.59% compared to revenues in fiscal year 2007 as shown in the chart below. Increases in Income tax, other local taxes and state shared taxes all contributed to the increase.

	2008	2007	Increase
	<u>Revenues</u>	<u>Revenues</u>	<u>(Decrease)</u>
Municipal Income Taxes	\$8,973,379	\$8,764,208	\$209,171
Other Local Taxes	1,814,131	1,486,567	327,564
State Shared taxes and permits	2,272,837	2,043,154	229,683
Intergovernmental grants	210,938	200,787	10,151
Charges for services	1,702,649	1,563,080	139,569
Fines, costs, forfeitures, Licenses and permits	1,299,478	1,018,153	281,325
Miscellaneous receipts including interest earnings	389,565	411,838	(22,273)
Total	<u><u>\$16,662,977</u></u>	<u><u>\$15,487,787</u></u>	<u><u>\$1,175,190</u></u>

General Fund – Expenditures: General Fund expenditures increased \$731,780 or 5.1% over the prior year. Increases in personnel costs are the chief reason for the rise in expenditures.

	2008	2007	Increase
	<u>Expenditures</u>	<u>Expenditures</u>	<u>(Decrease)</u>
General Government	\$3,294,966	\$2,841,057	\$453,909
Public Safety	10,832,772	10,581,378	251,394
Health	64,843	60,524	4,319
Highways and Streets	268,352	262,830	5,522
Community Development	344,549	331,927	12,622
Recreation	379,260	375,246	4,014
Total	<u><u>\$15,184,742</u></u>	<u><u>\$14,452,962</u></u>	<u><u>\$731,780</u></u>

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

For the General Fund, final budget basis revenue of \$16.5 million did not significantly change over the original budget estimates of \$16.1 million. The final budgeted expenditures of \$15.9 million did not significantly exceed original appropriations of \$15.6 million. The largest variances between the final budget and actual expenses were in Income Tax, as well as Fines, Costs, Forfeitures, Licenses, and Permits. The Income tax variance was due to a larger downturn in the local economy than management projected. The Fines, Costs, Forfeitures, Licenses, and Permits receipts varied because 911 fees for system upgrades were distributed by the county and not budgeted. There were also variances in the court expenditures as a new judge was elected and a clerk of courts appointed who changed its operations. Contingency funds were not used in the Personnel department causing a variance there. The city budgets conservatively and encourages discretion when spending therefore some variances are to be expected. The General Fund had an adequate fund balance to cover expenditures.

Management's Discussion and Analysis

For the Year Ended December 31, 2008

Unaudited

Capital Improvement Fund – The City's General Capital Improvement Fund revenues increased by \$947,443 or 228.7% compared to 2007. This large increase is the result of grant funds for the Jamestown Connector and the Traffic Signalization capital improvement projects. 911 fees to reimburse capital expenditures in the communications center also contributed to the increase.

	2008 Revenues	2007 Revenues	Increase (Decrease)
Other Local Taxes	\$57,152	\$44,367	\$12,785
Intergovernmental Grants	790,315	0	790,315
Charges for Services	991	11,235	(10,244)
Fines, Costs, Forfeitures, Licenses and Permits	224,272	0	224,272
Miscellaneous Receipts including interest earnings	288,954	358,639	(69,685)
	<u>\$1,361,684</u>	<u>\$414,241</u>	<u>\$947,443</u>

Capital improvement fund expenditures increased by 49.5% in 2008. Expenditures for the traffic signalization project were the principal cause for the increase.

	2008 Expenditures	2007 Expenditures	Increase (Decrease)
Capital Outlay	\$1,681,199	\$1,026,677	\$654,522
Debt Service:			
Principal retirement	311,064	283,625	27,439
Interest & Fiscal Charges	71,200	70,306	894
	<u>\$2,063,463</u>	<u>\$1,380,608</u>	<u>\$682,855</u>

The primary funding for the capital improvements fund comes from intergovernmental grants, interest earnings, and transfers. A transfer is made into the capital improvement fund at year-end when possible based on financial policy. This transfer is made from the general fund into the capital improvements fund to the extent the balance in the key operating funds (general fund and state gas and vehicle license fund) exceeds two months of operating reserves (the city's reserve requirement). At the end of 2008 the City made a transfer of \$400,000 from the general fund to the capital improvements fund. This transfer has improved the fund balance but it is unclear the extent to which the City will be able to fund capital improvements in future years.

CITY OF XENIA, OHIO

Management's Discussion and Analysis

For the Year Ended December 31, 2008

Unaudited

Enterprise Funds – The City's enterprise funds reported a net assets balance of \$28,863,792 which is an increase from last year's balance of \$26,198,154. The schedule below indicates the net assets balance and the total change in net assets by activity as of December 31, 2008 and 2007.

	Net Assets Balance December 31, 2008	Net Assets Balance December 31, 2007	Increase (Decrease)
Water	\$11,041,913	\$10,157,530	\$884,383
Sewer	10,063,570	9,496,793	566,777
Sanitation	244,752	20,065	224,687
Storm Water	6,362,326	5,392,485	969,841
Other Enterprise	1,151,231	1,131,281	19,950
Total	\$28,863,792	\$26,198,154	\$2,665,638

There were no major changes in enterprise fund net assets in 2008. The Stormwater Fund had the largest dollar value increase due to capital contributions from developers. Sanitation grew the most proportionately compared to the 2007 balance. The addition of a sanitation pole barn as well as fewer liabilities related to the landfill and compensated absences caused this increase.

Water and sewer operating and non-operating revenues and expenditures are show below:

	Water			Sewer		
	2008	2007	Increase (Decrease)	2008	2007	Increase (Decrease)
Operating Revenues	\$2,930,140	\$3,005,803	(\$75,663)	\$3,876,121	\$3,944,635	(\$68,514)
Non-Operating Revenues	234,727	213,431	21,296	241,424	170,300	71,124
Total	\$3,164,867	\$3,219,234	(\$54,367)	\$4,117,545	\$4,114,935	\$2,610
Operating Expenses	\$2,811,070	\$2,671,529	\$139,541	\$3,989,863	\$3,772,079	\$217,784
Non-Operating Expenses	38,560	18,974	19,586	202,579	197,603	4,976
Total	\$2,849,630	\$2,690,503	\$159,127	\$4,192,442	\$3,969,682	\$222,760

GENERAL FUND BUDGETARY HIGHLIGHTS

During the year there was a \$974,613 increase in appropriations between the original and final amended budget. The main component of this increase is a \$630,000 supplemental appropriation to transfer funds over the reserve requirement to the general capital improvements fund for future capital purchases. After further evaluation of the City's financial position it was determined that only \$400,000 should be transferred to the Capital Improvement Fund.

Management's Discussion and Analysis

For the Year Ended December 31, 2008

Unaudited

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal 2008 the City had \$62,568,034 net of accumulated depreciation invested in land, buildings, equipment and vehicles. Of this total, \$33,911,546 was related to governmental activities, and \$28,656,488 was related to business-type activities. The following tables shows fiscal year 2008 and 2007 balances:

	Governmental Activities		Increase (Decrease)
	2008	2007	
Land	\$16,154,777	\$15,737,177	\$417,600
Land Improvements	1,129,024	1,123,088	5,936
Buildings	5,948,254	5,948,254	0
Equipment	7,840,844	7,269,297	571,547
Infrastructure	13,819,509	13,256,760	562,749
Construction In Progress	850,778	120,618	730,160
Less: Accumulated Depreciation	(11,831,640)	(10,910,456)	(921,184)
Total	\$33,911,546	\$32,544,738	\$1,366,808

	Business-Type Activities		Increase (Decrease)
	2008	2007	
Land	\$484,280	\$484,280	\$0
Land Improvements	411,297	359,016	52,281
Buildings	8,343,406	8,277,811	65,595
Equipment	50,226,085	46,024,455	4,201,630
Construction In Progress	611,240	2,086,982	(1,475,742)
Less: Accumulated Depreciation	(31,419,820)	(29,743,492)	(1,676,328)
Total	\$28,656,488	\$27,489,052	\$1,167,436

Increases in governmental activities capital assets were due to the purchase of several different assets such as a medic unit, police cruisers, HVAC equipment, and computer software. The donation of streets in new subdivisions also contributed to the increase. The decrease in asset value in Business-type activities was due to a large depreciation expense.

Additional information on the City's capital assets can be found in Note 8.

Management's Discussion and Analysis

For the Year Ended December 31, 2008

Unaudited

Debt

At December 31, 2008 the City had \$1.005 million in bonds outstanding, \$60,000 due within one year. The following table summarizes the City's debt outstanding as of December 31, 2008 and 2007:

	<u>2008</u>	<u>2007</u>
Governmental Activities:		
General Obligation Bonds	\$1,005,000	\$1,065,000
Capital Leases Payable	1,772,837	1,646,267
Compensated Absences	1,626,007	1,503,523
Total Governmental Activities	<u>4,403,844</u>	<u>4,214,790</u>
Business-Type Activities:		
Landfill Liability	1,053,034	1,073,360
Compensated Absences	418,116	422,208
Capital Leases Payable	1,697,182	1,782,755
Loans Payable	5,430,029	5,950,478
Total Business-Type Activities	<u>8,598,361</u>	<u>9,228,801</u>
	<u>\$13,002,205</u>	<u>\$13,443,591</u>

Under current state statutes, the City's general obligation bonded debt issues are subject to a legal limitation based on 10.5% of the total assessed value of real and personal property. At December 31, 2008, the City's outstanding debt was below the legal limit. Additional information on the City's long-term debt can be found in Notes 11, 12, and 13.

ECONOMIC FACTORS

In 2006 a Lowes and Wal-Mart Supercenter opened in the progress center. An Applebee's, National City bank, and Sonic have since been added. A new Bob Evans restaurant is currently under construction in the development. In addition, the water and sewer utilities along with the main entrance road have been designed and engineered to serve the 277 plus acres of undeveloped land that was annexed to the City in 2001 for future commercial/industrial development. State funding has been approved to assist in financing the construction of infrastructure for the newly annexed land. The City annexed another 391 acres in 2007 for future residential development. There are currently twenty two (22) approved single family and condominium residential housing projects in various stages of development in Xenia. These projects have added 1336 single family and condominium units to the City's housing stock and will add another 676 units at completion. This growth will continue to increase the City's property tax and income tax base. The community currently has a 9.2 percent unemployment rate compared to a county rate of 7.0 percent, a statewide rate of 7.7 percent, and a national average of 7.1 percent.

REQUESTS FOR INFORMATION

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



CITY OF XENIA, OHIO

**Statement of Net Assets
December 31, 2008**

	<u>Primary Government</u>			<u>Component Unit</u>
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>	<u>XEGC</u>
Assets:				
Cash and cash equivalents	\$ 2,529,554	\$ 2,411,635	\$ 4,941,189	\$ 473,321
Cash with fiscal agent	328,981	171,730	500,711	0
Investments	5,030,984	4,796,549	9,827,533	175,000
Receivables:				
Taxes, including interest, penalties and liens	3,814,277	0	3,814,277	0
Intergovernmental	1,887,220	0	1,887,220	0
Accounts	642,796	1,182,543	1,825,339	0
Special assessments, including liens	110,413	11,217	121,630	0
Loans	0	311,812	311,812	98,234
Accrued interest	35,530	34,111	69,641	805
Grants	194,282	176,363	370,645	0
Allowance for uncollectible accounts	(336,571)	(11,102)	(347,673)	0
Interfund balances	113,740	(113,740)	0	0
Inventories	147,846	292,000	439,846	0
Prepaid items	165,654	57,483	223,137	7,453
Capital Assets not being depreciated	17,005,555	1,095,520	18,101,075	0
Capital Assets, net of accumulated depreciation	16,905,991	27,560,968	44,466,959	4,308
Total Assets	48,576,252	37,977,089	86,553,341	759,121
Liabilities:				
Accounts payable	335,970	174,410	510,380	1,063
Accrued payroll	1,086,355	229,085	1,315,440	10,420
Unearned revenue	2,164,945	0	2,164,945	0
Accrued interest payable	28,469	36,126	64,595	0
Long-term liabilities:				
Amounts due within one year	611,634	849,367	1,461,001	0
Amounts due in more than one year	3,792,210	7,748,994	11,541,204	0
Total Liabilities	8,019,583	9,037,982	17,057,565	11,483

CITY OF XENIA, OHIO

	<u>Primary Government</u>			<u>Component Unit</u>
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>	<u>XEGC</u>
Net Assets:				
Invested in Capital Assets, Net of Related Debt	31,133,709	21,529,277	52,662,986	4,308
Restricted For:				
Capital Projects	2,763,250	0	2,763,250	0
Debt Service	22,128	0	22,128	0
General government programs	710,225	0	710,225	0
Safety programs	854,748	0	854,748	0
Street construction/maintenance	1,277,543	0	1,277,543	0
Recreation	2,894	0	2,894	0
Unrestricted	3,792,172	7,409,830	11,202,002	743,330
Total Net Assets	<u>\$ 40,556,669</u>	<u>\$ 28,939,107</u>	<u>\$ 69,495,776</u>	<u>\$ 747,638</u>

See accompanying notes to the basic financial statements

CITY OF XENIA, OHIO

**Statement of Activities
For the Year Ended December 31, 2008**

	Program Revenues			
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General government	\$ 3,913,536	\$ 1,676,228	\$ 187,652	\$ 0
Public safety	11,372,519	2,130,089	105,862	0
Health	67,910	18,740	0	0
Highways and streets	2,054,733	9,060	148,808	993,095
Community development	360,443	22,098	0	0
Recreation	481,111	30,761	0	0
Interest and fiscal charges	129,250	0	0	0
Total Governmental Activities	18,379,502	3,886,976	442,322	993,095
Business-Type Activities:				
Water	2,845,241	3,145,639	19,228	569,146
Sewer	4,187,892	4,100,610	16,935	641,674
Sanitation	1,643,058	1,850,488	296	23,025
Storm Water	164,575	149,908	0	890,425
Loan	638	693	0	0
Parking Revenue	68,202	65,341	0	0
CDBG and UDAG Revolving Loan	100,898	5,779	0	169,659
Housing Rehabilitation Loan	215,990	47,376	0	200,844
Total Business-Type Activities	9,226,494	9,365,834	36,459	2,494,773
Total primary government	\$ 27,605,996	\$ 13,252,810	\$ 478,781	\$ 3,487,868
Component Unit:				
XEGC	\$ 198,168	\$ 178,158	\$ 0	\$ 0
General Revenues:				
Income taxes				
Other local taxes				
Motor vehicle and gas taxes				
Intergovernmental, unrestricted				
Investment earnings				
Miscellaneous				
Transfers				
Total General Revenues and Transfers				
Change in Net Assets				
Net Assets Beginning of Year				
Net Assets End of Year				

See accompanying notes to the basic financial statements

CITY OF XENIA, OHIO

Net (Expense) Revenue and Changes in Net Assets			Component
Primary Government			Unit
Governmental Activities	Business-Type Activities	Total	XEGC
\$ (2,049,656)	\$ 0	\$ (2,049,656)	
(9,136,568)	0	(9,136,568)	
(49,170)	0	(49,170)	
(903,770)	0	(903,770)	
(338,345)	0	(338,345)	
(450,350)	0	(450,350)	
(129,250)	0	(129,250)	
<u>(13,057,109)</u>	<u>0</u>	<u>(13,057,109)</u>	
0	888,772	888,772	
0	571,327	571,327	
0	230,751	230,751	
0	875,758	875,758	
0	55	55	
0	(2,861)	(2,861)	
0	74,540	74,540	
0	32,230	32,230	
<u>0</u>	<u>2,670,572</u>	<u>2,670,572</u>	
<u>(13,057,109)</u>	<u>2,670,572</u>	<u>(10,386,537)</u>	
			\$ (20,010)
8,848,826	0	8,848,826	0
2,106,148	0	2,106,148	0
1,445,405	0	1,445,405	0
1,608,619	0	1,608,619	0
294,596	0	294,596	8,708
341,238	0	341,238	0
<u>(10,000)</u>	<u>10,000</u>	<u>0</u>	<u>0</u>
<u>14,634,832</u>	<u>10,000</u>	<u>14,644,832</u>	<u>8,708</u>
1,577,723	2,680,572	4,258,295	(11,302)
<u>38,978,946</u>	<u>26,258,535</u>	<u>65,237,481</u>	<u>758,940</u>
<u>\$ 40,556,669</u>	<u>\$ 28,939,107</u>	<u>\$ 69,495,776</u>	<u>\$ 747,638</u>

CITY OF XENIA, OHIO

**Balance Sheet
Governmental Funds
December 31, 2008**

	<u>General</u>	<u>State Gas and Vehicle License</u>	<u>Capital Improvements</u>
Assets:			
Cash and cash equivalents	\$ 972,783	\$ 30,867	\$ 697,320
Cash with fiscal agent	0	0	215,879
Investments	1,934,751	61,392	1,386,887
Receivables:			
Taxes, including interest, penalties and liens	3,548,695	0	4,359
Intergovernmental	1,026,032	502,137	0
Accounts	615,133	0	25,738
Special assessments, including liens	110,413	0	0
Accrued interest	0	543	25,587
Grants	58,350	120,919	0
Allowance for uncollectible accounts	(315,016)	0	(21,555)
Due from other funds	143,925	0	0
Inventories	15,871	94,522	0
Prepaid items	104,518	5,063	0
Advances to other funds	0	0	24,544
Total Assets	<u><u>\$ 8,215,455</u></u>	<u><u>\$ 815,443</u></u>	<u><u>\$ 2,358,759</u></u>
Liabilities:			
Accounts payable	\$ 66,688	\$ 2,160	\$ 211,867
Accrued payroll	1,013,809	48,451	0
Deferred revenue	2,926,546	385,173	13,073
Total Liabilities	<u><u>4,007,043</u></u>	<u><u>435,784</u></u>	<u><u>224,940</u></u>
Fund Balances:			
Reserved for:			
Encumbrances	174,316	26,436	281,707
Inventories	15,871	94,522	0
Prepaid items	104,518	5,063	0
Advances to other funds	0	0	24,544
Debt service	0	0	0
Unreserved and undesignated in:			
General Fund	3,913,707	0	0
Special revenue funds	0	253,638	0
Capital projects funds	0	0	1,827,568
Total Fund Balances	<u><u>4,208,412</u></u>	<u><u>379,659</u></u>	<u><u>2,133,819</u></u>
Total Liabilities and Funds Balances	<u><u>\$ 8,215,455</u></u>	<u><u>\$ 815,443</u></u>	<u><u>\$ 2,358,759</u></u>

See accompanying notes to the basic financial statements

CITY OF XENIA, OHIO

Other Governmental Funds	Total Governmental Funds
\$ 792,920	\$ 2,493,890
113,102	328,981
1,577,020	4,960,050
261,223	3,814,277
359,051	1,887,220
0	640,871
0	110,413
9,400	35,530
13,779	193,048
0	(336,571)
0	143,925
0	110,393
54,135	163,716
0	24,544
<u>\$ 3,180,630</u>	<u>\$ 14,570,287</u>
\$ 47,445	\$ 328,160
14,273	1,076,533
587,359	3,912,151
<u>649,077</u>	<u>5,316,844</u>
441,531	923,990
0	110,393
54,135	163,716
0	24,544
25,266	25,266
0	3,913,707
1,490,464	1,744,102
520,157	2,347,725
<u>2,531,553</u>	<u>9,253,443</u>
<u>\$ 3,180,630</u>	<u>\$ 14,570,287</u>

***Reconciliation Of Total Governmental Fund Balances
To Net Assets Of Governmental Activities
December 31, 2008***

Total Governmental Fund Balances \$ 9,253,443

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

Capital Assets used in governmental activities are not
resources and therefore are not reported in the funds. 33,908,347

Other long-term assets are not available to pay for current-
period expenditures and therefore are deferred in the funds. 1,747,206

Long-term liabilities, including bonds payable, are not due
and payable in the current period and therefore are not
reported in the funds. (4,400,998)

The City Garage internal service fund is used by management to
charge the costs of vehicle maintainance to individual departments.
The assets and liabilities of the City Garage fund are allocated
between the governmental and business-type activities in the
statement of net assets. This is the amount that applies to the
governmental activities.

48,671

Net Assets of Governmental Activities

\$ 40,556,669

See accompanying notes to the basic financial statements



CITY OF XENIA, OHIO

**Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2008**

	General	State Gas and Vehicle License	Capital Improvements
Revenues:			
Municipal income tax	\$ 8,973,379	\$ 0	\$ 0
Other local taxes	1,814,131	0	57,152
State shared taxes and permits	2,272,837	943,026	0
Intergovernmental grants	210,938	140,851	790,315
Charges for services	1,702,649	9,000	991
Fines, costs, forfeitures, licenses and permits	1,299,478	0	224,272
Miscellaneous receipts and reimbursements, including interest	389,565	12,970	288,954
Total Revenue	16,662,977	1,105,847	1,361,684
Expenditures:			
Current:			
General government	3,294,966	0	0
Public safety	10,832,772	0	0
Health	64,843	0	0
Highways and streets	268,352	1,272,976	0
Community development	344,549	0	0
Recreation	379,260	0	0
Capital outlay	0	0	1,681,199
Debt service:			
Principal retirement	0	0	311,064
Interest & fiscal charges	0	0	71,200
Total Expenditures	15,184,742	1,272,976	2,063,463
Excess (deficiency) of revenues over expenditures	1,478,235	(167,129)	(701,779)
Other financing sources (uses):			
Capital leases initiated	0	0	396,627
Transfers in	0	189,000	400,000
Transfers out	(704,000)	0	0
Total other financing sources (uses)	(704,000)	189,000	796,627
Net change in fund balances	774,235	21,871	94,848
Fund Balances at Beginning of Year	3,431,481	337,270	2,038,971
Increase in inventory reserve	2,696	20,518	0
Fund Balances End of Year	\$ 4,208,412	\$ 379,659	\$ 2,133,819

See accompanying notes to the basic financial statements

CITY OF XENIA, OHIO

<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 0	\$ 8,973,379
234,865	2,106,148
263,185	3,479,048
191,313	1,333,417
0	1,712,640
199,380	1,723,130
<u>431,279</u>	<u>1,122,768</u>
<u>1,320,022</u>	<u>20,450,530</u>
407,727	3,702,693
20,623	10,853,395
0	64,843
100,293	1,641,621
0	344,549
11,517	390,777
739,123	2,420,322
70,617	381,681
61,340	132,540
<u>1,411,240</u>	<u>19,932,421</u>
(91,218)	518,109
51,624	448,251
105,000	694,000
0	(704,000)
<u>156,624</u>	<u>438,251</u>
65,406	956,360
2,466,147	8,273,869
0	23,214
<u>2,531,553</u>	<u>9,253,443</u>

***Reconciliation Of The Statement Of Revenues, Expenditures
And Changes In Fund Balances Of Governmental Funds
To The Statement Of Activities
For The Fiscal Year Ended December 31, 2008***

Net Change in Fund Balances - Total Governmental Funds	\$ 956,360
<i>Amounts reported for governmental activities in the statement of activities are different because</i>	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays and capital contributions exceeded depreciation.	1,402,316
Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. This is the amount of the loss on the disposal of capital assets.	(35,508)
Revenues and transfers in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(573,617)
The repayment of bond and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	381,681
New capital leases increase long-term liabilities in the statement of net assets but are an other financing source-capital leases in the governmental funds.	(448,251)
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	3,290
Some expenses reported in the statement of activities, such as change in inventory and compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.	(97,525)
The City Garage Internal Service Fund, which is used to charge the cost of services to individual funds, is not included in the statement of activities. Governmental fund expenditures and related internal service revenues are eliminated. The net revenue (expense) of the City Garage Internal Service Fund is allocated among the governmental and business-type activities.	(11,023)
<i>Change in Net Assets of Governmental Activities</i>	<u><u>\$ 1,577,723</u></u>

See accompanying notes to the basic financial statements

CITY OF XENIA, OHIO

**Statement of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
General Fund
For the Year Ended December 31, 2008**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Municipal Income Tax	\$ 9,200,000	\$ 9,200,000	\$ 8,862,489	\$ (337,511)
Other Local Taxes	1,513,959	1,508,159	1,397,131	(111,028)
State Shared Taxes and Permits	2,146,350	2,377,350	2,321,500	(55,850)
Intergovernmental Grants	186,847	186,397	185,239	(1,158)
Charges for Services	1,671,186	1,746,936	1,697,505	(49,431)
Fines, Costs, Forfeitures, Licenses and Permits	1,038,851	1,108,751	1,282,732	173,981
Miscellaneous Receipts and Reimbursements, including Interest	361,507	395,407	392,959	(2,448)
Total Revenues	<u>16,118,700</u>	<u>16,523,000</u>	<u>16,139,555</u>	<u>(383,445)</u>
Expenditures:				
Current:				
General Government	3,372,494	3,315,108	3,063,307	251,801
Public Safety	11,030,947	11,405,472	11,172,207	233,265
Health	77,983	79,652	65,256	14,396
Highways and Streets	277,800	277,800	268,055	9,745
Community Development	378,273	381,063	350,849	30,214
Recreation	449,726	472,741	395,575	77,166
Total Expenditures	<u>15,587,223</u>	<u>15,931,836</u>	<u>15,315,249</u>	<u>616,587</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	531,477	591,164	824,306	233,142
Other Financing Sources (Uses):				
Transfers Out	(304,000)	(934,000)	(704,000)	230,000
Advances In	745,940	745,940	217,277	(528,663)
Advances Out	(745,940)	(745,940)	(263,893)	482,047
Total Other Financing Sources (Uses):	<u>(304,000)</u>	<u>(934,000)</u>	<u>(750,616)</u>	<u>183,384</u>
Net Change in Fund Balance	227,477	(342,836)	73,690	416,526
Fund Balance at Beginning of Year	2,387,819	2,387,819	2,387,819	0
Prior Year Encumbrances	155,201	155,201	155,201	0
Fund Balance at End of Year	<u>\$ 2,770,497</u>	<u>\$ 2,200,184</u>	<u>\$ 2,616,710</u>	<u>\$ 416,526</u>

See accompanying notes to the basic financial statements

CITY OF XENIA, OHIO

**Statement of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Special Revenue Fund – State Gas and Vehicle License Fund
For the Year Ended December 31, 2008**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
State Shared Taxes and Permits	\$ 995,000	\$ 1,033,000	\$ 1,022,979	\$ (10,021)
Intergovernmental Grants	0	158,528	21,528	(137,000)
Charges for Services	1,000	9,000	9,000	0
Miscellaneous Receipts and Reimbursements, including Interest	13,000	13,600	13,691	91
Total Revenues	<u>1,009,000</u>	<u>1,214,128</u>	<u>1,067,198</u>	<u>(146,930)</u>
Expenditures:				
Current:				
Highways and Streets	1,251,594	1,366,834	1,318,010	48,824
Total Expenditures	<u>1,251,594</u>	<u>1,366,834</u>	<u>1,318,010</u>	<u>48,824</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(242,594)	(152,706)	(250,812)	(98,106)
Other Financing Sources (Uses):				
Transfers In	189,000	189,000	189,000	0
Total Other Financing Sources (Uses):	<u>189,000</u>	<u>189,000</u>	<u>189,000</u>	<u>0</u>
Net Change in Fund Balance	(53,594)	36,294	(61,812)	(98,106)
Fund Balance at Beginning of Year	69,006	69,006	69,006	0
Prior Year Encumbrances	56,514	56,514	56,514	0
Fund Balance at End of Year	<u>\$ 71,926</u>	<u>\$ 161,814</u>	<u>\$ 63,708</u>	<u>\$ (98,106)</u>

See accompanying notes to the basic financial statements



CITY OF XENIA, OHIO

**Statement of Net Assets
Proprietary Funds
December 31, 2008**

	Business-type activities - Enterprise Funds			
	Water	Sewer	Sanitation	Storm Water
Assets:				
Current Assets:				
Cash and cash equivalents	\$ 957,744	\$ 713,481	\$ 439,859	\$ 73,258
Cash with fiscal agent	85,734	85,996	0	0
Investments	1,904,839	1,419,027	874,828	145,704
Receivables:				
Accounts	409,245	733,742	12,135	27,205
Special assessments, including liens	0	0	0	0
Loans	0	0	0	0
Accrued interest	14,272	10,069	6,142	810
Grants	15,942	16,935	296	74
Allowance for uncollectible accounts	(3,356)	(5,205)	(2,522)	(19)
Inventories	263,956	28,044	0	0
Prepaid items	30,766	22,663	3,464	0
Total Current Assets	3,679,142	3,024,752	1,334,202	247,032
Noncurrent Assets:				
Unrestricted:				
Loans receivable (net of current)	0	0	0	0
Capital Assets not being depreciated	691,015	264,225	0	0
Capital Assets (net of accumulated depreciation)	7,847,888	13,406,295	122,938	6,117,162
Total Noncurrent Assets	8,538,903	13,670,520	122,938	6,117,162
Total Assets	12,218,045	16,695,272	1,457,140	6,364,194

CITY OF XENIA, OHIO

<u>Other Enterprise Funds</u>	<u>Total Enterprise Funds</u>	<u>Internal Service Funds</u>
\$ 212,766	\$ 2,397,108	\$ 50,210
0	171,730	0
423,161	4,767,559	99,864
216	1,182,543	1,925
11,217	11,217	0
40,640	40,640	0
2,818	34,111	0
143,116	176,363	1,234
0	(11,102)	0
0	292,000	37,453
423	57,316	2,105
<u>834,357</u>	<u>9,119,485</u>	<u>192,791</u>
271,172	271,172	0
140,280	1,095,520	0
65,081	27,559,364	4,803
<u>476,533</u>	<u>28,926,056</u>	<u>4,803</u>
<u>1,310,890</u>	<u>38,045,541</u>	<u>197,594</u>

(Continued)

CITY OF XENIA, OHIO

**Statement of Net Assets
Proprietary Funds
December 31, 2008**

	<i>Business-type activities - Enterprise Funds</i>			
	Water	Sewer	Sanitation	Storm Water
Liabilities:				
Current Liabilities:				
Accounts payable	51,692	22,430	94,862	1,868
Accrued payroll	97,859	108,517	18,219	0
Advances from other funds	0	0	0	0
Due to other funds	0	0	0	0
Loan payable	0	535,485	0	0
Accrued interest payable	18,063	18,063	0	0
Compensated absences	25,588	32,652	7,404	0
Capital lease payable - current	44,725	44,726	0	0
Landfill liability - current	0	0	157,532	0
Total Current Liabilities	237,927	761,873	278,017	1,868
Noncurrent Liabilities				
Compensated absences	134,339	171,420	38,869	0
Capital lease payable	803,866	803,865	0	0
Loans payable	0	4,894,544	0	0
Landfill liability - noncurrent	0	0	895,502	0
Total Noncurrent Liabilities	938,205	5,869,829	934,371	0
Total Liabilities	1,176,132	6,631,702	1,212,388	1,868
Net Assets:				
Invested in Capital Assets, net of debt	7,690,312	7,391,900	122,938	6,117,162
Unrestricted	3,351,601	2,671,670	121,814	245,164
Total Net Assets	\$ 11,041,913	\$ 10,063,570	\$ 244,752	\$ 6,362,326

Adjustment to consolidate the net assets of the Utility Billing Internal Service Fund.
 Adjustment to consolidate the allocated portion of net assets of the City Garage Internal Service Fund.
 Total net assets per the government-wide Statement of Net Assets.

See accompanying notes to the basic financial statements

CITY OF XENIA, OHIO

<u>Other Enterprise Funds</u>	<u>Total Enterprise Funds</u>	<u>Internal Service Funds</u>
3,400	174,252	7,968
4,490	229,085	9,821
0	0	24,544
143,925	143,925	0
0	535,485	0
0	36,126	0
1,255	66,899	5,010
0	89,451	0
0	157,532	0
<u>153,070</u>	<u>1,432,755</u>	<u>47,343</u>
6,589	351,217	26,305
0	1,607,731	0
0	4,894,544	0
0	895,502	0
<u>6,589</u>	<u>7,748,994</u>	<u>26,305</u>
<u>159,659</u>	<u>9,181,749</u>	<u>73,648</u>
205,361	21,527,673	4,803
945,870	7,336,119	119,143
<u>\$ 1,151,231</u>	<u>28,863,792</u>	<u>\$ 123,946</u>
	45,089	
	30,226	
	<u>\$ 28,939,107</u>	

CITY OF XENIA, OHIO

**Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended December 31, 2008**

	<i>Business-type activities - Enterprise Funds</i>			
	Water	Sewer	Sanitation	Storm Water
Operating revenues:				
Charges for services	\$ 2,930,140	\$ 3,876,121	\$ 1,638,602	\$ 137,789
Operating expenses:				
Personnel services	1,574,080	1,769,053	307,912	0
General operating	9,345	7,522	0	0
Contractual services	727,339	933,103	1,264,935	15,833
Materials and supplies	54,156	197,793	14,774	18,924
Depreciation	446,150	1,082,392	61,501	126,697
Non-governmental	0	0	0	0
Total expenses	2,811,070	3,989,863	1,649,122	161,454
Operating income (loss)	119,070	(113,742)	(10,520)	(23,665)
Non-operating revenues:				
Interest revenue	119,447	88,614	49,995	7,743
Other	96,052	135,875	161,891	4,376
Intergovernmental	19,228	16,935	296	74
Total Non-operating revenue	234,727	241,424	212,182	12,193
Non-operating expenses:				
Interest expense	38,560	202,579	0	0
Loss on disposal	0	0	0	3,052
Total Non-Operating Expenses	38,560	202,579	0	3,052
Income (loss) before transfers and contributions	315,237	(74,897)	201,662	(14,524)
Capital contributions	569,146	641,674	23,025	890,351
Transfers in	0	0	0	94,014
Transfers out	0	0	0	0
Change in Net Assets	884,383	566,777	224,687	969,841
Net assets, beginning of year	10,157,530	9,496,793	20,065	5,392,485
Net assets, end of year	\$ 11,041,913	\$ 10,063,570	\$ 244,752	\$ 6,362,326

Change in net assets - total enterprise funds

Adjustment to consolidate the Utility Billing Internal Service Fund activities.

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

Total change in net assets of business-type activities.

See accompanying notes to the basic financial statements

CITY OF XENIA, OHIO

Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
\$ 95,573	\$ 8,678,225	\$ 867,900
68,305	3,719,350	169,753
805	17,672	4,226
114,008	3,055,218	161,045
2,696	288,343	531,207
7,600	1,724,340	0
192,314	192,314	0
385,728	8,997,237	866,231
(290,155)	(319,012)	1,669
23,470	289,269	257
146	398,340	143
370,503	407,036	1,842
394,119	1,094,645	2,242
0	241,139	0
0	3,052	0
0	244,191	0
103,964	531,442	3,911
0	2,124,196	0
10,000	104,014	0
(94,014)	(94,014)	0
19,950	2,665,638	3,911
1,131,281	26,198,154	120,035
\$ 1,151,231	\$ 28,863,792	\$ 123,946
	\$ 2,665,638	
	21,509	
	(6,575)	
	\$ 2,680,572	

CITY OF XENIA, OHIO

**Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2008**

	Business-Type Activities - Enterprise Funds		
	Water	Sewer	Sanitation
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$2,945,084	\$3,858,943	\$1,663,288
Cash Received from Interfund Services Provided	0	0	0
Cash Payments for Goods and Services	(880,481)	(1,047,989)	(1,146,581)
Cash Payments to Employees	(1,577,710)	(1,752,656)	(313,504)
Net Cash Provided (Used) by Operating Activities	<u>486,893</u>	<u>1,058,298</u>	<u>203,203</u>
<u>Cash Flows from Noncapital Financing Activities:</u>			
Transfers In from Other Funds	0	0	0
Transfers Out to Other Funds	0	0	0
Advances In from Other Funds	0	0	0
Advances Out to Other Funds	0	0	0
Net Cash Provided (Used) by Noncapital Financing Activities	<u>0</u>	<u>0</u>	<u>0</u>
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Intergovernmental Grants	3,286	0	0
Acquisition and Construction of Assets	(542,188)	(167,490)	(95,046)
Principal Paid on Loans	0	(520,449)	0
Interest Paid on All Debt	(39,471)	(203,490)	0
Capital Lease Payment	(42,787)	(42,786)	0
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(621,160)</u>	<u>(934,215)</u>	<u>(95,046)</u>
<u>Cash Flows from Investing Activities:</u>			
Sale of Investments	502,482	185,523	92,221
Purchase of Investments	0	0	0
Receipts of Interest	138,092	103,051	58,186
Net Cash Provided (Used) by Investing Activities	<u>640,574</u>	<u>288,574</u>	<u>150,407</u>
Net Increase in Cash and Cash Equivalents	506,307	412,657	258,564
Cash and Cash Equivalents at Beginning of Year	537,171	386,820	181,295
Cash and Cash Equivalents at End of Year	<u>\$1,043,478</u>	<u>\$799,477</u>	<u>\$439,859</u>
<u>Reconciliation of Cash and</u>			
<u>Cash Equivalents per the Balance Sheet:</u>			
Cash and Cash Equivalents	\$957,744	\$713,481	\$439,859
Cash with Fiscal Agent	85,734	85,996	0
Cash and Cash Equivalents at End of Year	<u>\$1,043,478</u>	<u>\$799,477</u>	<u>\$439,859</u>

CITY OF XENIA, OHIO

<u>Storm Water</u>	<u>Other Enterprise Funds</u>	<u>Total Enterprise Funds</u>	<u>Internal Service Funds</u>
\$136,451	\$89,733	\$8,693,499	\$0
0	0	0	869,521
(30,336)	(304,477)	(3,409,864)	(680,973)
0	(66,870)	(3,710,740)	(167,325)
<u>106,115</u>	<u>(281,614)</u>	<u>1,572,895</u>	<u>21,223</u>
94,014	10,000	104,014	0
0	(94,014)	(94,014)	0
0	263,893	263,893	0
0	(217,277)	(217,277)	(11,496)
<u>94,014</u>	<u>(37,398)</u>	<u>56,616</u>	<u>(11,496)</u>
0	439,489	442,775	0
(94,014)	(28,473)	(927,211)	0
0	0	(520,449)	0
0	0	(242,961)	0
0	0	(85,573)	0
<u>(94,014)</u>	<u>411,016</u>	<u>(1,333,419)</u>	<u>0</u>
0	39,802	820,028	18,323
(56,788)	(27,064)	(83,852)	0
7,292	26,319	332,940	0
<u>(49,496)</u>	<u>39,057</u>	<u>1,069,116</u>	<u>18,323</u>
56,619	131,061	1,365,208	28,050
16,639	81,705	1,203,630	22,160
<u>\$73,258</u>	<u>\$212,766</u>	<u>\$2,568,838</u>	<u>\$50,210</u>
\$73,258	\$212,766	\$2,397,108	\$50,210
0	0	171,730	0
<u>\$73,258</u>	<u>\$212,766</u>	<u>\$2,568,838</u>	<u>\$50,210</u>

(Continued)

CITY OF XENIA, OHIO

**Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2008**

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Water</u>	<u>Sewer</u>	<u>Sanitation</u>
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>			
<u>Provided (Used) by Operating Activities:</u>			
Operating Income (Loss)	\$119,070	(\$113,742)	(\$10,520)
Adjustments to Reconcile Operating Income (Loss) to			
Net Cash Provided (Used) by Operating Activities:			
Depreciation Expense	446,150	1,082,392	61,501
Income - Other Nonoperating	83,411	115,966	160,370
Changes in Assets and Liabilities:			
Decrease in Principal Receivable	0	0	0
(Increase) Decrease in Accounts Receivable	14,944	(17,178)	24,686
(Increase) Decrease in Prepaid Items	(13,881)	(1,314)	51
(Increase) Decrease in Inventory	(83,729)	(133)	0
Decrease in Landfill Liability	0	0	(20,326)
Increase (Decrease) in Accounts Payable	(75,442)	(24,143)	(6,967)
Increase in Interfund Payable	0	0	0
Increase (Decrease) in Accrued Payroll	5,863	7,740	(984)
Increase (Decrease) in Compensated Absences	(9,493)	8,710	(4,608)
Total Adjustments	<u>367,823</u>	<u>1,172,040</u>	<u>213,723</u>
Net Cash Provided (Used) by Operating Activities	<u>\$486,893</u>	<u>\$1,058,298</u>	<u>\$203,203</u>

Schedule of Noncash Investing, Capital and Financing Activities:

During 2008, the water fund received \$569,146, the sewer fund received \$641,674, the sanitation fund received \$23,025 and the storm water fund received \$890,351 of capital assets through contributions. At December 31, 2008 the water and sewer funds had outstanding liabilities of \$18,558 and \$2,579, respectively, for the purchase of certain capital assets.

See accompanying notes to the basic financial statements

CITY OF XENIA, OHIO

<u>Storm Water</u>	<u>Other Enterprise Funds</u>	<u>Total Enterprise Funds</u>	<u>Internal Service Funds</u>
(\$23,665)	(\$290,155)	(\$319,012)	\$1,669
126,697	7,600	1,724,340	0
3,775	146	363,668	751
0	8,662	8,662	0
(1,338)	488	21,602	1,621
0	(184)	(15,328)	282
0	0	(83,862)	1,522
0	0	(20,326)	0
646	(9,881)	(115,787)	(17,979)
0	0	0	30,929
0	411	13,030	683
0	1,299	(4,092)	1,745
<u>129,780</u>	<u>8,541</u>	<u>1,891,907</u>	<u>19,554</u>
<u>\$106,115</u>	<u>(\$281,614)</u>	<u>\$1,572,895</u>	<u>\$21,223</u>

***Statement of Assets and Liabilities
Fiduciary Funds
December 31, 2008***

	<u>Agency Funds</u>
Assets:	
Cash and cash equivalents	\$ 257,863
Total Assets	<u>\$ 257,863</u>
Liabilities:	
Accounts payable	\$ 86,521
Restricted deposits	<u>171,342</u>
Total Liabilities	<u><u>\$ 257,863</u></u>

See accompanying notes to the basic financial statements

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2008***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The financial statements are presented as of December 31, 2008 and for the year then ended, and have been prepared in conformity with generally accepted accounting principles (GAAP) applicable to local governments. The Governmental Accounting Standards Board (the "GASB") is the standard-setting body for establishing governmental accounting and financial reporting principles, which are primarily set forth in the GASB's Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification).

A. Reporting Entity

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

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

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2008***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Reporting Entity (Continued)

The Xenia Economic Growth Corporation (XEGC) provides loan servicing and economic development services to the business community and to the City of Xenia. XEGC's administrative services are primarily funded by the City of Xenia. The amount of this funding for 2008 was \$174,400. XEGC's board is appointed by the City Council and XEGC is considered legally separate from the City. The City has the ability to impose its will on XEGC by removing XEGC board members and modifying their budget. The City is legally entitled to access XEGC's resources and provides a majority of its funding, making XEGC fiscally dependant on the City. A separately issued audit report containing financial statements is available from XEGC at 181 W. Main Street, Xenia, Ohio 45385.

B. Basis of Presentation - Fund Accounting

The accounting system is organized and operated on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses.

The City reports the following major governmental funds:

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

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

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

The City reports the following major proprietary funds:

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2008***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

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

Storm Water Fund – This fund is utilized to account for providing storm water service to the City’s residents.

Additionally, the City reports the following funds types:

Internal Service Funds - These funds are used to account for the financing of services provided for billing for utilities (water, sewer, sanitation, and storm water) and servicing the vehicles of City departments on a cost -reimbursement basis.

Fiduciary Funds – These funds are used to account for assets held by the City as an agent for individuals, private organizations or other governmental units. The classification for the City’s fiduciary funds would be an agency fund. The City has three agency funds as follows:

- (1) Municipal Court funds: The Municipal Court is considered part of the reporting entity of the City. The Court handles court cases for the City but the City controls the fiscal operations of Court, reviews and approves budget requests, and provides space for the Court and offices;
- (2) Imprest Cash fund: The purpose of this fund is to account for petty cash;
- (3) Insurance Deposit fund: This fund is used to account for assets held by the City for citizens to ensure that fire damaged property is repaired or demolished. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

C. Basis of Presentation – Financial Statements

Government-wide Financial Statements – The statement of net assets and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government and its’ discretely presented component unit, except for fiduciary funds. The statements distinguish between those activities of the primary government that are governmental and those that are considered business-type activities. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Interfund services provided and used are not eliminated in the process of consolidation.

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2008***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements (Continued)

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the City and for each function or program of the City's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the City, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the City.

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

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

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

D. Basis of Accounting

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2008***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Accounting (Continued)

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

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

Property taxes measurable as of December 31, 2008 but which are not intended to finance 2008 operations are recorded as unearned revenues.

The accrual basis of accounting is utilized for reporting purposes by the government-wide statements, the enterprise funds and the agency funds. Revenues are recognized when they are earned and expenses are recognized when incurred.

Pursuant to GASB Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting," the City follows GASB guidance as applicable to proprietary funds and FASB Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins issued on or before November 30, 1989 that do not conflict with or contradict GASB pronouncements. The City has elected not to apply FASB statements and interpretations issued after November 30, 1989 to its business-type activities and enterprise funds.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2008***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgets and Budgetary Accounting

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

1. The City must submit a budget of estimated cash receipts and disbursements for all governmental funds to the County Budget Commission by July 20 of each year for the following calendar year.
2. The County Budget Commission certifies its actions by September 1, and issues a "Certificate of Resources" limiting the maximum amount the City may expend from a given fund during the year.
3. About January 1, this Certificate is amended to include any unencumbered balances from the preceding year. The City must prepare its appropriations so that the total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the Certificate of Resources.
4. A temporary appropriation measure is typically passed at the second City Council meeting in December. The permanent appropriation measure is passed at a Council meeting and filed at the County prior to March 31. The permanent appropriation may not exceed estimated resources certified by the County Budget Commission.
5. Unused appropriations lapse at year-end and encumbrances are reappropriated in the ensuing year's budget.
6. All funds have annual budgets legally adopted by City Council.

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

While financial position, results of operations and changes in fund balances are reported on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts and disbursements. The Statements of Revenues, Expenditures and Changes in Fund Balances-Budget and Actual - (Non-GAAP Budgetary Basis) for the general fund and each major special revenue

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2008**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgets and Budgetary Accounting (Continued)

fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are:

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

The adjustments necessary to convert the results of operations for the year ended December 31, 2008 on the GAAP basis to the budget basis are as follows:

Net Change in Fund Balances		
	General Fund	State Gas and Vehicle License Fund
GAAP Basis (as reported)	\$ 774,235	\$ 21,871
Revenue Accrual	(306,145)	(38,649)
Expenditure Accrual	(195,107)	(16,638)
Outstanding Encumbrances	(199,293)	(28,396)
Budget Basis	\$ 73,690	\$ (61,812)

F. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with original maturities of three months or less from December 31, 2008. The City pools its cash for investment and resource management purposes. Each fund's equity in pooled cash and investments represents the balance on hand as if each fund maintains its own cash and investment account.

G. Investments

Investment procedures and interest allocations are restricted by provisions of the Ohio Constitution and the Ohio Revised Code. In accordance with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools", the City reports its investments at fair value, except for nonparticipating investment contracts (certificates of deposit and repurchase agreements) which are reported at cost, which approximates fair value. All investment income, including changes in the fair value of investments, are recognized as revenue in the operating statements. Fair value is determined by quoted market prices. During 2008, the Capital Improvements Fund was allocated approximately \$156,504 of investment earnings in excess of the amount the fund would have received if earnings were based on each fund's share of pooled investment.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2008***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Investments (Continued)

The City invested funds in the State Treasury Asset Reserve of Ohio (STAR Ohio) during 2008. STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on December 31, 2008.

H. Inventory

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

I. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2008, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

J. Capital Assets and Depreciation

Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000. Estimated historical costs for capital asset values were initially determined by identifying historical costs when such information was available.

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

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2008**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Capital Assets and Depreciation (Continued)

Contributed capital assets are recorded at fair market value at the date received. Capital assets include land, land improvements, buildings, building improvements, machinery, equipment and infrastructure. Infrastructure is defined as long-lived capital assets that normally are stationary in nature and normally can be preserved for a significant number of years. Examples of infrastructure include roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems. In cases where information supporting original cost was not obtainable, estimated historical costs were developed. For certain capital assets, the estimates were arrived at by indexing estimated current costs back to the estimated year of acquisition.

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

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

Description	Governmental and Business-Type Activities Estimated Lives (in years)
Land Improvements	7 – 40
Buildings and Improvements	5 – 40
Machinery and Equipment	1 – 50
Infrastructure	10 – 100

K. Long-Term Obligations

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2008***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Compensated Absences

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

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

Compensated absences accumulated by governmental fund type and proprietary fund type employees are reported as an expense when earned in the government-wide financial statements. For governmental fund financial statements, compensated absences are only reported if unused reimbursable leave is still outstanding following an employee's resignation or retirement.

M. Net Assets

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

N. Pensions

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

O. Interfund Activity

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2008***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. Reservations of Fund Balance

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

Q. Operating Revenues and Expenses

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

R. Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

S. Allocation of Indirect Expenses

The City allocates some personnel expenses over different funds based on City ordinance. These indirect costs have been included as part of program expenses reported for the functional activities.

T. Provision for Loan Losses

Potential losses on specific loans are charged to operations when management determines that there is a loss contingency. This evaluation includes consideration of various factors such as collateral, loan loss experience, lending policies, and current economic conditions.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2008**

NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

<i>Capital Assets not reported in funds:</i>	
Capital Assets used in governmental activities	\$33,908,347
Total	<u>\$33,908,347</u>
<i>Other long-term assets not available to pay for current-period expenditures:</i>	
Delinquent Income Tax Revenue	\$930,366
Shared Revenues	697,765
Grant Revenues	24,321
Special Assessment Revenue	28,274
Charges for Services	49,513
Miscellaneous Revenue	16,967
Total	<u>\$1,747,206</u>
<i>Long-Term liabilities not reported in the funds:</i>	
General Obligation Bonds Payable	(\$1,005,000)
Accrued Interest on Long-Term Debt	(28,469)
Capital Leases Payable	(1,772,837)
Compensated Absences Payable- Government Activities	(1,594,692)
Total	<u>(\$4,400,998)</u>
<i>Amount of City Garage Internal Service fund applicable to government activities:</i>	
City Garage Fund Net Assets at year end	\$78,857
Portion of City Garage Fund allocated to business-type activities	(30,186)
Total	<u>\$48,671</u>

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**Notes to the Basic Financial Statements
For the Year Ended December 31, 2008**

NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)

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

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

Amount capital outlay exceeded depreciation in the current period:

Capital Outlay	\$2,510,634
Depreciation Expense	(1,108,318)
Total	<u>\$1,402,316</u>

Governmental revenues not reported in the funds:

Decrease in Delinquent Income Tax Revenue	(\$124,553)
Increase in Shared Revenue	287,086
Decrease in Delinquent Property Taxes	(712,110)
Decrease in Special Assessment Revenue	(3,617)
Increase in Intergovernmental Grants	11,688
Decrease in Charges for Services	(27,443)
Decrease in Miscellaneous Revenues	(4,668)
Total	<u>(\$573,617)</u>

Expenses not requiring the use of current financial resources:

Increase in Compensated Absences Payable	(\$120,739)
Increase in supplies inventory	23,214
Total	<u>(\$97,525)</u>

Net loss of the City Internal Service Fund report in government activities:

City Garage Internal Service Fund change in net assets	(\$17,598)
Portion of Internal Service fund change in net assets allocated to business type activities	6,575
Total	<u>(\$11,023)</u>

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**Notes to the Basic Financial Statements
For the Year Ended December 31, 2008**

NOTE 3 – DEPOSITS AND INVESTMENTS

A. Deposits

At December 31, 2008, the carrying amount of the City and Component Unit cash deposits was \$1,685,290 and \$248,079 respectively and the bank balance was \$2,180,532 and \$254,070 respectively. Of the bank balance, federal depository insurance coverage was \$250,000 at December 31, 2008.

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

B. Investments

The City's investments at December 31, 2008 are summarized below:

Investment Type	Total Fair Value	Credit Rating	Investment Maturities				
			Less than 6 Months	6 Months to 1 Year	1 - 3 Years	3 - 5 Years	11-27 Years
FAMC	\$ 75,958	AAA	\$ 75,958	\$ 0	\$ 0	\$ 0	\$ 0
FFCB	499,241	AAA	0	0	63,741	435,500	0
FHLB	3,483,811	AAA	225,531	183,728	991,214	2,083,338	0
FHLMC	3,125,703	AAA	166,447	322,397	765,591	1,431,700	439,568
FNMA	1,971,240	AAA	200,638	77,222	893,508	510,430	289,442
TVAP	45,927	AAA	0	0	45,927	0	0
US TREASURY N/B	106,413	n/a	30,514	75,899	0	0	0
STAR OHIO	556,492	AAA	556,492	0	0	0	0
Money Market Funds	3,476,510	Unrated	3,476,510	0	0	0	0
Total Investments	<u>\$ 13,341,295</u>		<u>\$ 4,732,090</u>	<u>\$ 659,246</u>	<u>\$2,759,981</u>	<u>\$ 4,460,968</u>	<u>\$ 729,010</u>

n/a – Obligations of the U.S. Government are explicitly guaranteed by the U.S. Government and are not considered to have credit risk.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2008***

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

B. Investments (Continued)

Interest Rate Risk – Interest rate risk is the risk that an interest rate change could adversely affect an investment's fair value. State Regulations and City policy reduce exposure to declines in fair values by limiting the life of investments to five years. Although at the time of purchase the average life of some of the securities was under five years, certain investments identified above have exceeded the five year limit. The reporting of effective duration in the table above quantifies, to the fullest extent possible, the interest rate risk of the City's fixed income assets.

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a failure of a depository institution or counterparty to a transaction, the City will be unable to recover the value of deposits, investments, or collateral securities in the possession of an outside party. At December 31, 2008, the City's deposits and investments, including the collateral on lent securities, had no exposure to custodial credit risk. The City does not have a policy to limit custodial credit risk.

Foreign Currency Risk – Foreign currency risk is the risk that changes in exchange rates between the U.S. Dollar and foreign currencies could adversely affect an investment's fair value. The City Investment policy does not allow the purchasing of foreign securities. The City had no exposure to foreign currency risk at fiscal year end.

Credit Risk – Credit risk is the risk that an issuer or counterparty to an investment will be unable to fulfill its obligations. The City Investment policy allows fund managers to invest in only the following Instruments: (1) Treasury Bills and Treasury Notes and Bonds; (2) Obligations of Federal Agencies and Instrumentalities; (3) Non Negotiable Interest Bearing Time Certificates of Deposit and Savings Accounts; (4) Bankers Acceptances of banks in top 100 based on asset size, or Ohio based banks with at least \$2 billion in assets; (5) Commercial paper rated at least A-1/P-1; (6) Star Ohio; (7) No load money market mutual funds consisting exclusively of obligations listed in 5 and 6; (8) Repurchase Agreements under terms in the policy; (9) NOW accounts; (10) and insured obligations of the State of Ohio and its political subdivisions. As of December 31, 2008, 100% of the City's portfolio was invested in AAA rated securities.

Concentration of Credit Risk – Concentration of credit risk is the risk of inability to recover the value of deposits, investments, or collateral securities in the possession of an outside party caused by a lack of diversification. The City portfolio must be invested in more than one type of financial instrument, in more than one financial institution, and at different maturity lengths according to cash flow needs. At December 31, 2008, the City had no concentration of credit risk.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2008***

NOTE 4 - TAXES

A. Property Taxes

Property taxes consist of amounts levied against real and tangible property (used in business) located in the City. Real property taxes are levied each January 1 on the assessed value listed as of the prior January 1. Assessed values are established by the County Auditor at 35% of appraised market value. Property values are required to be updated every three years and revalued every six years. The last revaluation was completed in 2008.

The property tax calendar is as follows:

Levy date	January 1, 2007
Lien date	January 1, 2008
Tax bill mailed	January 27, 2008
First installment payment due	February 29, 2008
Second installment payment due	July 18, 2008

The assessed values upon which 2008 tax receipts were based, are as follows:

	<u>Assessed Values</u> <u>January 1, 2007</u>
Real Estate	\$365,293,380
Tangible Personal	<u>8,219,573</u>
Total	<u><u>\$373,512,953</u></u>

The County Treasurer collects property taxes on behalf of taxing districts in Greene County, including the City of Xenia. Property taxes may be paid in full on February 27th or one-half on February 27th and July 17th. The County Auditor remits to the City, in April and August, its portion of taxes collected.

Ohio law prohibits taxation of property in excess of \$10.00 per \$1,000 (10.0 mills) of assessed value without a vote of the citizens. Under current procedures, the City's share is \$3.00 per \$1,000 (3.0 mills) of assessed value. The City also receives an additional .2 mills to pay debt service for our general obligation bonds.

An additional property tax levy of 3.5 mills was renewed by a vote of the citizens of Xenia in November, 2004. The additional levy is for five years, to be assessed for tax-duplicate years 2004 to 2008, and collected in the fiscal years 2005 through 2009.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2008**

NOTE 4 - TAXES (Continued)

B. Income Tax

Effective January 1, 1992, the City income tax rate changed from 1.5% to 1.75% on substantially all income earned within the City. In addition, City residents pay City tax on income earned outside the City; however, a credit of up to 1.5% is allowed for income taxes paid to other municipalities. Employers within the City withhold income tax on employee compensation and remit at least quarterly. Corporations and other individual taxpayers pay estimated taxes quarterly and file an annual declaration.

NOTE 5 – LOANS RECEIVABLE

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

Loans receivable at December 31, 2008 were:

Loan Type	C.D.B.G Revolving Loan Fund	Loan Fund	Housing Rehabilitation Loan Fund	Xenia Economic Growth Corp.
Down payment assistance loans	\$0	\$0	\$8,607	\$0
Mortgage grants	0	6,910	64,050	0
Rehabilitation loans	0	0	139,638	0
Façade Loans	61,739	0	0	0
Homelessness Prevention Loans	0	0	30,868	0
Economic development loans	0	0	0	98,234
Total Loans receivable	\$61,739	\$6,910	\$243,163	\$98,234

C.D.B.G. Revolving Loan Fund - In past years the City received Federal Community Development Block grants (CDBG) and Urban Development Action grants (UDAG) to provide low interest loans for economic and job development. The balance in this fund is from loan repayments and interest earned on the loan repayments. CDBG and UDAG regulations require the City to reinvest this balance in similar economic development loans or expenditures.

Loan Fund - In 1983, the City assumed the assets, liabilities and loan commitments of Xenia Environmental Neighborhood Improvement Association, Inc. (X.E.N.I.A., Inc.). X.E.N.I.A., Inc. provided mortgage grants and low or zero interest loans to encourage economic and neighborhood development. The City no longer issues mortgage grants or loans from this fund.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2008**

NOTE 5 – LOANS RECEIVABLE (Continued)

Housing Rehabilitation Loan Fund – In September of 2006 the City was awarded a Community Housing Improvement Program (CHIP) Grant in the amount of \$556,000. The grant includes homelessness prevention, private rehabilitation, home or building repair, private rental rehab, fair housing, and general administration activities. The first expenditures related to this grant were made in 2007. The City was also awarded a \$600,000 CHIP Grant in August, 1998 which ended in 2001. The program had similar activities to the 2006 grant as it offered deferred loans, direct low interest loans or a combination thereof with various payoff dates. Some delinquencies from previous housing rehabilitation programs remain outstanding.

NOTE 6 - TRANSFERS

Following is a summary of transfers in and out for all funds for 2008:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
Governmental Funds:		
General Fund	\$0	\$704,000
State Gas and Vehicle License Tax Fund	189,000	0
Capital Improvements Fund	400,000	0
Other Governmental Funds	105,000	0
Total Governmental Funds	<u>694,000</u>	<u>704,000</u>
Enterprise Funds		
Storm Water Fund	94,014	0
Other Enterprise Funds	10,000	94,014
Total Enterprise Funds	<u>104,014</u>	<u>94,014</u>
Total Transfers	<u>\$798,014</u>	<u>\$798,014</u>

The transfers from the General Fund to Other Governmental Funds were used to support operations in the Municipal Court Victim, Recreation, and Drug Law Enforcement Funds. The transfer from the General Fund to the State Gas and Vehicle License Tax Fund is a transfer between key operating funds to support operations. The transfer from the General Fund to the Capital Improvements Fund was to support capital purchases. The transfer from the General Fund to the Other Enterprise Funds was to supplement operations in the Parking Revenue Fund. The transfer from the Other Enterprise Funds to the Storm Water Fund was to move capital asset related expenses.

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***Notes to the Basic Financial Statements
For the Year Ended December 31, 2008***

NOTE 7 - INTERFUND RECEIVABLES AND PAYABLES

The following balances at December 31, 2008, represent due from/to other funds and advances to/from other funds:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
Governmental Funds:		
General Fund	\$143,925	\$0
Enterprise Funds:		
Other Enterprise Funds	0	143,925
	<u>Advances to Other Funds</u>	<u>Advances from Other Funds</u>
Governmental Funds:		
Capital Improvements Fund	\$24,544	\$0
Internal Service Funds:		
City Garage Fund	0	24,544

All interfund receivables/payables account for amounts due between different funds for internal billings and exist due to timing differences.

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**Notes to the Basic Financial Statements
For the Year Ended December 31, 2008**

NOTE 8 - CAPITAL ASSETS

A. Governmental Activities Capital Assets

Summary by category of changes in governmental activities capital assets at December 31, 2008:

Historical Cost:

Class	December 31, 2007	Additions	Deletions	December 31, 2008
Capital assets not being depreciated:				
Land	\$15,737,177	\$417,600	\$0	\$16,154,777
Construction in Progress	120,618	850,778	(120,618)	850,778
Subtotal	15,857,795	1,268,378	(120,618)	17,005,555
Capital assets being depreciated:				
Land improvements	1,123,088	5,936	0	1,129,024
Buildings and improvements	5,948,254	0	0	5,948,254
Machinery and Equipment	7,269,297	706,530	(134,983)	7,840,844
Infrastructure	13,256,760	650,408	(87,659)	13,819,509
Subtotal	27,597,399	1,362,874	(222,642)	28,737,631
Total Cost	\$43,455,194	\$2,631,252	(\$343,260)	\$45,743,186

Accumulated Depreciation:

Class	December 31, 2007	Additions	Deletions	December 31, 2008
Land improvements	(\$584,591)	(\$41,256)	\$0	(\$625,847)
Buildings and improvements	(2,270,741)	(151,250)	0	(2,421,991)
Machinery and Equipment	(3,456,155)	(570,107)	134,274	(3,891,988)
Infrastructure	(4,598,969)	(345,705)	52,860	(4,891,814)
Total Depreciation	(\$10,910,456)	(\$1,108,318) *	\$187,134	(\$11,831,640)
Net Value:	\$32,544,738			\$33,911,546

* Depreciation expenses were charged to governmental functions as follows:

General Government	(\$179,192)
Public Safety	(400,607)
Highways and Streets	(423,604)
Community Development	(14,397)
Recreation	(87,709)
Health	(2,809)
Total Depreciation Expense	(\$1,108,318)

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2008**

NOTE 8 - CAPITAL ASSETS (Continued)

B. Business-Type Activities Capital Assets

Summary by Category at December 31, 2008:

Historical Cost:

Class	December 31, 2007	Additions	Deletions	December 31, 2008
<i>Capital assets not being depreciated:</i>				
Land	\$484,280	\$0	\$0	\$484,280
Construction in Progress	2,086,982	611,240	(2,086,982)	611,240
Subtotal	2,571,262	611,240	(2,086,982)	1,095,520
<i>Capital assets being depreciated:</i>				
Land improvements	359,016	52,281	0	411,297
Buildings and improvements	8,277,811	65,595	0	8,343,406
Machinery and Equipment	46,024,455	4,252,693	(51,063)	50,226,085
Total Cost	\$57,232,544	\$4,981,809	(\$2,138,045)	\$60,076,308

Accumulated Depreciation:

Class	December 31, 2007	Additions	Deletions	December 31, 2008
Land Improvements	(\$251,503)	(\$11,709)	\$0	(\$263,212)
Buildings and Improvements	(4,378,758)	(251,150)	0	(4,629,908)
Machinery and Equipment	(25,113,231)	(1,461,480)	48,011	(26,526,700)
Total Depreciation	(\$29,743,492)	(\$1,724,339)	\$48,011	(\$31,419,820)
<i>Net Value:</i>	\$27,489,052			\$28,656,488

C. Component Unit (XEGC) Capital Assets

Summary by Category at December 31, 2008:

Historical Cost:

Class	December 31, 2007	Additions	Deletions	December 31, 2008
<i>Capital assets being depreciated:</i>				
Machinery and Equipment	\$31,725	\$117	\$0	\$31,842
Total Cost	\$31,725	\$117	\$0	\$31,842

Accumulated Depreciation:

Class	December 31, 2007	Additions	Deletions	December 31, 2008
Machinery and Equipment	(\$29,640)	\$2,106	\$0	(\$27,534)
Total Depreciation	(\$29,640)	\$2,106	\$0	(\$27,534)
<i>Net Value:</i>	\$2,085			\$4,308

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2008***

NOTE 9– DEFINED BENEFIT PENSION PLANS

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

A. Ohio Public Employees Retirement System (“OPERS”)

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

All employees of the City, except full-time uniformed police officers and full-time firefighters, participate in one of the three pension plans administered by OPERS: the Traditional Pension Plan (TP), the Member-Directed Plan (MD), and the Combined Plan (CO). The TP Plan is a cost-sharing multiple employer defined benefit pension plan. The MD 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 MD Plan members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings thereon. The CO Plan is a cost-sharing multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan. Under the CO Plan employer contributions are invested by the retirement system to provide a formula retirement benefit similar in nature to the TP Plan. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the MD Plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost-of-living adjustments to members of the TP Plan and CO Plan. Members of the MD Plan do not qualify for ancillary benefits, including postemployment health care benefits. Chapter 145 of the Ohio Revised Code provides statutory authority to establish and amend benefits. The Ohio Public Employees Retirement System issues a stand-alone financial report that includes financial statements and required supplementary information for OPERS. Interested parties may obtain a copy by making a written request to OPERS, Attention: Finance Director, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or 1-800-222-7377.

The ORC provides statutory authority for employee and employer contributions. For 2008, employee and employer contribution rates were consistent across all three plans (TP, MD and CO). The employee contribution rate is 10.0%. The 2008 employer contribution rate for local government employer units was 14.00%, of covered payroll. A portion of the City’s contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for 2008, 7.0% of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and the City are established and may be amended by the OPERS Board. The City's required contributions for pension obligations to OPERS for the years ending December 31, 2008, 2007, and 2006 were \$479,455, \$546,690 and \$574,198, respectively, which were equal to the required contributions for each year.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2008***

NOTE 9– DEFINED BENEFIT PENSION PLANS (Continued)

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

All City full-time police officers and full-time firefighters participate in 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. Contribution requirements and benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the ORC. The Ohio Police and Fire Pension Fund issues a stand-alone financial report that includes financial statements and required supplementary information for the plan. Interested parties may obtain a copy by making a written request to 140 East Town Street, Columbus, Ohio 43215-5164 or by calling (614) 228-2975.

Plan members are required to contribute 10.0% of their annual covered salary, while employers are required to contribute 19.5% and 24.0% respectively for police officers and firefighters. A portion of the City’s contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for 2008, 12.75% of annual covered salary for police and 17.25% of annual covered salary for firefighters, respectively, were the portions used to fund pension obligations. The City's contributions for pension obligations to the OP&F Fund for the years ending December 31, 2008, 2007, and 2006 were \$384,118, \$369,536 and \$329,242 for police and \$454,901, \$319,817 and \$393,990 for firefighters, respectively, which were equal to the required contributions for each year.

NOTE 10- POSTEMPLOYMENT BENEFITS

A. Ohio Public Employees Retirement System (“OPERS”)

Plan Description – OPERS administers three separate pension plans: the Traditional Pension Plan – a cost-sharing, multiple-employer defined benefit pension plan; the Member directed Plan – a defined contribution plan; and the Combined Plan – a cost sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

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

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 45.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2008***

NOTE 10- POSTEMPLOYMENT BENEFITS (Continued)

A. Ohio Public Employees Retirement System (“OPERS”) (Continued)

The ORC permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the ORC.

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by making a written request to OPERS, Attention: Finance Director, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or 1-800-222-7377.

Funding Policy – The ORC provides the statutory authority requiring public employers to fund post retirement health care coverage through their contributions to OPERS. A portion of each employer’s contribution to OPERS is set aside for the funding of post retirement health care benefits. Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2008, local government employers contributed at a rate of 14.00% of covered payroll. The ORC currently limits the employer contribution to a rate not to exceed 14.0% of covered payroll for local government employers. Active members do not make contributions to the OPEB plan.

The OPERS Postemployment Health Care plan was established under, and is administered in accordance with Internal Revenue Code 401(h). Each year the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of postemployment health care benefits. For 2008, the employer contribution allocated to the health care plan was 7.0% of covered payroll. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City's contributions for health care to the OPERS for the years ending December 31, 2008, 2007, and 2006 were \$479,454, \$360,095 and \$280,858, respectively, which were equal to the required contributions for each year.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007 and January 1, 2008, which allowed additional funds to be allocated to the health care plan.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2008***

NOTE 10- POSTEMPLOYMENT BENEFITS (Continued)

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

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

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

The ORC permits, but does not mandate, OP&F to provide OPEB benefits. Authority to establish and amend benefits is provided in Chapter 742 of the ORC.

OP&F issues a stand-alone financial report that includes financial information and required supplementary information for the plan. Interested parties may obtain a copy by making a written request to 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy – The ORC provides for contribution requirements of the participating employers and of plan members to the OP&F. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.5% and 24.0% of covered payroll for police and fire employers, respectively. The ORC states that the employer contribution may not exceed 19.5% of covered payroll for police employer units and 24.0% of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2008, the employer contribution allocated to the health care plan was 6.75% of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees’ primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h). The OP&F Board of Trustees also is authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents, or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City's contributions for health care to the OP&F for the years ending December 31, 2008, 2007, and 2006 were \$203,357, \$195,636 and \$217,160 for police and \$178,005, \$282,191 and \$187,903 for firefighters, respectively, which were equal to the required contributions for each year.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2008**

NOTE 11 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS

Long-term debt and other long-term obligations of the City at December 31, 2008 were as follows:

	Balance December 31, 2007	Additions	(Reductions)	Balance December 31, 2008	Due Within One Year
Business-Type Activities:					
Loans Payable:					
3.04% Sewer Loan Payable 1993	\$681,751	\$0	(\$162,805)	\$518,946	\$167,793
2.79% Sewer Loan Payable 1999	5,268,727	0	(357,644)	4,911,083	367,692
Total Loans Payable	5,950,478	0	(520,449)	5,430,029	535,485
Capital Leases	1,782,755	0	(85,573)	1,697,182	89,451
Landfill Liability	1,073,360	27,285	(47,611)	1,053,034	157,532
Compensated Absences	422,208	418,116	(422,208)	418,116	66,899
Total Business Type Activities	\$9,228,801	\$445,401	(\$1,075,841)	\$8,598,361	\$849,367
Governmental Activities Long-Term Debt:					
4.70 - 5.75%					
General Obligation Bond Payable 2000	\$1,065,000	\$0	(\$60,000)	\$1,005,000	\$60,000
Capital Leases Payable	1,646,267	448,251	(321,681)	1,772,837	355,261
Compensated Absences	1,503,523	1,626,007	(1,503,523)	1,626,007	196,373
Total Governmental Activities	\$4,214,790	\$2,074,258	(\$1,885,204)	\$4,403,844	\$611,634

A. Principal and Interest Requirements

Principal and Interest requirements to retire long-term obligations outstanding at December 31, 2008 are as follows:

Years	General Obligation Bond		Sewer Loans Payable	
	Principal	Interest	Principal	Interest
2009	\$60,000	\$55,620	\$535,485	\$148,983
2010	65,000	52,323	550,955	133,513
2011	70,000	48,588	566,862	117,606
2012	70,000	44,563	399,562	102,603
2013	75,000	40,394	410,787	91,377
2014-2018	450,000	129,375	2,233,671	277,151
2019-2020	215,000	12,506	732,707	20,541
Totals	\$1,005,000	\$383,369	\$5,430,029	\$891,774

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2008***

NOTE 11 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)

B. General Obligation Bond

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

C. Conduit Debt

On June 22, 2007, Xenia City Council approved the City to act as a conduit issuer of Legacy Village Healthcare Facilities, Inc. tax-exempt lease obligations to refund debt issued for the construction of an assisted living facility located within the City of Xenia. The City's involvement allowed Legacy Village to be given tax-exempt status thus making them eligible for a lower interest rate for financing.

A master lease-purchase and sub-lease agreement was executed in an amount not to exceed \$2,500,000 by Fifth Third Bank as lessor, the City of Xenia as lessee, and Legacy Village Healthcare Facilities, Inc. as Sub lessee. The final amount of the conduit debt is \$2,090,050. These lease obligations are payable solely from revenue sources provided by Legacy Village and does not pledge the full faith and credit of the City nor impact the City's debt limitations.

As of December 31, 2008, this is the only conduit debt outstanding.

NOTE 12 – LEASES

A. Capital Leases

Under capital leases the City has leases for two medic units, a ladder truck, two fire pumpers, a communication center, a building security system, an HVAC system, automated meter reading upgrades, and two leases for upgrades to the phone system. The cost of these capital leases are related to Governmental Activities capital assets with the exception of the automated meter reading project which can be attributed to the Business Activities. The related liabilities are included in amounts due within one year and amounts due in more than one year. The original cost of the assets acquired under capital lease was \$4,472,339 and the book value at December 31, 2008 was \$4,155,004. The following is a schedule of future minimum lease payments under the capital leases together with the present value of the net minimum lease payments as of December 31, 2008:

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2008**

NOTE 12 – LEASES (Continued)

A. Capital Leases (Continued)

<u>Year Ending December 31,</u>	<u>Governmental Activities</u>	<u>Business Type Activities</u>
2009	\$425,389	\$164,515
2010	390,247	164,515
2011	368,355	164,515
2012	368,355	164,516
2013	216,434	164,516
2014-2018	233,375	822,577
2019-2022	0	658,062
Minimum Lease Payments	2,002,155	2,303,216
Less amount representing interest at the City's incremental borrowing rate of interest	(229,318)	(606,034)
Present value of minimum lease payments	<u>\$1,772,837</u>	<u>\$1,697,182</u>

B. Operating Leases

The City leases office space, machinery and equipment, janitorial and cleaning services and parking lots under operating agreements that expire at various dates through 2013. Payments on operating leases were \$127,071 during 2008. The following is a schedule of future minimum rental payments of non-cancelable operating leases:

<u>Year Ending December 31,</u>	<u>Amount</u>
2009	\$69,959
2010	30,484
2011	1,697
2012	1,697
2013	848

NOTE 13 - SOLID WASTE LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS

In 1991, the City stopped accepting waste at the City of Xenia Landfill. EPA required the City to place a final cover on the landfill site as well as perform certain maintenance and monitoring functions at the site for thirty years after closure. At December 31, 2008 the City's accrued liability (per GASB 18) for post-closure costs related to the closed City landfill is \$1,053,034. These costs are funded by a component of the city Sanitation rate. The estimated costs of postclosure care are subject to changes corresponding to the effects of inflation, revision of laws and other variables.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2008***

NOTE 14 - RISK MANAGEMENT

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

NOTE 15 - CONTINGENCIES

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

The City participates in several federally assisted programs (principally Community Development Block Grants and Urban Development Action Grants) which are subject to program compliance audits by the grantors or their representatives. The grantor agencies, at their option, may perform economy and efficiency audits, program results audits or conduct monitoring visits. Such audits and visits could lead to reimbursement to the grantor agencies. Management believes such reimbursements, if any, would not be material.



*COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES*

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

Nonmajor Governmental Funds

Special Revenue Funds

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

Recreation Special Fund

To account for specific recreation activities funded by fees.

Indigent Driver Alcohol Treatment Fund

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

Law Enforcement and Education Fund

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

State Route Repair Fund

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

City Motor Vehicle License Tax Fund

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

County Motor Vehicle License Tax Fund

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

Special Miscellaneous Improvements Fund

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

Tax Increment Equivalent Fund

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

(Continued)

Special Revenue Funds

Law Enforcement Fund

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

Drug Law Enforcement Fund

To account for drug offenses, fines and bond forfeitures.

Municipal Court Victim Fund

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

Debt Service Fund

Debt Service Fund

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

Capital Projects Funds

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

Municipal Court Capital Improvements Fund

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

Issue II Fund

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

CITY OF XENIA, OHIO

**Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2008**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Cash and cash equivalents	\$ 586,268	\$ 8,433	\$ 198,219	\$ 792,920
Cash with fiscal agent	61,522	0	51,580	113,102
Investments	1,166,014	16,772	394,234	1,577,020
Receivables:				
Taxes, including interest, penalties and liens	179,500	81,723	0	261,223
Intergovernmental	359,051	0	0	359,051
Accrued interest	6,364	116	2,920	9,400
Grants	13,779	0	0	13,779
Prepaid items	35,645	0	18,490	54,135
Total Assets	\$ 2,408,143	\$ 107,044	\$ 665,443	\$ 3,180,630
Liabilities:				
Accounts payable	\$ 22,062	\$ 0	\$ 25,383	\$ 47,445
Accrued payroll	14,273	0	0	14,273
Deferred revenue	504,187	81,778	1,394	587,359
Total Liabilities	540,522	81,778	26,777	649,077
Fund Balances:				
Reserved for:				
Encumbrances	341,512	0	100,019	441,531
Prepaid items	35,645	0	18,490	54,135
Debt service	0	25,266	0	25,266
Unreserved and undesignated in:				
Special revenue funds	1,490,464	0	0	1,490,464
Capital projects funds	0	0	520,157	520,157
Total Fund Balances	1,867,621	25,266	638,666	2,531,553
Total Liabilities and Funds Balances	\$ 2,408,143	\$ 107,044	\$ 665,443	\$ 3,180,630

CITY OF XENIA, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2008**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Other local taxes	\$ 165,491	\$ 69,374	\$ 0	\$ 234,865
State shared taxes and permits	249,476	13,709	0	263,185
Intergovernmental grants	78,845	0	112,468	191,313
Fines, costs, forfeitures, licenses and permits	96,664	0	102,716	199,380
Miscellaneous receipts and reimbursements, including interest	404,847	1,492	24,940	431,279
Total Revenue	995,323	84,575	240,124	1,320,022
Expenditures:				
Current:				
General government	407,727	0	0	407,727
Public safety	20,025	598	0	20,623
Highways and streets	99,696	597	0	100,293
Recreation	11,517	0	0	11,517
Capital outlay	481,550	0	257,573	739,123
Debt service:				
Principal retirement	19,800	40,200	10,617	70,617
Interest & fiscal charges	19,389	39,366	2,585	61,340
Total Expenditures	1,059,704	80,761	270,775	1,411,240
Excess (deficiency) of revenues over expenditures	(64,381)	3,814	(30,651)	(91,218)
Other financing sources (uses):				
Capital leases initiated	0	0	51,624	51,624
Transfers in	105,000	0	0	105,000
Total other financing sources (uses)	105,000	0	51,624	156,624
Net change in fund balances	40,619	3,814	20,973	65,406
Fund Balances at Beginning of Year	1,827,002	21,452	617,693	2,466,147
Fund Balances End of Year	\$ 1,867,621	\$ 25,266	\$ 638,666	\$ 2,531,553

CITY OF XENIA, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2008**

	Recreation Special	Indigent Driver Alcohol Treatment	Law Enforcement and Education	State Route Repair	City Motor Vehicle License Tax
Assets:					
Cash and cash equivalents	\$ 969	\$ 112,787	\$ 13,027	\$ 22,195	\$ 41,652
Cash with fiscal agent	0	0	0	0	59,986
Investments	1,925	224,319	25,910	44,142	82,841
Receivables:					
Taxes, including interest, penalties and liens	0	0	0	0	0
Intergovernmental	0	0	0	42,572	90,276
Accrued interest	0	1,712	190	371	655
Grants	0	0	0	0	0
Prepaid items	0	25,000	0	145	0
Total Assets	\$ 2,894	\$ 363,818	\$ 39,127	\$ 109,425	\$ 275,410
Liabilities:					
Accounts payable	\$ 0	\$ 0	\$ 0	\$ 2,440	\$ 0
Accrued payroll	0	0	0	0	0
Deferred revenue	0	817	91	27,512	61,222
Total Liabilities	0	817	91	29,952	61,222
Fund Balances:					
Reserved for:					
Encumbrances	0	0	0	2,392	0
Prepaid items	0	25,000	0	145	0
Unreserved and undesignated	2,894	338,001	39,036	76,936	214,188
Total Fund Balances	2,894	363,001	39,036	79,473	214,188
Total Liabilities and Funds Balances	\$ 2,894	\$ 363,818	\$ 39,127	\$ 109,425	\$ 275,410

CITY OF XENIA, OHIO

County Motor Vehicle License Tax	Special Miscellaneous Improvements	Tax Increment Equivalent	Law Enforcement	Drug Law Enforcement	Municipal Court Victim	Total Nonmajor Special Revenue Funds
\$ 1,953	\$ 61,489	\$ 51,324	\$ 263,015	\$ 7,947	\$ 9,910	\$ 586,268
1,536	0	0	0	0	0	61,522
3,886	122,295	102,077	523,106	15,803	19,710	1,166,014
0	0	179,500	0	0	0	179,500
226,203	0	0	0	0	0	359,051
29	0	0	3,256	82	69	6,364
0	0	0	0	0	13,779	13,779
0	0	0	0	10,500	0	35,645
<u>\$ 233,607</u>	<u>\$ 183,784</u>	<u>\$ 332,901</u>	<u>\$ 789,377</u>	<u>\$ 34,332</u>	<u>\$ 43,468</u>	<u>\$ 2,408,143</u>
\$ 0	\$ 11,477	\$ 0	\$ 8,088	\$ 0	\$ 57	\$ 22,062
0	3,253	0	0	0	11,020	14,273
226,217	0	179,500	1,555	39	7,234	504,187
<u>226,217</u>	<u>14,730</u>	<u>179,500</u>	<u>9,643</u>	<u>39</u>	<u>18,311</u>	<u>540,522</u>
0	100,548	0	238,263	0	309	341,512
0	0	0	0	10,500	0	35,645
7,390	68,506	153,401	541,471	23,793	24,848	1,490,464
<u>7,390</u>	<u>169,054</u>	<u>153,401</u>	<u>779,734</u>	<u>34,293</u>	<u>25,157</u>	<u>1,867,621</u>
<u>\$ 233,607</u>	<u>\$ 183,784</u>	<u>\$ 332,901</u>	<u>\$ 789,377</u>	<u>\$ 34,332</u>	<u>\$ 43,468</u>	<u>\$ 2,408,143</u>

CITY OF XENIA, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2008**

	Recreation Special	Indigent Driver Alcohol Treatment	Law Enforcement and Education	State Route Repair	City Motor Vehicle License Tax
Revenues:					
Other local taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
State shared taxes and permits	0	0	0	82,064	167,412
Intergovernmental grants	0	0	0	6,361	0
Fines, costs, forfeitures, licenses and permits	0	20,840	2,021	0	0
Miscellaneous receipts and reimbursements, including interest	2,137	13,043	1,494	2,291	6,991
Total Revenue	2,137	33,883	3,515	90,716	174,403
Expenditures:					
Current:					
General government	0	25,000	0	0	0
Public safety	0	0	1,490	0	0
Highways and streets	0	0	0	99,583	113
Recreation	11,517	0	0	0	0
Capital outlay	0	0	0	0	151,196
Debt service:					
Principal retirement	0	0	0	0	19,800
Interest & fiscal charges	0	0	0	0	19,389
Total Expenditures	11,517	25,000	1,490	99,583	190,498
Excess (deficiency) of revenues over expenditures	(9,380)	8,883	2,025	(8,867)	(16,095)
Other financing sources (uses):					
Transfers in	10,000	0	0	0	0
Total other financing sources (uses)	10,000	0	0	0	0
Net Change in Fund Balances	620	8,883	2,025	(8,867)	(16,095)
Fund Balances at Beginning of Year	2,274	354,118	37,011	88,340	230,283
Fund Balances End of Year	\$ 2,894	\$ 363,001	\$ 39,036	\$ 79,473	\$ 214,188

CITY OF XENIA, OHIO

County Motor Vehicle License Tax	Special Miscellaneous Improvements	Tax Increment Equivalent	Law Enforcement	Drug Law Enforcement	Municipal Court Victim	Total Nonmajor Special Revenue Funds
\$ 0	\$ 0	\$ 165,491	\$ 0	\$ 0	\$ 0	\$ 165,491
0	0	0	0	0	0	249,476
0	0	0	1,744	0	70,740	78,845
0	0	0	0	0	73,803	96,664
(294)	92,353	262	285,905	285	380	404,847
(294)	92,353	165,753	287,649	285	144,923	995,323
0	42,677	149,190	0	0	190,860	407,727
0	0	0	18,535	0	0	20,025
0	0	0	0	0	0	99,696
0	0	0	0	0	0	11,517
260,464	56,349	0	13,541	0	0	481,550
0	0	0	0	0	0	19,800
0	0	0	0	0	0	19,389
260,464	99,026	149,190	32,076	0	190,860	1,059,704
(260,758)	(6,673)	16,563	255,573	285	(45,937)	(64,381)
0	0	0	0	25,000	70,000	105,000
0	0	0	0	25,000	70,000	105,000
(260,758)	(6,673)	16,563	255,573	25,285	24,063	40,619
268,148	175,727	136,838	524,161	9,008	1,094	1,827,002
\$ 7,390	\$ 169,054	\$ 153,401	\$ 779,734	\$ 34,293	\$ 25,157	\$ 1,867,621

CITY OF XENIA, OHIO

**Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2008**

	Municipal Court Capital Improvements	Issue II	Total Nonmajor Capital Projects Funds
Assets:			
Cash and cash equivalents	\$ 197,911	\$ 308	\$ 198,219
Cash with fiscal agent	51,580	0	51,580
Investments	393,622	612	394,234
Receivables:			
Accrued interest	2,920	0	2,920
Prepaid items	18,490	0	18,490
Total Assets	<u>\$ 664,523</u>	<u>\$ 920</u>	<u>\$ 665,443</u>
Liabilities:			
Accounts payable	\$ 25,383	\$ 0	\$ 25,383
Deferred revenue	1,394	0	1,394
Total Liabilities	<u>26,777</u>	<u>0</u>	<u>26,777</u>
Fund Balances:			
Reserved for:			
Encumbrances	100,019	0	100,019
Prepaid items	18,490	0	18,490
Unreserved and undesignated	519,237	920	520,157
Total Fund Balances	<u>637,746</u>	<u>920</u>	<u>638,666</u>
Total Liabilities and Funds Balances	<u>\$ 664,523</u>	<u>\$ 920</u>	<u>\$ 665,443</u>

CITY OF XENIA, OHIO

***Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2008***

	Municipal Court Capital Improvements	Issue II	Total Nonmajor Capital Projects Funds
Revenues:			
Intergovernmental grants	\$ 0	\$ 112,468	\$ 112,468
Fines, costs, forfeitures, licenses and permits	102,716	0	102,716
Miscellaneous receipts and reimbursements, including interest	24,938	2	24,940
Total Revenue	127,654	112,470	240,124
Expenditures:			
Capital outlay	145,105	112,468	257,573
Debt service:			
Principal retirement	10,617	0	10,617
Interest & fiscal charges	2,585	0	2,585
Total Expenditures	158,307	112,468	270,775
Excess (deficiency) of revenues over expenditures	(30,653)	2	(30,651)
Other financing sources (uses):			
Capital lease initiated	51,624	0	51,624
Total other financing sources (uses)	51,624	0	51,624
Net change in fund balances	20,971	2	20,973
Fund Balances at Beginning of Year	616,775	918	617,693
Fund Balances End of Year	\$ 637,746	\$ 920	\$ 638,666

CITY OF XENIA, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2008**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Municipal Income Taxes	\$ 9,200,000	\$ 9,200,000	\$ 8,862,489	\$ (337,511)
Other Local Taxes	1,513,959	1,508,159	1,397,131	(111,028)
State Shared Taxes and Permits	2,146,350	2,377,350	2,321,500	(55,850)
Intergovernmental Grants	186,847	186,397	185,239	(1,158)
Charges for Services	1,671,186	1,746,936	1,697,505	(49,431)
Fines, Costs, Forfeitures, Licenses and Permits	1,038,851	1,108,751	1,282,732	173,981
Miscellaneous Receipts and Reimbursements, Including Interest	361,507	395,407	392,959	(2,448)
Total Revenues	<u>16,118,700</u>	<u>16,523,000</u>	<u>16,139,555</u>	<u>(383,445)</u>
Expenditures:				
General Government:				
City Council and General Government:				
Personnel Services	31,852	32,016	32,014	2
General Operating Expenses	27,200	23,234	15,776	7,458
Contractual Services	114,497	118,688	111,906	6,782
Materials and Supplies	5,500	4,630	2,981	1,649
Contributions	85,000	85,645	84,645	1,000
Total City Council and General Government	<u>264,049</u>	<u>264,213</u>	<u>247,322</u>	<u>16,891</u>
Municipal Court:				
Personnel Services	1,385,473	1,291,473	1,291,292	181
General Operating Expenses	18,415	18,410	14,699	3,711
Contractual Services	178,625	176,972	123,779	53,193
Materials and Supplies	24,113	25,833	20,334	5,499
Contributions	52,621	52,621	29,995	22,626
Total Municipal Court	<u>1,659,247</u>	<u>1,565,309</u>	<u>1,480,099</u>	<u>85,210</u>
City Law Department:				
Personnel Services	184,328	191,214	191,210	4
General Operating Expenses	2,950	2,884	2,089	795
Contractual Services	16,895	17,215	14,176	3,039
Materials and Supplies	4,930	5,932	5,190	742
Total City Law Department	<u>209,103</u>	<u>217,245</u>	<u>212,665</u>	<u>4,580</u>

(Continued)

CITY OF XENIA, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2008***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
City Manager's Office:				
Personnel Services	86,173	103,010	103,007	3
General Operating Expenses	6,150	5,409	4,649	760
Contractual Services	11,221	10,112	5,935	4,177
Materials and Supplies	<u>10,500</u>	<u>12,350</u>	<u>9,042</u>	<u>3,308</u>
Total City Manager's Office	114,044	130,881	122,633	8,248
Personnel Office:				
Personnel Services	49,628	20,628	20,036	592
General Operating Expenses	4,790	4,790	2,851	1,939
Contractual Services	59,024	78,096	57,121	20,975
Materials and Supplies	<u>12,350</u>	<u>12,022</u>	<u>8,135</u>	<u>3,887</u>
Total Personnel Office	125,792	115,536	88,143	27,393
Finance Office:				
Personnel Services	80,805	80,805	77,987	2,818
General Operating Expenses	1,125	1,125	787	338
Contractual Services	64,863	64,644	58,669	5,975
Materials and Supplies	<u>7,945</u>	<u>8,826</u>	<u>8,231</u>	<u>595</u>
Total Finance Office	154,738	155,400	145,674	9,726
Income Tax:				
Personnel Services	276,293	276,293	273,626	2,667
General Operating Expenses	4,700	5,415	2,955	2,460
Contractual Services	57,509	63,657	40,791	22,866
Materials and Supplies	<u>13,071</u>	<u>14,815</u>	<u>7,472</u>	<u>7,343</u>
Total Income Tax	351,573	360,180	324,844	35,336
Municipal Building and General Services:				
Contractual Services	205,292	205,536	195,302	10,234
Materials and Supplies	<u>4,675</u>	<u>5,990</u>	<u>5,494</u>	<u>496</u>
Total Municipal Building and General Services	209,967	211,526	200,796	10,730

(Continued)

CITY OF XENIA, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2008***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Data Processing:				
Personnel Services	43,476	43,476	42,519	957
General Operating Expenses	8,750	8,750	6,975	1,775
Contractual Services	122,127	114,377	97,971	16,406
Materials and Supplies	<u>20,000</u>	<u>27,750</u>	<u>26,781</u>	<u>969</u>
Total Data Processing	194,353	194,353	174,246	20,107
Clerk of City Council:				
Personnel Services	25,969	26,205	26,202	3
General Operating Expenses	230	230	0	230
Contractual Services	38,090	38,542	24,594	13,948
Materials and Supplies	<u>3,500</u>	<u>4,819</u>	<u>4,525</u>	<u>294</u>
Total Clerk of City Council	67,789	69,796	55,321	14,475
Volunteer Program:				
General Operating Expenses	1,575	1,575	1,500	75
Contractual Services	740	323	212	111
Materials and Supplies	<u>1,450</u>	<u>1,867</u>	<u>1,815</u>	<u>52</u>
Total Volunteer Program	3,765	3,765	3,527	238
Public Affairs & CATV:				
Personnel Services	1,274	1,274	1,271	3
General Operating Expenses	1,300	1,300	1,273	27
Contractual Services	9,500	9,530	767	8,763
Materials and Supplies	<u>6,000</u>	<u>6,000</u>	<u>4,726</u>	<u>1,274</u>
Total Public Affairs & CATV	18,074	18,104	8,037	10,067
Total General Government	<u>3,372,494</u>	<u>3,315,108</u>	<u>3,063,307</u>	<u>251,801</u>
Public Safety:				
Emergency Services-FEMA:				
Personnel Services	0	8,311	5,917	2,394
General Operating Expenses	<u>0</u>	<u>150</u>	<u>144</u>	<u>6</u>
Total Emergency Service-FEMA	0	8,461	6,061	2,400

(Continued)

CITY OF XENIA, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2008***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Emergency Resources-Insurance:				
Contractual Services	0	1,000	0	1,000
Materials and Supplies	0	7,800	0	7,800
Total Emergency Resources-Insurance	0	8,800	0	8,800
Violence Against Women Grant:				
Personnel Services	85,033	90,944	90,867	77
Contractual Services	1,800	1,800	1,800	0
Total Violence Against Women Grant	86,833	92,744	92,667	77
Police:				
Personnel Services	4,306,433	4,458,164	4,456,192	1,972
General Operating Expenses	78,800	41,952	36,895	5,057
Contractual Services	414,168	425,789	374,089	51,700
Materials and Supplies	98,675	115,703	98,130	17,573
Total Police	4,898,076	5,041,608	4,965,306	76,302
Communications:				
Personnel Services	1,100,139	1,100,139	1,080,306	19,833
General Operating Expenses	5,350	5,350	2,681	2,669
Contractual Services	177,616	177,018	128,707	48,311
Materials and Supplies	32,425	33,594	26,887	6,707
Capital Outlay	80,095	80,095	78,832	1,263
Total Communications	1,395,625	1,396,196	1,317,413	78,783
D.A.R.E. Program				
Personal Services	84,683	85,159	85,156	3
Total D.A.R.E. Program	84,683	85,159	85,156	3
Fire:				
Personnel Services	3,778,745	4,012,309	4,012,304	5
General Operating Expenses	29,725	14,597	11,804	2,793
Contractual Services	373,395	366,447	357,167	9,280
Materials and Supplies	131,500	134,958	120,126	14,832
Total Fire	4,313,365	4,528,311	4,501,401	26,910

(Continued)

CITY OF XENIA, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2008***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Civil Defense:				
Personnel Services	33,703	33,703	33,131	572
General Operating Expenses	3,245	3,245	866	2,379
Contractual Services	45,100	44,828	22,446	22,382
Materials and Supplies	<u>2,815</u>	<u>3,095</u>	<u>708</u>	<u>2,387</u>
Total Civil Defense	<u>84,863</u>	<u>84,871</u>	<u>57,151</u>	<u>27,720</u>
Engineering:				
Personnel Services	55,008	55,008	53,950	1,058
General Operating Expenses	3,496	3,496	1,384	2,112
Contractual Services	51,325	47,948	40,989	6,959
Materials and Supplies	<u>6,325</u>	<u>10,188</u>	<u>8,181</u>	<u>2,007</u>
Total Engineering	<u>116,154</u>	<u>116,640</u>	<u>104,504</u>	<u>12,136</u>
Construction Inspection:				
Personnel Services	35,965	35,965	34,190	1,775
General Operating Expenses	1,030	1,030	455	575
Contractual Services	11,409	11,394	6,106	5,288
Materials and Supplies	<u>2,944</u>	<u>3,093</u>	<u>1,797</u>	<u>1,296</u>
Total Construction Inspection	<u>51,348</u>	<u>51,482</u>	<u>42,548</u>	<u>8,934</u>
Total Public Safety	<u>11,030,947</u>	<u>11,405,472</u>	<u>11,172,207</u>	<u>233,265</u>
Health:				
Property Maintenance:				
Personnel Services	29,230	30,814	30,813	1
General Operating Expenses	670	670	192	478
Contractual Services	45,025	45,110	33,463	11,647
Materials and Supplies	<u>3,058</u>	<u>3,058</u>	<u>788</u>	<u>2,270</u>
Total Property Maintenance	<u>77,983</u>	<u>79,652</u>	<u>65,256</u>	<u>14,396</u>
Total Health	<u>77,983</u>	<u>79,652</u>	<u>65,256</u>	<u>14,396</u>
Highways and Streets:				
Street Lighting:				
Contractual Services	<u>277,800</u>	<u>277,800</u>	<u>268,055</u>	<u>9,745</u>
Total Highways and Streets	<u>277,800</u>	<u>277,800</u>	<u>268,055</u>	<u>9,745</u>

(Continued)

CITY OF XENIA, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2008***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Community Development:				
Neighborhood Services:				
Personnel Services	147,442	147,442	144,839	2,603
General Operating Expenses	3,165	3,071	2,842	229
Contractual Services	24,953	25,137	18,374	6,763
Materials and Supplies	<u>2,929</u>	<u>2,906</u>	<u>1,370</u>	<u>1,536</u>
Total Neighborhood Services	<u>178,489</u>	<u>178,556</u>	<u>167,425</u>	<u>11,131</u>
Planning:				
Personnel Services	149,321	151,968	151,965	3
General Operating Expenses	3,750	3,962	3,497	465
Contractual Services	42,641	42,455	25,844	16,611
Materials and Supplies	<u>4,072</u>	<u>4,122</u>	<u>2,118</u>	<u>2,004</u>
Total Planning	<u>199,784</u>	<u>202,507</u>	<u>183,424</u>	<u>19,083</u>
Total Community Development	<u>378,273</u>	<u>381,063</u>	<u>350,849</u>	<u>30,214</u>
Recreation:				
Parks and Recreation:				
Personnel Services	117,648	117,648	112,971	4,677
General Operating Expenses	1,010	1,210	280	930
Contractual Services	22,325	22,710	13,211	9,499
Materials and Supplies	<u>18,710</u>	<u>18,510</u>	<u>14,797</u>	<u>3,713</u>
Total Parks and Recreation	<u>159,693</u>	<u>160,078</u>	<u>141,259</u>	<u>18,819</u>
Xenia Station:				
Personnel Services	62,910	69,518	69,514	4
Contractual Services	17,906	18,413	15,938	2,475
Materials and Supplies	<u>9,806</u>	<u>9,961</u>	<u>3,470</u>	<u>6,491</u>
Total Xenia Station	<u>90,622</u>	<u>97,892</u>	<u>88,922</u>	<u>8,970</u>
Farmers Market:				
Contractual Services	3,150	3,150	2,972	178
Materials and Supplies	<u>800</u>	<u>800</u>	<u>790</u>	<u>10</u>
Total Farmers Market	<u>3,950</u>	<u>3,950</u>	<u>3,762</u>	<u>188</u>

(Continued)

CITY OF XENIA, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2008**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
General Park Maintenance:				
Personnel Services	71,099	76,199	73,983	2,216
General Operating Expenses	515	975	964	11
Contractual Services	83,781	98,736	58,425	40,311
Materials and Supplies	<u>40,066</u>	<u>34,911</u>	<u>28,260</u>	<u>6,651</u>
Total General Park Maintenance	<u>195,461</u>	<u>210,821</u>	<u>161,632</u>	<u>49,189</u>
Total Recreation	<u>449,726</u>	<u>472,741</u>	<u>395,575</u>	<u>77,166</u>
Total Expenditures	<u>15,587,223</u>	<u>15,931,836</u>	<u>15,315,249</u>	<u>616,587</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	531,477	591,164	824,306	233,142
Other Financing Sources (Uses):				
Transfers Out	(304,000)	(934,000)	(704,000)	230,000
Advances In	745,940	745,940	217,277	(528,663)
Advances Out	<u>(745,940)</u>	<u>(745,940)</u>	<u>(263,893)</u>	<u>482,047</u>
Total Other Financing Sources (Uses)	<u>(304,000)</u>	<u>(934,000)</u>	<u>(750,616)</u>	<u>183,384</u>
Net Change in Fund Balance	227,477	(342,836)	73,690	416,526
Fund Balance at Beginning of Year	2,387,819	2,387,819	2,387,819	0
Prior Year Encumbrances	<u>155,201</u>	<u>155,201</u>	<u>155,201</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 2,770,497</u>	<u>\$ 2,200,184</u>	<u>\$ 2,616,710</u>	<u>\$ 416,526</u>

CITY OF XENIA, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds - Special Revenue – State Gas and Vehicle License Fund
For the Year Ended December 31, 2008***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
State Shared Taxes and Permits	\$ 995,000	\$ 1,033,000	\$ 1,022,979	\$ (10,021)
Intergovernmental Grants	0	158,528	21,528	(137,000)
Charges for Services	1,000	9,000	9,000	0
Miscellaneous Receipts and Reimbursements, Including Interest	13,000	13,600	13,691	91
Total Revenues	<u>1,009,000</u>	<u>1,214,128</u>	<u>1,067,198</u>	<u>(146,930)</u>
Expenditures:				
Highways and Streets - Current:				
Personnel Services	793,706	856,835	856,827	8
General Operating	1,500	475	395	80
Contractual Services	226,775	217,457	192,769	24,688
Materials and Supplies	224,613	287,067	268,019	19,048
Non-governmental	<u>5,000</u>	<u>5,000</u>	<u>0</u>	<u>5,000</u>
Total Expenditures	<u>1,251,594</u>	<u>1,366,834</u>	<u>1,318,010</u>	<u>48,824</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(242,594)	(152,706)	(250,812)	(98,106)
Other Financing Sources (Uses):				
Transfers In	<u>189,000</u>	<u>189,000</u>	<u>189,000</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>189,000</u>	<u>189,000</u>	<u>189,000</u>	<u>0</u>
Net Change in Fund Balance	(53,594)	36,294	(61,812)	(98,106)
Fund Balance at Beginning of Year	69,006	69,006	69,006	0
Prior Year Encumbrances	<u>56,514</u>	<u>56,514</u>	<u>56,514</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 71,926</u>	<u>\$ 161,814</u>	<u>\$ 63,708</u>	<u>\$ (98,106)</u>

CITY OF XENIA, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds - Capital Projects – Capital Improvements Fund
For the Year Ended December 31, 2008**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Other Local Taxes	\$ 50,000	\$ 55,000	\$ 54,522	\$ (478)
Intergovernmental Grants	1,408,403	1,200,053	790,315	(409,738)
Charges for Services	15,000	10,420	1,016	(9,404)
Fines, Costs, Forfeitures, Licenses and Permits	0	0	224,272	224,272
Miscellaneous Receipts and Reimbursements Including Interest	272,596	351,096	336,668	(14,428)
Total Revenues	<u>1,745,999</u>	<u>1,616,569</u>	<u>1,406,793</u>	<u>(209,776)</u>
Expenditures:				
Capital Outlay:				
Contractual Services	232,000	319,033	179,705	139,328
Materials and Supplies	142,500	143,190	65,839	77,351
Capital Improvements	2,350,247	2,638,031	1,651,628	986,403
Debt Service:				
Principal Retirement	337,083	337,083	311,064	26,019
Interest and Fiscal Charges	79,674	79,674	71,200	8,474
Total Expenditures	<u>3,141,504</u>	<u>3,517,011</u>	<u>2,279,436</u>	<u>1,237,575</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,395,505)	(1,900,442)	(872,643)	1,027,799
Other Financing Sources (Uses):				
Proceeds from Capital Lease	371,000	181,000	180,748	(252)
Transfers In	0	630,000	400,000	(230,000)
Total Other Financing Sources (Uses)	<u>371,000</u>	<u>811,000</u>	<u>580,748</u>	<u>(230,252)</u>
Net Change in Fund Balance	(1,024,505)	(1,089,442)	(291,895)	797,547
Fund Balance at Beginning of Year	1,655,892	1,655,892	1,655,892	0
Prior Year Encumbrances	331,000	331,000	331,000	0
Fund Balance at End of Year	<u>\$ 962,387</u>	<u>\$ 897,450</u>	<u>\$ 1,694,997</u>	<u>\$ 797,547</u>

CITY OF XENIA, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2008**

	RECREATION SPECIAL		
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Miscellaneous Receipts and Reimbursements,			
Including Interest	<u>\$ 3,000</u>	<u>\$ 2,132</u>	<u>\$ (868)</u>
Total Revenues	<u>3,000</u>	<u>2,132</u>	<u>(868)</u>
Expenditures:			
Recreation - Current:			
Contractual Services	<u>12,650</u>	<u>11,517</u>	<u>1,133</u>
Total Expenditures	<u>12,650</u>	<u>11,517</u>	<u>1,133</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(9,650)	(9,385)	265
Other Financing Sources (Uses):			
Transfers In	<u>10,000</u>	<u>10,000</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>10,000</u>	<u>10,000</u>	<u>0</u>
Net Change in Fund Balance	350	615	265
Fund Balance at Beginning of Year	<u>2,274</u>	<u>2,274</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 2,624</u>	<u>\$ 2,889</u>	<u>\$ 265</u>

CITY OF XENIA, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2008**

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Fines, Costs, Forfeitures, Licenses and Permits	\$ 21,200	\$ 21,001	\$ (199)
Miscellaneous Receipts and Reimbursements, Including Interest	<u>16,000</u>	<u>15,372</u>	<u>(628)</u>
Total Revenues	<u>37,200</u>	<u>36,373</u>	<u>(827)</u>
Expenditures:			
Public Safety - Current:			
Contributions	<u>50,000</u>	<u>50,000</u>	<u>0</u>
Total Expenditures	<u>50,000</u>	<u>50,000</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(12,800)	(13,627)	(827)
Fund Balance at Beginning of Year	<u>349,472</u>	<u>349,472</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 336,672</u>	<u>\$ 335,845</u>	<u>\$ (827)</u>

CITY OF XENIA, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2008***

LAW ENFORCEMENT AND EDUCATION			
	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Fines, Costs, Forfeitures, Licenses and Permits	\$ 3,000	\$ 2,059	\$ (941)
Miscellaneous Receipts and Reimbursements, Including Interest	<u>2,000</u>	<u>1,718</u>	<u>(282)</u>
Total Revenues	<u>5,000</u>	<u>3,777</u>	<u>(1,223)</u>
Expenditures:			
Public Safety - Current:			
Contractual Services	7,350	1,406	5,944
Materials and Supplies	8,241	725	7,516
Capital Outlay	<u>7,500</u>	<u>0</u>	<u>7,500</u>
Total Expenditures	<u>23,091</u>	<u>2,131</u>	<u>20,960</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(18,091)	1,646	19,737
Fund Balance at Beginning of Year	35,541	35,541	0
Prior Year Encumbrances	<u>1,557</u>	<u>1,557</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 19,007</u>	<u>\$ 38,744</u>	<u>\$ 19,737</u>

CITY OF XENIA, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2008***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
State Shared Taxes and Permits	\$ 84,000	\$ 82,944	\$ (1,056)
Intergovernmental Grants	0	6,361	6,361
Miscellaneous Receipts and Reimbursements, Including Interest	2,500	2,819	319
Total Revenues	<u>86,500</u>	<u>92,124</u>	<u>5,624</u>
Expenditures:			
Highways and Streets - Current:			
Contractual Services	58,753	43,554	15,199
Materials and Supplies	<u>70,172</u>	<u>69,670</u>	<u>502</u>
Total Expenditures	<u>128,925</u>	<u>113,224</u>	<u>15,701</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(42,425)	(21,100)	21,325
Fund Balance at Beginning of Year	62,789	62,789	0
Prior Year Encumbrances	<u>19,703</u>	<u>19,703</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 40,067</u>	<u>\$ 61,392</u>	<u>\$ 21,325</u>

CITY OF XENIA, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2008**

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
State Shared Taxes and Permits	\$ 170,000	\$ 169,408	\$ (592)
Miscellaneous Receipts and Reimbursements, including Interest	<u>8,300</u>	<u>7,500</u>	<u>(800)</u>
Total Revenues	<u>178,300</u>	<u>176,908</u>	<u>(1,392)</u>
Expenditures:			
Highways and Streets - Current:			
Contractual Services	300	113	187
Capital Outlay	151,196	151,196	0
Debt Service:			
Principal Retirement	19,800	19,800	0
Interest and Fiscal Charges	<u>19,390</u>	<u>19,389</u>	<u>1</u>
Total Expenditures	<u>190,686</u>	<u>190,498</u>	<u>188</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(12,386)	(13,590)	(1,204)
Fund Balance at Beginning of Year	136,594	136,594	0
Prior Year Encumbrances	<u>1,277</u>	<u>1,277</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 125,485</u>	<u>\$ 124,281</u>	<u>\$ (1,204)</u>

CITY OF XENIA, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2008**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
State Shared Taxes and Permits	\$ 50,000	\$ 0	\$ (50,000)
Miscellaneous Receipt and Reimbursements, Including Interest	100	258	158
Total Revenues	<u>50,100</u>	<u>258</u>	<u>(49,842)</u>
Expenditures:			
Highways and Streets - Current:			
Capital Outlay	<u>50,000</u>	<u>0</u>	<u>50,000</u>
Total Expenditures	<u>50,000</u>	<u>0</u>	<u>50,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	100	258	158
Fund Balance at Beginning of Year	<u>5,571</u>	<u>5,571</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 5,671</u>	<u>\$ 5,829</u>	<u>\$ 158</u>

CITY OF XENIA, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2008**

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Miscellaneous Receipts and Reimbursements,			
Including Interest	\$ 99,500	\$ 92,038	\$ (7,462)
Total Revenues	<u>99,500</u>	<u>92,038</u>	<u>(7,462)</u>
Expenditures:			
General Government - Current:			
Personnel Services	44,150	39,294	4,856
Contractual Services	100,000	100,000	0
Materials and Supplies	4,160	2,187	1,973
Capital Outlay	<u>56,848</u>	<u>56,848</u>	<u>0</u>
Total Expenditures	<u>205,158</u>	<u>198,329</u>	<u>6,829</u>
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(105,658)	(106,291)	(633)
Fund Balance at Beginning of Year	120,118	120,118	0
Prior Year Encumbrances	<u>57,619</u>	<u>57,619</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 72,079</u>	<u>\$ 71,446</u>	<u>\$ (633)</u>

CITY OF XENIA, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2008***

	TAX INCREMENT EQUIVALENT		Variance with Final Budget Positive (Negative)
	<u>Final Budget</u>	<u>Actual</u>	<u>(Negative)</u>
Revenues:			
Other Local Taxes	<u>\$ 188,166</u>	<u>\$ 165,491</u>	<u>\$ (22,675)</u>
Total Revenues	<u>188,166</u>	<u>165,491</u>	<u>(22,675)</u>
Expenditures:			
General Government - Current:			
Contractual Services	<u>151,000</u>	<u>149,190</u>	<u>1,810</u>
Total Expenditures	<u>151,000</u>	<u>149,190</u>	<u>1,810</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	37,166	16,301	(20,865)
Fund Balance at Beginning of Year	<u>136,839</u>	<u>136,839</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 174,005</u>	<u>\$ 153,140</u>	<u>\$ (20,865)</u>

CITY OF XENIA, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2008**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
LAW ENFORCEMENT			
Revenues:			
Intergovernmental Grants	\$ 1,500	\$ 4,664	\$ 3,164
Miscellaneous Receipts and Reimbursements, Including Interest	288,144	287,197	(947)
Total Revenues	<u>289,644</u>	<u>291,861</u>	<u>2,217</u>
Expenditures:			
Public Safety - Current:			
Contractual Services	33,520	13,199	20,321
Materials and Supplies	16,100	8,460	7,640
Capital Outlay	500,000	246,141	253,859
Total Expenditures	<u>549,620</u>	<u>267,800</u>	<u>281,820</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(259,976)	24,061	284,037
Fund Balance at Beginning of Year	512,134	512,134	0
Prior Year Encumbrances	5,420	5,420	0
Fund Balance at End of Year	<u>\$ 257,578</u>	<u>\$ 541,615</u>	<u>\$ 284,037</u>

CITY OF XENIA, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2008**

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
DRUG LAW ENFORCEMENT			
Revenues:			
Fines, Costs, Forfeitures, Licenses and Permits	\$ 1,000	\$ 0	\$ (1,000)
Miscellaneous Receipts and Reimbursements, Including Interest	<u>700</u>	<u>405</u>	<u>(295)</u>
Total Revenues	<u>1,700</u>	<u>405</u>	<u>(1,295)</u>
Expenditures:			
Public Safety - Current:			
Contractual Services	16,000	10,500	5,500
Materials and Supplies	5,000	0	5,000
Capital Outlay	<u>5,000</u>	<u>0</u>	<u>5,000</u>
Total Expenditures	<u>26,000</u>	<u>10,500</u>	<u>15,500</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(24,300)	(10,095)	14,205
Other Financing Sources (Uses):			
Transfers In	<u>25,000</u>	<u>25,000</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>25,000</u>	<u>25,000</u>	<u>0</u>
Net Change in Fund Balance	700	14,905	14,205
Fund Balance at Beginning of Year	<u>8,805</u>	<u>8,805</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 9,505</u>	<u>\$ 23,710</u>	<u>\$ 14,205</u>

CITY OF XENIA, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2008***

MUNICIPAL COURT VICTIM			
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental Grants	\$ 76,415	\$ 68,120	\$ (8,295)
Fines, Costs, Forfeitures, Licenses and Permits	80,000	73,264	(6,736)
Miscellaneous Receipts and Reimbursements, Including Interest	<u>1,000</u>	<u>651</u>	<u>(349)</u>
Total Revenues	<u>157,415</u>	<u>142,035</u>	<u>(15,380)</u>
Expenditures:			
General Government - Current:			
Personnel Services	183,496	179,931	3,565
General Operating	2,562	1,916	646
Contractual Services	11,546	6,688	4,858
Materials and Supplies	<u>2,880</u>	<u>2,402</u>	<u>478</u>
Total Expenditures	<u>200,484</u>	<u>190,937</u>	<u>9,547</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(43,069)	(48,902)	(5,833)
Other Financing Sources (Uses):			
Transfers In	<u>70,000</u>	<u>70,000</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>70,000</u>	<u>70,000</u>	<u>0</u>
Net Change in Fund Balance	26,931	21,098	(5,833)
Fund Balance at Beginning of Year	1,682	1,682	0
Prior Year Encumbrances	<u>1,339</u>	<u>1,339</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 29,952</u>	<u>\$ 24,119</u>	<u>\$ (5,833)</u>

CITY OF XENIA, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Debt Service Fund
For the Year Ended December 31, 2008**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
DEBT SERVICE FUND			
Revenues:			
Other Local Taxes	\$ 70,000	\$ 69,374	\$ (626)
State Shares Taxes and Permits	13,400	13,709	309
Miscellaneous Receipts and Reimbursements, Including Interest	1,500	1,607	107
Total Revenues	<u>84,900</u>	<u>84,690</u>	<u>(210)</u>
Expenditures:			
Public Safety:			
Police and Fire Pension			
Contractual Services	<u>1,000</u>	<u>598</u>	<u>402</u>
Total Public Safety	<u>1,000</u>	<u>598</u>	<u>402</u>
Highways and Streets:			
Streets			
Contractual Services	<u>1,000</u>	<u>597</u>	<u>403</u>
Total Highways and Streets	<u>1,000</u>	<u>597</u>	<u>403</u>
Debt Service:			
Principal Retirement	40,200	40,200	0
Interest and Fiscal Charges	<u>39,367</u>	<u>39,366</u>	<u>1</u>
Total Expenditures	<u>81,567</u>	<u>80,761</u>	<u>806</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,333	3,929	596
Fund Balance at Beginning of Year	<u>21,233</u>	<u>21,233</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 24,566</u>	<u>\$ 25,162</u>	<u>\$ 596</u>

CITY OF XENIA, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2008**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
MUNICIPAL COURT CAPITAL IMPROVEMENTS FUND			
Revenues:			
Fines, Costs, Forfeitures, Licenses and Permits	\$ 115,000	\$ 101,760	\$ (13,240)
Miscellaneous Receipts and Reimbursements, Including Interest	30,500	28,156	(2,344)
Total Revenues	<u>145,500</u>	<u>129,916</u>	<u>(15,584)</u>
Expenditures:			
Capital Outlay:			
Contractual Services	72,998	44,802	28,196
Materials and Supplies	10,450	4,175	6,275
Capital Improvements	210,483	196,002	14,481
Debt Service:			
Principal Retirement	10,618	10,617	1
Interest and Fiscal Charges	2,625	2,625	0
Total Expenditures	<u>307,174</u>	<u>258,221</u>	<u>48,953</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(161,674)	(128,305)	33,369
Other Financing Sources (Uses):			
Capital Lease Initiated	0	44	44
Total Other Financing Sources (Uses)	<u>0</u>	<u>44</u>	<u>44</u>
Net Change in Fund Balance	(161,674)	(128,261)	33,413
Fund Balance at Beginning of Year	584,903	584,903	0
Prior Year Encumbrances	806	806	0
Fund Balance at End of Year	<u>\$ 424,035</u>	<u>\$ 457,448</u>	<u>\$ 33,413</u>

CITY OF XENIA, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2008***

	ISSUE 2 FUND		
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Grants	\$ 215,108	\$ 112,468	\$ (102,640)
Total Revenues	<u>215,108</u>	<u>112,468</u>	<u>(102,640)</u>
Expenditures:			
Capital Outlay:			
Capital Improvements	<u>215,108</u>	<u>112,468</u>	<u>102,640</u>
Total Expenditures	<u>215,108</u>	<u>112,468</u>	<u>102,640</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0
Fund Balance at Beginning of Year	<u>918</u>	<u>918</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 918</u>	<u>\$ 918</u>	<u>\$ 0</u>

Nonmajor Enterprise Funds

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

Loan Fund

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

Parking Revenue Fund

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

CDBG and UDAG Revolving Loan Fund

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

Housing Rehabilitation Loan Fund

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

CITY OF XENIA, OHIO

**Combining Statement of Net Assets
Nonmajor Enterprise Funds
December 31, 2008**

	Loan	Parking Revenue	CDBG and UDAG Revolving Loan	Housing Rehabilitation Loan	Total Nonmajor Enterprise Funds
Assets:					
Current Assets:					
Cash and cash equivalents	\$ 7,635	\$ 4,477	\$ 45,129	\$ 155,525	\$ 212,766
Investments	15,183	8,903	89,755	309,320	423,161
Receivables:					
Accounts	0	216	0	0	216
Special assessments, including liens	11,217	0	0	0	11,217
Loans	4,947	0	0	35,693	40,640
Accrued interest	91	0	534	2,193	2,818
Grants	0	0	106,996	36,120	143,116
Prepaid items	187	236	0	0	423
Total Current Assets	39,260	13,832	242,414	538,851	834,357
Noncurrent Assets:					
Unrestricted:					
Loans receivable (net of current)	1,963	0	61,739	207,470	271,172
Capital Assets not being depreciated	0	97,810	42,470	0	140,280
Capital Assets (net of accumulated depreciation)	0	0	65,081	0	65,081
Total Noncurrent Assets	1,963	97,810	169,290	207,470	476,533
Total Assets	\$ 41,223	\$ 111,642	\$ 411,704	\$ 746,321	\$ 1,310,890
Liabilities:					
Current Liabilities:					
Accounts payable	\$ 0	\$ 0	\$ 0	\$ 3,400	\$ 3,400
Accrued payroll	0	4,239	0	251	4,490
Due from other funds	0	0	106,995	36,930	143,925
Compensated Absences	0	1,159	0	96	1,255
Total Current Liabilities	0	5,398	106,995	40,677	153,070
Noncurrent Liabilities					
Compensated Absences	0	6,083	0	506	6,589
Total Noncurrent Liabilities	0	6,083	0	506	6,589
Total Liabilities	0	11,481	106,995	41,183	159,659
Net Assets:					
Invested in Capital Assets, net of debt	0	97,810	107,551	0	205,361
Unrestricted	41,223	2,351	197,158	705,138	945,870
Total Net Assets	\$ 41,223	\$ 100,161	\$ 304,709	\$ 705,138	\$ 1,151,231

CITY OF XENIA, OHIO

**Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
Nonmajor Enterprise Funds
For the Year Ended December 31, 2008**

	Loan	Parking Revenue	CDBG and UDAG Revolving Loan	Housing Rehabilitation Loan	Total Nonmajor Enterprise Funds
Operating revenues:					
Charges for services	\$ 0	\$ 65,174	\$ 0	\$ 30,399	\$ 95,573
Operating expenses:					
Personnel services	0	64,417	0	3,888	68,305
General operating	0	0	805	0	805
Contractual services	638	3,193	71,234	38,943	114,008
Materials and supplies	0	592	1,891	213	2,696
Depreciation	0	0	7,600	0	7,600
Non-governmental	0	0	19,368	172,946	192,314
Total expenses	638	68,202	100,898	215,990	385,728
Operating income (loss)	(638)	(3,028)	(100,898)	(185,591)	(290,155)
Non-operating revenues:					
Interest revenue	693	23	5,779	16,975	23,470
Other	0	144	0	2	146
Intergovernmental	0	0	169,659	200,844	370,503
Total Non-operating revenue	693	167	175,438	217,821	394,119
Income (loss) before operating transfers	55	(2,861)	74,540	32,230	103,964
Transfers					
Transfers in	0	10,000	0	0	10,000
Transfers out	0	0	(94,014)	0	(94,014)
Total Transfers	0	10,000	(94,014)	0	(84,014)
Change in Net Assets	55	7,139	(19,474)	32,230	19,950
Net assets, beginning of year	41,168	93,022	324,183	672,908	1,131,281
Net assets, end of year	\$ 41,223	\$ 100,161	\$ 304,709	\$ 705,138	\$ 1,151,231

***Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended December 31, 2008***

	Loan	Parking Revenue	CDBG & UDAG Revolving Loan
	<u> </u>	<u> </u>	<u> </u>
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$9,800	\$65,662	\$0
Cash Payments for Goods and Services	(1,534)	(10,353)	(90,939)
Cash Payments to Employees	0	(62,817)	0
Net Cash Provided (Used) by Operating Activities	<u>8,266</u>	<u>(7,508)</u>	<u>(90,939)</u>
<u>Cash Flows from Noncapital Financing Activities:</u>			
Transfers In from Other Funds	0	10,000	0
Transfers Out to Other Funds	0	0	(94,014)
Advances In from Other Funds	0	0	194,339
Advances Out to Other Funds	0	0	(168,179)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>0</u>	<u>10,000</u>	<u>(67,854)</u>
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Intergovernmental Grants	0	0	237,634
Acquisition and Construction of Assets	0	0	(28,473)
Net Cash Provided by Capital and Related Financing Activities	<u>0</u>	<u>0</u>	<u>209,161</u>
<u>Cash Flows from Investing Activities:</u>			
Sale of Investments	0	267	0
Purchase of Investments	(3,584)	0	(23,480)
Receipts of Interest	780	0	5,831
Net Cash Provided (Used) by Investing Activities	<u>(2,804)</u>	<u>267</u>	<u>(17,649)</u>
Net Increase in Cash and Cash Equivalents	5,462	2,759	32,719
Cash and Cash Equivalents at Beginning of Year	<u>2,173</u>	<u>1,718</u>	<u>12,410</u>
Cash and Cash Equivalents at End of Year	<u><u>\$7,635</u></u>	<u><u>\$4,477</u></u>	<u><u>\$45,129</u></u>

CITY OF XENIA, OHIO

<u>Housing Rehabilitation Loan</u>	<u>Total Other Enterprise Funds</u>
\$14,271	\$89,733
(201,651)	(304,477)
<u>(4,053)</u>	<u>(66,870)</u>
<u>(191,433)</u>	<u>(281,614)</u>
0	10,000
0	(94,014)
69,554	263,893
<u>(49,098)</u>	<u>(217,277)</u>
<u>20,456</u>	<u>(37,398)</u>
201,855	439,489
<u>0</u>	<u>(28,473)</u>
<u>201,855</u>	<u>411,016</u>
39,535	39,802
0	(27,064)
<u>19,708</u>	<u>26,319</u>
<u>59,243</u>	<u>39,057</u>
90,121	131,061
<u>65,404</u>	<u>81,705</u>
<u>\$155,525</u>	<u>\$212,766</u>

(Continued)

***Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended December 31, 2008***

	<u>Loan</u>	<u>Parking Revenue</u>	<u>CDBG & UDAG Revolving Loan</u>
<u>Reconciliation of Operating Loss to Net Cash</u>			
<u>Used by Operating Activities:</u>			
Operating Loss	(\$638)	(\$3,028)	(\$100,898)
Adjustments to Reconcile Operating Loss to			
Net Cash Used by Operating Activities:			
Depreciation Expense	0	0	7,600
Income - Other Nonoperating	0	144	0
Changes in Assets and Liabilities:			
(Increase) Decrease in Principal Receivable	9,800	0	7,717
Decrease in Accounts Receivable	0	488	0
(Increase) Decrease in Prepaid Items	(187)	3	0
Increase (Decrease) in Accounts Payable	(709)	(6,990)	(5,358)
Increase (Decrease) in Accrued Payroll	0	423	0
Increase (Decrease) in Compensated Absences Payable	0	1,452	0
Total Adjustments	<u>8,904</u>	<u>(4,480)</u>	<u>9,959</u>
Net Cash Provided (Used) by Operating Activities	<u><u>\$8,266</u></u>	<u><u>(\$7,508)</u></u>	<u><u>(\$90,939)</u></u>

CITY OF XENIA, OHIO

<u>Housing Rehabilitation Loan</u>	<u>Total Other Enterprise Funds</u>
(\$185,591)	(\$290,155)
0	7,600
2	146
(8,855)	8,662
0	488
0	(184)
3,176	(9,881)
(12)	411
(153)	1,299
<u>(5,842)</u>	<u>8,541</u>
<u>(\$191,433)</u>	<u>(\$281,614)</u>

Internal Service Funds

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

Utility Billing Fund

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

City Garage Fund

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

***Combining Statement of Net Assets
Internal Service Funds
December 31, 2008***

	<u>Utility Billing</u>	<u>City Garage</u>	<u>Total Internal Service Funds</u>
Assets:			
<i>Current Assets:</i>			
Cash and cash equivalents	\$ 14,546	\$ 35,664	\$ 50,210
Investments	28,930	70,934	99,864
Receivables:			
Accounts	0	1,925	1,925
Grants	0	1,234	1,234
Inventories	0	37,453	37,453
Prepaid items	167	1,938	2,105
<i>Total Current Assets</i>	<u>43,643</u>	<u>149,148</u>	<u>192,791</u>
<i>Noncurrent Assets:</i>			
Capital Assets (net of accumulated depreciation)	1,604	3,199	4,803
<i>Total Noncurrent Assets</i>	<u>1,604</u>	<u>3,199</u>	<u>4,803</u>
Total Assets	<u>45,247</u>	<u>152,347</u>	<u>197,594</u>
Liabilities:			
<i>Current Liabilities:</i>			
Accounts payable	158	7,810	7,968
Accrued payroll	0	9,821	9,821
Interfund payable	0	24,544	24,544
Compensated Absences	0	5,010	5,010
<i>Total Current Liabilities</i>	<u>158</u>	<u>47,185</u>	<u>47,343</u>
<i>Noncurrent Liabilities</i>			
Compensated Absences	0	26,305	26,305
<i>Total Noncurrent Liabilities</i>	<u>0</u>	<u>26,305</u>	<u>26,305</u>
Total Liabilities	<u>158</u>	<u>73,490</u>	<u>73,648</u>
Net Assets:			
Invested in Capital Assets, net of debt	1,604	3,199	4,803
Unrestricted	43,485	75,658	119,143
Total Net Assets	<u>\$ 45,089</u>	<u>\$ 78,857</u>	<u>\$ 123,946</u>

CITY OF XENIA, OHIO

**Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
Internal Service Funds
For the Year Ended December 31, 2008**

	<u>Utility Billing</u>	<u>City Garage</u>	<u>Total Internal Service Funds</u>
Operating revenues:			
Charges for services	<u>\$ 89,536</u>	<u>\$ 778,364</u>	<u>\$ 867,900</u>
Operating expenses:			
Personnel services	0	169,753	169,753
General operating	3,776	450	4,226
Contractual services	60,666	100,379	161,045
Materials and supplies	<u>3,659</u>	<u>527,548</u>	<u>531,207</u>
Total expenses	<u>68,101</u>	<u>798,130</u>	<u>866,231</u>
Operating income (loss)	21,435	(19,766)	1,669
Non-operating revenues:			
Interest revenue	74	183	257
Other	0	143	143
Intergovernmental	<u>0</u>	<u>1,842</u>	<u>1,842</u>
Total Non-operating revenue	<u>74</u>	<u>2,168</u>	<u>2,242</u>
Change in Net Assets	21,509	(17,598)	3,911
Net assets, beginning of year	<u>23,580</u>	<u>96,455</u>	<u>120,035</u>
Net assets, end of year	<u>\$ 45,089</u>	<u>\$ 78,857</u>	<u>\$ 123,946</u>

***Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2008***

	Utility Billing	City Garage	Totals
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Interfund Services Provided	\$89,536	\$779,985	\$869,521
Cash Payments for Goods and Services	(81,586)	(599,387)	(680,973)
Cash Payments to Employees	0	(167,325)	(167,325)
Net Cash Provided by Operating Activities	<u>7,950</u>	<u>13,273</u>	<u>21,223</u>
<u>Cash Flows from Noncapital Financing Activities:</u>			
Advances to Other Funds	0	(11,496)	(11,496)
Net Cash Used by Noncapital Financing Activities	<u>0</u>	<u>(11,496)</u>	<u>(11,496)</u>
<u>Cash Flows from Investing Activities:</u>			
Sale of Investments	988	17,335	18,323
Net Cash Used by Investing Activities	<u>988</u>	<u>17,335</u>	<u>18,323</u>
Net Increase in Cash and Cash Equivalents	8,938	19,112	28,050
Cash and Cash Equivalents at Beginning of Year	5,608	16,552	22,160
Cash and Cash Equivalents at End of Year	<u>\$14,546</u>	<u>\$35,664</u>	<u>\$50,210</u>
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>			
<u>Provided by Operating Activities:</u>			
Operating Income (Loss)	\$21,435	(\$19,766)	\$1,669
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:			
Income - Other Nonoperating	0	751	751
Changes in Assets and Liabilities:			
Decrease in Accounts Receivable	0	1,621	1,621
Decrease in Prepaid Items	1	281	282
Decrease in Inventory	0	1,522	1,522
Decrease in Accounts Payable	(13,486)	(4,493)	(17,979)
Increase in Accrued Payroll	0	683	683
Increase in Interfund Payable	0	30,929	30,929
Increase in Compensated Absences	0	1,745	1,745
Total Adjustments	<u>(13,485)</u>	<u>33,039</u>	<u>19,554</u>
Net Cash Provided by Operating Activities	<u>\$7,950</u>	<u>\$13,273</u>	<u>\$21,223</u>



Fiduciary Funds

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

Agency Funds

Municipal Court – Traffic and Criminal Funds

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

Municipal Court – Civil and Small Claims Funds

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

Imprest Cash Fund

To account for petty cash.

Insurance Deposit Fund

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

***Combining Statement Of Changes In Assets And Liabilities
Agency Funds
For the Year Ended December 31, 2008***

	Balance December 31, 2007	Additions	Deductions	Balance December 31, 2008
<u>Municipal Court - Traffic and Criminal:</u>				
Assets:				
Cash and Cash Equivalents	\$221,141	\$1,292,620	(\$1,309,833)	\$203,928
Total Assets	<u>\$221,141</u>	<u>\$1,292,620</u>	<u>(\$1,309,833)</u>	<u>\$203,928</u>
Liabilities:				
Accounts Payable	\$55,498	\$907,545	(\$881,767)	\$81,276
Restricted Deposits	165,643	385,075	(428,066)	122,652
Total Liabilities	<u>\$221,141</u>	<u>\$1,292,620</u>	<u>(\$1,309,833)</u>	<u>\$203,928</u>
<u>Municipal Court - Civil and Small Claims:</u>				
Assets:				
Cash and Cash Equivalents	\$20,045	\$836,263	(\$846,373)	\$9,935
Total Assets	<u>\$20,045</u>	<u>\$836,263</u>	<u>(\$846,373)</u>	<u>\$9,935</u>
Liabilities:				
Accounts Payable	\$18,729	\$830,803	(\$844,287)	\$5,245
Restricted Deposits	1,316	5,460	(2,086)	4,690
Total Liabilities	<u>\$20,045</u>	<u>\$836,263</u>	<u>(\$846,373)</u>	<u>\$9,935</u>
<u>Imprest Cash:</u>				
Assets:				
Cash and Cash Equivalents	\$1,400	\$600	\$0	\$2,000
Total Assets	<u>\$1,400</u>	<u>\$600</u>	<u>\$0</u>	<u>\$2,000</u>
Liabilities:				
Restricted Deposits	\$1,400	\$600	\$0	\$2,000
Total Liabilities	<u>\$1,400</u>	<u>\$600</u>	<u>\$0</u>	<u>\$2,000</u>

CITY OF XENIA, OHIO

	Balance December 31, 2007	Additions	Deductions	Balance December 31, 2008
<u>Insurance Deposit:</u>				
Assets:				
Cash and Cash Equivalents	\$0	\$ 42,000	\$ 0	\$42,000
Total Assets	<u>\$0</u>	<u>\$ 42,000</u>	<u>\$ 0</u>	<u>\$42,000</u>
Liabilities:				
Restricted Deposits	\$0	\$42,000	\$ 0	\$42,000
Total Liabilities	<u>\$0</u>	<u>\$42,000</u>	<u>\$0</u>	<u>\$42,000</u>
<u>Totals - All Agency Funds:</u>				
Assets:				
Cash and Cash Equivalents	\$242,586	\$2,171,483	(\$2,156,206)	\$257,863
Total Assets	<u>\$242,586</u>	<u>\$2,171,483</u>	<u>(\$2,156,206)</u>	<u>\$257,863</u>
Liabilities:				
Accounts Payable	\$74,227	\$1,738,348	(\$1,726,054)	\$86,521
Restricted Deposits	168,359	433,135	(430,152)	171,342
Total Liabilities	<u>\$242,586</u>	<u>\$2,171,483</u>	<u>(\$2,156,206)</u>	<u>\$257,863</u>

*CAPITAL ASSETS USED IN THE
OPERATION OF GOVERNMENTAL FUNDS*

**Capital Assets Used in the Operation of Governmental Funds
Schedule by Source
December 31, 2008**

Capital Assets:	
Land	\$ 16,154,777
Construction in Progress	850,778
Subtotal - Non-depreciable Assets	<u>17,005,555</u>
Land Improvements	1,129,024
Building and Improvements	5,948,254
Machinery and Equipment	7,840,844
Infrastructure	13,819,509
Subtotal - Depreciable Assets	<u>28,737,631</u>
Net Capital Assets	<u><u>\$ 45,743,186</u></u>
 Investment in Capital Assets by Source:	
Capital Projects Funds:	
Various Revenue Sources - (Pre-1983 Assets)	\$ 8,768,476
General Revenues	35,823,528
Special Revenue Funds	300,404
Total Capital Assets	<u>44,892,408</u>
Construction in Progress	850,778
Net Capital Assets	<u><u>\$ 45,743,186</u></u>

CITY OF XENIA, OHIO

**Capital Assets Used in the Operation of Governmental Funds
Schedule by Function and Activity
December 31, 2008**

Function and Activity	Land		
	Land	Improvements	Buildings
General Government:			
Municipal Court	\$ 156,550	\$ 0	\$ 7,660
Law Director	0	0	0
Finance	0	0	0
Income Tax	0	0	0
Municipal Building and General Services	102,580	0	2,505,169
Data Processing	0	0	0
Total General Government	259,130	0	2,512,829
Public Safety:			
Police	0	0	22,798
Fire	59,540	17,479	679,041
Homeland Security/Risk Management	0	0	0
Construction Inspection	0	0	0
Engineering	0	0	0
Total Public Safety	59,540	17,479	701,839
City Wide:			
Health	0	0	0
Highways and Streets	12,174,397	212,971	91,818
Community Development	2,569,110	16,963	510,169
Recreation	844,230	781,137	1,052,087
Sewer Service	0	0	0
Sanitation Service	234,010	0	0
Garage	14,360	100,474	1,079,512
Total City Wide	15,836,107	1,111,545	2,733,586
Total Capital Assets	16,154,777	1,129,024	5,948,254
Less: Accumulated Depreciation	0	(625,847)	(2,421,991)
Net Capital Assets	\$ 16,154,777	\$ 503,177	\$ 3,526,263
Construction in Progress			
Total Capital Assets			

CITY OF XENIA, OHIO

Machinery and Equipment	Infratructure	Total
\$ 190,983	\$ 0	\$ 355,193
7,999	0	7,999
202,460	0	202,460
12,633	0	12,633
247,640	0	2,855,389
457,228	0	457,228
1,118,943	0	3,890,902
1,551,149	0	1,573,947
2,792,643	0	3,548,703
127,433	0	127,433
34,508	0	34,508
21,375	0	21,375
4,527,108	0	5,305,966
14,046	0	14,046
1,394,508	13,794,509	27,668,203
22,143	0	3,118,385
598,831	25,000	3,301,285
9,851	0	9,851
0	0	234,010
155,414	0	1,349,760
2,194,793	13,819,509	35,695,540
7,840,844	13,819,509	44,892,408
(3,891,988)	(4,891,814)	(11,831,640)
\$ 3,948,856	\$ 8,927,695	33,060,768
		850,778
		\$ 33,911,546

CITY OF XENIA, OHIO

**Capital Assets Used in the Operation of Governmental Funds
Schedule Changes by Function and Activity
For Year Ended December 31, 2008**

Function and Activity	December 31, 2007	Additions	Deductions	December 31, 2008
General Government:				
Municipal Court	\$439,277	\$50,899	(\$134,983)	\$355,193
Law Director	0	7,999	0	7,999
Finance	195,692	6,768	0	202,460
Income Tax	12,633	0	0	12,633
Municipal Building and General Services	2,808,856	46,533	0	2,855,389
Data Processing	427,206	30,022	0	457,228
Total General Government	3,883,664	142,221	(134,983)	3,890,902
Public Safety:				
Police	1,422,087	151,860	0	1,573,947
Fire	3,245,113	303,590	0	3,548,703
Homeland Security/Risk Management	127,433	0	0	127,433
Construction Inspection	17,108	17,400	0	34,508
Engineering	21,375	0	0	21,375
Total Public Safety	4,833,116	472,850	0	5,305,966
City Wide:				
Health	14,046	0	0	14,046
Highways and Streets	26,621,372	1,134,490	(87,659)	27,668,203
Community Development	3,118,385	0	0	3,118,385
Recreation	3,276,308	24,977	0	3,301,285
Sewer Service	9,851	0	0	9,851
Sanitation Service	234,010	0	0	234,010
Garage	1,343,824	5,936	0	1,349,760
Total City Wide	34,617,796	1,165,403	(87,659)	35,695,540
Total Capital Assets	43,334,576	1,780,474	(222,642)	44,892,408
Less: Accumulated Depreciation	(10,910,456)	(1,108,318)	187,134	(11,831,640)
Net Capital Assets	32,424,120	672,156	(35,508)	33,060,768
Construction in Progress	120,618	850,778	(120,618)	850,778
Total Capital Assets	\$32,544,738	\$1,522,934	(\$156,126)	\$33,911,546

STATISTICAL TABLES

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

Contents

Financial Trends	S 2 – S 11
These schedules contain trend information to help the reader understand how the City’s financial position has changed over time.	
Revenue Capacity	S 12 – S 15
These schedules contain information to help the reader understand and assess the factors affecting the City’s ability to generate its most significant local revenue sources, the property tax and the sales tax.	
Debt Capacity	S 16 – S 23
These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.	
Economic and Demographic Information	S 24 – S 27
These schedules offer economic and demographic indicators to help the reader understand the environment within which the City’s financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.	
Operating Information	S 28 – S 37
These schedules contain service and infrastructure data to help the reader understand how the information in the City’s financial report relates to the services the City provides and the activities it performs.	
Sources Note:	
Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement 34 in 2002; schedules presenting government-wide information include information beginning in that year.	

City of Xenia

*Net Assets by Component
Last Seven Years
(accrual basis of accounting)*

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Governmental Activities:				
Invested in Capital Assets, Net of Related Debt	\$11,480,035	\$33,083,163	\$33,210,938	\$34,165,799
Restricted	5,794,172	3,748,091	7,174,753	4,210,533
Unrestricted	2,098,432	3,694,525	946,718	4,303,901
Total Governmental Activities Net Assets	<u>\$19,372,639</u>	<u>\$40,525,779</u>	<u>\$41,332,409</u>	<u>\$42,680,233</u>
Business-type Activities:				
Invested in Capital Assets, Net of Related Debt	\$14,970,070	\$14,518,147	\$14,640,414	\$14,508,761
Unrestricted	4,477,597	4,205,604	4,738,569	5,292,909
Total Business-type Activities Net Assets	<u>\$19,447,667</u>	<u>\$18,723,751</u>	<u>\$19,378,983</u>	<u>\$19,801,670</u>
Primary Government:				
Invested in Capital Assets, Net of Related Debt	\$26,450,105	\$47,601,310	\$47,851,352	\$48,674,560
Restricted	5,794,172	3,748,091	7,174,753	4,210,533
Unrestricted	6,576,029	7,900,129	5,685,287	9,596,810
Total Primary Government Net Assets	<u>\$38,820,306</u>	<u>\$59,249,530</u>	<u>\$60,711,392</u>	<u>\$62,481,903</u>

Source: City Finance Director's Office

City of Xenia

<u>2006</u>	<u>2007</u>	<u>2008</u>
\$35,169,467	\$29,833,471	\$31,133,709
4,946,554	5,272,948	5,630,788
<u>4,307,135</u>	<u>3,872,527</u>	<u>3,792,172</u>
<u>\$44,423,156</u>	<u>\$38,978,946</u>	<u>\$40,556,669</u>
\$14,955,202	\$19,755,819	\$21,529,277
5,538,677	6,502,716	7,409,830
<u>\$20,493,879</u>	<u>\$26,258,535</u>	<u>\$28,939,107</u>
\$50,124,669	\$49,589,290	\$52,662,986
4,946,554	5,272,948	5,630,788
<u>9,845,812</u>	<u>10,375,243</u>	<u>11,202,002</u>
<u>\$64,917,035</u>	<u>\$65,237,481</u>	<u>\$69,495,776</u>

City of Xenia

*Changes in Net Assets
Last Seven Years
(accrual basis of accounting)*

	2002	2003	2004
Expenses			
Governmental Activities:			
General Government	\$3,107,951	\$3,454,462	\$3,275,929
Public Safety	9,990,485	9,937,145	9,902,921
Health	43,564	71,091	54,859
Highways and Streets	1,537,488	1,892,865	2,065,965
Community Development	279,349	319,046	284,235
Recreation	541,558	554,594	461,068
Interest and Fiscal Charges	84,862	98,125	99,891
<i>Total Governmental Activities Expenses</i>	<u>15,585,257</u>	<u>16,327,328</u>	<u>16,144,868</u>
Business-type Activities:			
Water	2,486,774	2,463,686	2,429,236
Sewer	3,472,553	3,543,124	3,375,684
Sanitation	1,423,249	1,448,341	1,428,649
Storm Water	0	0	0
Other Enterprise Funds	413,014	470,153	167,506
<i>Total Business-type Activities Expenses</i>	<u>7,795,590</u>	<u>7,925,304</u>	<u>7,401,075</u>
<i>Total Primary Government Expenses</i>	<u>\$23,380,847</u>	<u>\$24,252,632</u>	<u>\$23,545,943</u>
Program Revenues			
Governmental Activities:			
Charges for Services			
General Government	\$1,386,171	\$1,382,825	\$1,481,682
Public Safety	935,454	1,604,231	1,539,810
Health	40,931	26,160	26,096
Highways and Streets	3,312	1,918	50
Community Development	25,159	25,445	22,161
Recreation	35,831	23,287	19,269
Operating Grants and Contributions	406,583	261,262	272,929
Capital Grants and Contributions	1,989,900	422,765	570,813
<i>Total Governmental Activities Program Revenues</i>	<u>4,823,341</u>	<u>3,747,893</u>	<u>3,932,810</u>

City of Xenia

2005	2006	2007	2008
\$3,420,815	\$3,591,944	\$3,609,339	\$3,913,536
10,011,879	10,948,875	11,119,299	11,372,519
99,731	66,181	63,718	67,910
1,392,686	1,854,523	2,284,521	2,054,733
250,539	305,886	345,551	360,443
350,140	453,440	521,131	481,111
100,015	132,606	134,336	129,250
<u>15,625,805</u>	<u>17,353,455</u>	<u>18,077,895</u>	<u>18,379,502</u>
2,527,636	2,700,478	2,688,400	2,845,241
3,626,868	3,769,874	3,968,134	4,187,892
1,451,826	1,555,636	1,711,596	1,643,058
0	0	140,479	164,575
525,029	162,529	330,293	385,728
<u>8,131,359</u>	<u>8,188,517</u>	<u>8,838,902</u>	<u>9,226,494</u>
<u>\$23,757,164</u>	<u>\$25,541,972</u>	<u>\$26,916,797</u>	<u>\$27,605,996</u>
\$1,472,029	\$1,386,743	\$1,365,697	\$1,676,228
1,383,846	1,874,889	1,654,935	2,130,089
0	28,938	27,585	18,740
550	6,030	1,040	9,060
32,933	29,769	29,384	22,098
36,961	25,613	28,957	30,761
231,267	233,068	266,159	442,322
593,807	1,106,413	533,226	993,095
<u>3,751,393</u>	<u>4,691,463</u>	<u>3,906,983</u>	<u>5,322,393</u>

(continued)

City of Xenia

Changes in Net Assets Last Seven Years (accrual basis of accounting)

	2002	2003	2004
Business-type Activities:			
Charges for Services			
Water	2,183,911	2,247,479	2,477,131
Sewer	3,071,346	2,984,362	3,235,225
Sanitation	1,445,382	1,464,831	1,525,558
Storm Water	0	0	0
Other Enterprise Funds	237,785	279,651	82,139
Operating Grants and Contributions	0	0	0
Capital Grants and Contributions	1,016,757	200,065	489,541
<i>Total Business-type Activities Program Revenues</i>	<u>7,955,181</u>	<u>7,176,388</u>	<u>7,809,594</u>
<i>Total Primary Government Program Revenues</i>	<u>12,778,522</u>	<u>10,924,281</u>	<u>11,742,404</u>
Net (Expense)/Revenue			
Governmental Activities	(10,761,916)	(12,579,435)	(12,212,058)
Business-type Activities	159,591	(748,916)	408,519
<i>Total Primary Government Net (Expense)/Revenue</i>	<u>(\$10,602,325)</u>	<u>(\$13,328,351)</u>	<u>(\$11,803,539)</u>
General Revenues and Other Changes in Net Assets			
Governmental Activities:			
Income Taxes	\$7,594,854	\$7,965,860	\$7,911,246
Other Local Taxes	1,584,911	1,923,930	1,788,046
Motor Vehicle and Gas Tax	1,381,595	1,013,936	1,636,792
Shared Revenues	1,577,316	1,826,091	1,295,779
Investment Earnings	336,298	113,664	139,560
Miscellaneous	749,596	333,015	275,952
Transfers	(10,744)	(25,000)	0
Loss on Disposal of Capital Assets	(93,414)	0	0
<i>Total Governmental Activities</i>	<u>13,120,412</u>	<u>13,151,496</u>	<u>13,047,375</u>
Business-type Activities:			
Investment Earnings	0	0	0
Transfers	10,744	25,000	0
Loss on Disposal of Capital Assets	(11,266)	0	0
<i>Total Business-type Activities</i>	<u>(522)</u>	<u>25,000</u>	<u>0</u>
<i>Total Primary Government</i>	<u>\$13,119,890</u>	<u>\$13,176,496</u>	<u>\$13,047,375</u>
Change in Net Assets			
Governmental Activities	\$2,358,496	\$572,061	\$835,317
Business-type Activities	159,069	(723,916)	408,519
<i>Total Primary Government Change in Net Assets</i>	<u>\$2,517,565</u>	<u>(\$151,855)</u>	<u>\$1,243,836</u>

Source: City Finance Director's Office

City of Xenia

2005	2006	2007	2008
2,652,204	2,789,112	3,219,234	3,145,639
3,511,327	3,536,850	4,114,935	4,100,610
1,525,059	1,682,091	1,763,401	1,850,488
0	0	131,161	149,908
68,235	83,130	91,956	119,189
1,370	0	0	36,459
626,408	846,543	353,157	2,494,773
<u>8,384,603</u>	<u>8,937,726</u>	<u>9,673,844</u>	<u>11,897,066</u>
<u>12,135,996</u>	<u>13,629,189</u>	<u>13,580,827</u>	<u>17,219,459</u>
(11,874,412)	(12,661,992)	(14,170,912)	(13,057,109)
253,244	749,209	834,942	2,670,572
<u>(\$11,621,168)</u>	<u>(\$11,912,783)</u>	<u>(\$13,335,970)</u>	<u>(\$10,386,537)</u>
\$8,240,773	\$8,604,274	\$8,786,104	\$8,848,826
1,351,473	1,814,053	1,619,664	2,106,148
1,417,159	1,287,033	1,369,889	1,445,405
1,878,121	2,185,128	1,994,721	1,608,619
120,947	261,523	402,797	294,596
288,763	302,904	302,915	341,238
(75,000)	(50,000)	(5,583,398)	(10,000)
0	0	0	0
<u>13,222,236</u>	<u>14,404,915</u>	<u>8,892,692</u>	<u>14,634,832</u>
94,443	0	0	0
0	50,000	5,583,398	10,000
75,000	0	0	0
<u>169,443</u>	<u>50,000</u>	<u>5,583,398</u>	<u>10,000</u>
<u>\$13,391,679</u>	<u>\$14,454,915</u>	<u>\$14,476,090</u>	<u>\$14,644,832</u>
\$1,347,824	\$1,742,923	(\$5,278,220)	\$1,577,723
422,687	799,209	6,418,340	2,680,572
<u>\$1,770,511</u>	<u>\$2,542,132</u>	<u>\$1,140,120</u>	<u>\$4,258,295</u>

City of Xenia

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

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
General Fund				
Reserved	\$205,325	\$262,885	\$187,791	\$164,700
Unreserved	16,145	179,058	751,824	568,853
<i>Total General Fund</i>	<u>221,470</u>	<u>441,943</u>	<u>939,615</u>	<u>733,553</u>
All Other Governmental Funds				
Reserved	177,446	462,793	1,158,484	1,339,780
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	3,069,619	3,274,988	3,619,442	3,461,893
Capital Projects Funds	704,441	1,167,655	1,329,582	491,785
Total All Other Governmental Funds	<u>3,951,506</u>	<u>4,905,436</u>	<u>6,107,508</u>	<u>5,293,458</u>
<i>Total Governmental Funds</i>	<u><u>\$4,172,976</u></u>	<u><u>\$5,347,379</u></u>	<u><u>\$7,047,123</u></u>	<u><u>\$6,027,011</u></u>

Source: City Finance Director's Office

City of Xenia

<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
\$236,573	\$192,182	\$222,249	\$181,258	\$255,520	\$294,705
<u>1,065,095</u>	<u>3,868,062</u>	<u>3,516,994</u>	<u>3,412,434</u>	<u>3,175,961</u>	<u>3,913,707</u>
<u>1,301,668</u>	<u>4,060,244</u>	<u>3,739,243</u>	<u>3,593,692</u>	<u>3,431,481</u>	<u>4,208,412</u>
203,382	623,976	2,262,308	340,493	588,127	953,204
3,548,627	1,066,824	1,077,043	1,437,656	1,951,198	1,744,102
<u>1,025,394</u>	<u>1,346,287</u>	<u>207,596</u>	<u>2,544,355</u>	<u>2,303,063</u>	<u>2,347,725</u>
<u>4,777,403</u>	<u>3,037,087</u>	<u>3,546,947</u>	<u>4,322,504</u>	<u>4,842,388</u>	<u>5,045,031</u>
<u>\$6,079,071</u>	<u>\$7,097,331</u>	<u>\$7,286,190</u>	<u>\$7,916,196</u>	<u>\$8,273,869</u>	<u>\$9,253,443</u>

City of Xenia

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

	1999	2000	2001	2002
Revenues:				
Municipal Income Tax	\$7,231,209	\$7,306,394	\$7,940,618	\$7,682,250
Other Local Taxes	1,598,345	1,655,395	1,634,514	1,584,911
State Shared Taxes and Permits	2,756,090	2,557,075	3,166,475	3,194,270
Special Assessments	14,708	9,318	28,571	12,449
Intergovernmental Grants	456,179	687,796	724,365	1,043,448
Charges for Services	90,927	73,360	66,113	212,560
Fines, Costs, Forfeitures, Licenses and Permits	1,396,332	1,469,721	1,402,494	1,333,582
Miscellaneous Receipts and Reimbursements, including Interest	1,086,321	1,733,345	2,165,404	1,851,234
Total Revenue	<u>14,630,111</u>	<u>15,492,404</u>	<u>17,128,554</u>	<u>16,914,704</u>
Expenditures:				
Current:				
General Government	3,223,308	2,547,063	2,661,868	2,866,097
Public Safety	8,010,586	9,060,993	8,921,217	9,632,474
Health	242,556	204,019	66,533	42,132
Highways and Streets	1,401,753	1,599,974	1,418,896	1,486,189
Community Development	250,153	263,724	277,850	256,039
Recreation	496,365	500,880	500,504	483,618
Capital Outlay	1,169,992	1,323,413	1,622,266	2,948,807
Debt Service:				
Principal Retirement	101,887	125,023	78,249	107,247
Interest and Fiscal Charges	13,678	51,355	82,471	85,686
Total Expenditures	<u>14,910,278</u>	<u>15,676,444</u>	<u>15,629,854</u>	<u>17,908,289</u>
Excess (Deficiency) of Revenues Over Expenditures	(280,167)	(184,040)	1,498,700	(993,585)
Other Financing Sources (Uses):				
Other Financing Sources - Capital Leases	196,463	0	175,050	0
General Obligation Bonds Issued	0	1,400,000	0	0
Transfers In	4,006,279	4,007,534	4,046,753	4,255,286
Transfers Out	(4,100,326)	(4,038,769)	(4,026,352)	(4,280,286)
Total Other Financing Sources (Uses)	<u>102,416</u>	<u>1,368,765</u>	<u>195,451</u>	<u>(25,000)</u>
Net Change in Fund Balance	<u>(\$177,751)</u>	<u>\$1,184,725</u>	<u>\$1,694,151</u>	<u>(\$1,018,585)</u>
Debt Service as a Percentage of Noncapital Expenditures				
	0.85%	1.24%	1.16%	1.08%

Source: City Finance Director's Office

City of Xenia

2003	2004	2005	2006	2007	2008
\$7,856,461	\$8,016,918	\$8,158,020	\$8,396,732	\$8,764,208	\$8,973,379
1,923,930	1,788,046	1,235,494	1,762,886	1,786,810	2,106,148
2,796,154	2,961,220	3,174,305	3,425,030	3,552,734	3,479,048
12,898	27,037	0	0	0	0
1,043,078	241,506	816,668	699,375	808,075	1,333,417
817,551	1,508,894	1,463,158	1,620,614	1,575,315	1,712,640
1,309,613	1,359,346	1,357,391	1,260,496	1,220,823	1,723,130
1,194,325	634,984	712,872	1,074,806	1,074,252	1,122,768
16,954,010	16,537,951	16,917,908	18,239,939	18,782,217	20,450,530
2,931,042	3,098,492	3,057,658	3,271,162	3,307,934	3,702,693
9,602,273	9,557,428	9,925,722	10,440,937	10,638,670	10,853,395
70,285	53,237	60,873	62,507	60,524	64,843
1,439,115	1,337,651	1,334,299	1,361,864	1,606,466	1,641,621
299,088	265,626	283,489	289,074	331,927	344,549
470,294	376,688	319,900	361,767	386,229	390,777
2,663,250	798,494	1,482,509	2,556,380	1,651,163	2,420,322
216,484	190,537	202,149	255,749	346,055	381,681
94,497	100,745	99,416	111,844	134,491	132,540
17,786,328	15,778,898	16,766,015	18,711,284	18,463,459	19,932,421
(832,318)	759,053	151,893	(471,345)	318,758	518,109
902,170	158,579	97,419	1,126,811	105,419	448,251
0	0	0	0	0	0
4,215,000	1,163,000	1,028,459	975,000	1,119,000	694,000
(4,240,000)	(1,163,000)	(1,103,459)	(1,025,000)	(1,200,121)	(704,000)
877,170	158,579	22,419	1,076,811	24,298	438,251
\$44,852	\$917,632	\$174,312	\$605,466	\$343,056	\$956,360
2.05%	2.01%	2.07%	2.32%	2.72%	2.97%

City of Xenia

Income Tax Revenues by Source, Governmental Funds Last Ten Years

Tax year	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
Income Tax Rate	1.75%	1.75%	1.75%	1.75%
Total Tax Collected	\$7,181,043	\$7,226,714	\$9,616,613	\$7,835,677
Income Tax Receipts				
Withholding	5,272,496	5,500,486	7,716,965	6,064,506
Percentage	73.42%	76.11%	80.25%	77.40%
Direct (Individual & Business)	1,908,547	1,726,228	1,899,648	1,771,171
Percentage	26.58%	23.89%	19.75%	22.60%

Note: Estimated Personal Income and Income Tax by Business Type is not available for any of these years.

Source: City Income Tax Department

City of Xenia

2003	2004	2005	2006	2007	2008
1.75%	1.75%	1.75%	1.75%	1.75%	1.75%
\$7,775,946	\$7,772,336	\$8,144,456	\$8,574,742	\$7,996,915	\$8,863,480
5,995,199	6,005,868	6,224,137	6,508,901	5,917,884	6,870,315
77.10%	77.27%	76.42%	75.91%	74.00%	77.51%
1,780,747	1,766,468	1,920,319	2,065,841	2,079,031	1,993,165
22.90%	22.73%	23.58%	24.09%	26.00%	22.49%



City of Xenia

Income Tax Collections Current Year and Two Years Ago

Calendar Year 2008				
Income Level	Number of Filers	Percent of Total	Local Taxable Income	Percent of Income
\$0 - \$19,999	6,152	50.38%	\$39,370,129	10.67%
20,000 - 49,999	3,469	28.41%	114,508,336	31.04%
50,000 - 74,999	1,404	11.50%	86,183,077	23.37%
75,000 - 99,999	679	5.56%	58,489,712	15.86%
Over 100,000	507	4.15%	70,302,485	19.06%
Total	12,211	100.00%	\$368,853,739	100.00%
Local Taxes Paid by Residents			Tax Dollars	
Taxes Paid to the City of Xenia			\$4,643,647	
Taxes Credited to Other Municipalities			1,811,293	
			\$6,454,940	
Calendar Year 2006				
Income Level	Number of Filers	Percent of Total	Local Taxable Income	Percent of Income
\$0 - \$19,999	5,917	51.04%	\$35,455,795	10.67%
20,000 - 49,999	3,336	28.77%	110,233,208	33.17%
50,000 - 74,999	1,348	11.63%	82,289,203	24.76%
75,000 - 99,999	611	5.27%	52,181,447	15.70%
Over 100,000	382	3.29%	52,216,151	15.70%
Total	11,594	100.00%	\$332,375,804	100.00%
Local Taxes Paid by Residents			Tax Dollars	
Taxes Paid to the City of Xenia			\$5,024,998	
Taxes Credited to Other Municipalities			1,622,518	
			\$6,647,516	

Source: City Finance Director's Office
Data is not available prior to 2006.

City of Xenia

Ratio of Outstanding Debt By Type Last Ten Years

	1999	2000	2001	2002
Governmental Activities ⁽¹⁾				
General Obligation Bonds Payable	\$0	\$1,400,000	\$1,360,000	\$1,315,000
Capital Leases	267,313	142,289	279,090	216,843
Business-type Activities ⁽¹⁾				
Ohio Water Development Authority Loans Payable	\$7,635,418	\$8,972,890	\$8,780,308	\$8,341,594
Capital Leases	0	0	0	0
Total Primary Government	<u>\$7,902,731</u>	<u>\$10,515,179</u>	<u>\$10,419,398</u>	<u>\$9,873,437</u>
Population ⁽²⁾				
City of Xenia	24,836	24,164	24,164	24,164
Outstanding Debt Per Capita	\$318	\$435	\$431	\$409
Income ⁽³⁾				
Personal (in thousands)	686,119	696,745	707,715	729,318
Percentage of Personal Income	1.15%	1.51%	1.47%	1.35%

Sources:

- (1) City Finance Director's Office
- (2) US Bureau of Census, Population Division
- (3) US Department of Commerce, Bureau of Economic Analysis information is only available through 2007 for the presentation of 2008 statistics, the City is using the latest information available.
 - (a) Per Capita Income is only available by County, Total Personal Income is a calculation

City of Xenia

2003	2004	2005	2006	2007	2008
\$1,270,000	\$1,220,000	\$1,170,000	\$1,120,000	\$1,065,000	\$1,005,000
947,529	965,571	910,841	1,831,903	1,646,267	1,772,837
\$7,890,210	\$7,425,789	\$6,947,955	\$6,456,316	\$5,950,478	\$5,430,029
0	0	0	0	1,782,755	1,697,182
<u>\$10,107,739</u>	<u>\$9,611,360</u>	<u>\$9,028,796</u>	<u>\$9,408,219</u>	<u>\$10,444,500</u>	<u>\$9,905,048</u>

24,164	24,164	24,164	24,164	24,164	24,164
\$418	\$398	\$374	\$389	\$432	\$410

757,590	785,258	792,096	815,366	815,366	821,286
1.33%	1.22%	1.14%	1.15%	1.28%	1.21%

City of Xenia

Ratios of General Bonded Debt Outstanding Last Ten Years

Year	1999	2000	2001	2002
Population (1)	24,836	24,164	24,164	24,164
Assessed Value (2)	\$282,816,150	\$299,427,811	\$301,625,369	\$296,650,260
General Bonded Debt (3)				
General Obligation Bonds	\$0	\$1,400,000	\$1,360,000	\$1,315,000
Resources Available to Pay Principal (4)	\$0	\$0	\$0	\$0
Net General Bonded Debt	\$0	\$1,400,000	\$1,360,000	\$1,315,000
Ratio of Net Bonded Debt to Estimated Actual Value	0.00%	0.47%	0.45%	0.44%
Net Bonded Debt per Capita	\$0.00	\$57.94	\$56.28	\$54.42

Source:

(1) U.S. Bureau of Census of Population

(2) Greene County Auditor

(3) Includes all general obligation bonded debt supported by property taxes.

There were no General Obligation Bonds prior to 1999.

(4) Includes only Debt Service funds available for general obligation bonded debt supported by property taxes.

City of Xenia

2003	2004	2005	2006	2007	2008
24,164	24,164	24,164	24,164	24,164	24,164
\$343,118,119	\$349,957,342	\$348,140,994	\$373,253,479	\$374,629,702	\$380,225,360
\$1,270,000	\$1,220,000	\$1,170,000	\$1,120,000	\$1,065,000	\$1,005,000
\$0	\$0	\$0	\$0	\$0	\$0
\$1,270,000	\$1,220,000	\$1,170,000	\$1,120,000	\$1,065,000	\$1,005,000
0.37%	0.35%	0.34%	0.30%	0.28%	0.26%
\$52.56	\$50.49	\$48.42	\$46.35	\$44.07	\$41.59



City of Xenia

*Computation of Direct and Overlapping
Debt Attributable to Governmental Activities
December 31, 2008*

<u>Jurisdiction</u>	<u>Gross Debt Outstanding</u>	<u>Percentage Applicable to the City of Xenia</u>	<u>Amount Applicable to the City of Xenia</u>
Direct:			
City of Xenia	\$1,005,000	100.00%	\$1,005,000
Overlapping:			
Greene County	32,006,023	10.54%	3,373,435
Xenia Community School District	940,000	60.28%	566,632
Greene County Career Center	233,333	10.58%	24,687
		Subtotal	3,964,754
		Total	\$4,969,754

Source: City of Xenia finance Office
Greene County Auditor
Xenia Community Schools
Greene County Career Center

City of Xenia

*Debt Limitations
Last Ten Years*

Collection Year	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
Total Debt				
Net Assessed Valuation	\$282,816,150	\$299,427,811	\$301,625,369	\$296,650,260
Legal Debt Limitation (%) (1)	10.50%	10.50%	10.50%	10.50%
Legal Debt Limitation (\$) (1)	29,695,696	31,439,920	31,670,664	31,148,277
City Debt Outstanding (2)	0	1,400,000	1,360,000	1,315,000
Less: Applicable Debt Service Fund Amounts	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Indebtedness Subject to Limitation	<u>0</u>	<u>1,400,000</u>	<u>1,360,000</u>	<u>1,315,000</u>
Overall Legal Debt Margin	<u><u>\$29,695,696</u></u>	<u><u>\$30,039,920</u></u>	<u><u>\$30,310,664</u></u>	<u><u>\$29,833,277</u></u>
Unvoted Debt				
Net Assessed Valuation	\$282,816,150	\$299,427,811	\$301,625,369	\$296,650,260
Legal Debt Limitation (%) (1)	5.50%	5.50%	5.50%	5.50%
Legal Debt Limitation (\$) (1)	15,554,888	16,468,530	16,589,395	16,315,764
City Debt Outstanding (2)	0	1,400,000	1,360,000	1,315,000
Less: Applicable Debt Service Fund Amounts	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Indebtedness Subject to Limitation	<u>0</u>	<u>1,400,000</u>	<u>1,360,000</u>	<u>1,315,000</u>
Overall Legal Debt Margin	<u><u>\$15,554,888</u></u>	<u><u>\$15,068,530</u></u>	<u><u>\$15,229,395</u></u>	<u><u>\$15,000,764</u></u>

(1) Direct Debt Limitation based upon Section 133, The Uniform Bond Act of the Ohio Revised Code.

(2) City Debt Outstanding includes Non Self-Supporting General Obligation Bonds

Source: City Finance Director's Office

City of Xenia

2003	2004	2005	2006	2007	2008
\$343,118,119	\$349,957,342	\$348,140,994	\$373,253,479	\$374,629,702	\$380,225,360
10.50%	10.50%	10.50%	10.50%	10.50%	10.50%
36,027,402	36,745,521	36,554,804	39,191,615	39,336,119	39,923,663
1,270,000	1,220,000	1,170,000	1,120,000	1,065,000	1,005,000
0	0	0	0	0	0
1,270,000	1,220,000	1,170,000	1,120,000	1,065,000	1,005,000
\$34,757,402	\$35,525,521	\$35,384,804	\$38,071,615	\$38,271,119	\$38,918,663
\$343,118,119	\$349,957,342	\$348,140,994	\$373,253,479	\$374,629,702	\$380,225,360
5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
18,871,497	19,247,654	19,147,755	20,528,941	20,604,634	20,912,395
1,270,000	1,220,000	1,170,000	1,120,000	1,065,000	1,005,000
0	0	0	0	0	0
1,270,000	1,220,000	1,170,000	1,120,000	1,065,000	1,005,000
\$17,601,497	\$18,027,654	\$17,977,755	\$19,408,941	\$19,539,634	\$19,907,395

City of Xenia

Demographic and Economic Statistics Last Ten Years

Calendar Year	1999	2000	2001	2002
Population (1)				
City of Xenia	24,836	24,164	24,164	24,164
Greene County	144,580	144,580	148,607	148,607
Income (2) (a)				
Total Personal (in thousands)	686,119	696,745	707,715	729,318
Per Capita	27,626	28,834	29,288	30,182
Unemployment Rate (3)				
Federal	4.5%	4.2%	3.8%	4.8%
State	4.3%	4.3%	3.7%	4.3%
Greene County	3.4%	3.4%	3.4%	4.3%
Civilian Work Force Estimates (3)				
State	5,749,000	5,900,400	5,857,000	5,828,000
Greene County	72,100	72,600	73,800	73,100
Employment Distribution by Occupation (1)				
Agriculture, forestry, fishing, hunting, and mining	120	29	29	29
Construction	495	701	701	701
Manufacturing	2,359	1,952	1,952	1,952
Wholesale trade	319	240	240	240
Retail trade	2,067	1,511	1,511	1,511
Transportation, warehousing, and utilities info.	340	448	448	448
Information	176	190	190	190
Finance, insurance, real estate, rental and leasing	386	436	436	436
Professional, scientific, management, administrative, and waste management	676	713	713	713
Educational, health, and social services	1,916	2,389	2,389	2,389
Arts, Entertainment, recreation, accomodation and food services	53	828	828	828
Other Services	687	641	641	641
Public Administration	719	843	843	843
Daytime Population (1)	N/A	22,424	22,424	22,424

Sources:

(1) US Bureau of Census of Population

(2) US Department of Commerce, Bureau of Economic Analysis information is only available through 2007 for the presentation of 2008 statistics, the City is using the latest information available.

(a) Per Capita Income is only available by County, Total Personal Income is a calculation

(3) State Department of Labor Statistics

N/A = not available

City of Xenia

2003	2004	2005	2006	2007	2008
24,164	24,164	24,164	24,164	24,164	24,164
148,607	148,607	148,607	148,607	148,607	148,607
757,590	785,258	792,096	815,366	815,366	821,286
31,352	32,497	32,780	33,743	33,743	33,988
5.8%	6.0%	5.5%	4.6%	4.6%	7.1%
5.7%	6.1%	6.0%	5.5%	5.6%	7.7%
4.4%	4.9%	5.5%	5.1%	5.3%	7.0%
5,915,000	5,875,300	5,900,400	5,934,000	5,976,500	5,931,600
73,900	77,200	77,000	77,400	78,000	78,200
29	29	29	29	29	29
701	701	701	701	701	701
1,952	1,952	1,952	1,952	1,952	1,952
240	240	240	240	240	240
1,511	1,511	1,511	1,511	1,511	1,511
448	448	448	448	448	448
190	190	190	190	190	190
436	436	436	436	436	436
713	713	713	713	713	713
2,389	2,389	2,389	2,389	2,389	2,389
828	828	828	828	828	828
641	641	641	641	641	641
843	843	843	843	843	843
22,424	22,424	22,424	22,424	22,424	22,424



City of Xenia

Principal Employers Current Year and Two Years Ago

Employer	Nature of Business	2008		
		Number of Employees	Rank	Percentage of Total Employment
Greene County	Government	1,429	1	5.11%
Greene Memorial Hospital	Health Care	1,018	2	3.64%
Xenia Community Schools	Education	1,013	3	3.62%
Walmart	Retail	592	4	2.12%
Super Valu	Distribution	478	5	1.71%
CBS Personnel Services	Other Services	399	6	1.43%
Mcdonalds Restaurants	Food Services	369	7	1.32%
City of Xenia	Government	303	8	1.08%
Bob Evans Farms	Food Services	249	9	0.89%
Lowe's Home Centers Inc	Retail	238	10	0.85%
Total		<u>6,088</u>		
Total Employment within the City		<u><u>27,970</u></u>		

Employer	Nature of Business	2006		
		Number of Employees	Rank	Percentage of Total Employment
Greene County	Government	1,426	1	13.06%
Greene Memorial Hospital	Health Care	975	2	8.93%
Xenia Community Schools	Education	639	3	5.85%
Super Valu	Distribution	452	4	4.14%
Wal-mart	Retail	256	5	2.34%
City of Xenia	Government	227	6	2.08%
Kroger	Grocery	155	7	1.42%
Lowe's	Retail	150	8	1.37%
Twist	Manufacturing	144	9	1.32%
Athletes in Action	Ministry	130	10	1.19%
Total		<u>4,554</u>		
Total Employment within the City		<u><u>10,921</u></u>		

Sources:

City of Xenia Finance Dept, Greene County Auditor, Xenia Community Schools, Super Valu, Walmart, Kroger, Lowes, Twist, Athletes in Action

Data is not available prior to 2006.

City of Xenia

Full Time Equivalent Employees by Function Last Ten Years

	1999	2000	2001	2002	2003	2004
Governmental Activities						
General Government						
Finance	17.00	17.00	17.00	17.00	17.00	17.50
Legal/Court	26.50	29.50	29.50	29.75	30.75	30.75
Administration	10.00	10.00	10.00	9.00	8.00	7.00
Maintenance						
Security of Persons and Property						
Police	74.00	74.00	74.00	74.00	74.00	69.00
Fire	45.00	45.00	45.00	45.00	45.00	42.00
Transportation						
Street	18.75	19.75	19.75	19.75	19.75	18.50
Leisure Time Activities						
Recreation/Seniors					5.00	4.50
Community Environment						
Service	16.00	11.00	11.00	12.00	11.25	9.00
Business-Type Activities						
Utilities						
Water	15.00	15.00	15.00	15.00	15.00	14.00
Sewer	7.00	6.00	6.00	6.00	6.00	6.00
Solid Waste	10.00	10.00	10.00	10.00	10.00	10.00
<i>Total Employees</i>	<u>239.25</u>	<u>237.25</u>	<u>237.25</u>	<u>237.50</u>	<u>241.75</u>	<u>228.25</u>

Method: 1.00 for each full-time, 0.50 for each part-time and 0.25 for each seasonal employee

Source: City Finance Director's Office

City of Xenia

<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
16.50	18.50	18.50	18.50
30.50	29.75	29.00	30.50
6.00	6.00	6.00	6.00
69.00	69.00	70.00	70.00
42.00	42.00	43.00	42.00
18.50	18.50	16.00	16.50
4.50	4.50	4.25	4.50
9.00	9.00	10.00	8.00
13.00	13.00	14.50	15.50
6.00	6.00	16.00	16.00
10.00	10.00	0.00	0.00
<u>225.00</u>	<u>226.25</u>	<u>227.25</u>	<u>227.50</u>

City of Xenia

Operating Indicators by Function Last Ten Years

	1999	2000	2001	2002
Governmental Activities				
General Government				
Court				
Number of Probation Cases	N/A	580	531	598
Number of Traffic Cases	13,838	13,767	12,317	12,155
Licenses and Permits				
Number of Residential Constructions	79	N/A	128	104
Number of Commercial Constructions	3	N/A	15	21
Security of Persons and Property				
Police				
Number of Citations Issued	2,820	2,824	2,357	2,207
Number of Arrests	2,180	2,175	2,018	1,947
Number of Accidents	698	659	649	640
Fire				
Number of Fire Calls	854	1,077	1,018	918
Number of EMS Runs	2,839	3,011	3,065	3,291
Number of Inspections	244	166	248	48
Transportation				
Street				
Number of Streets Resurfaced	13	13	10	6
Leisure Time Activities				
Recreation/Seniors				
Number of Programs Offered	N/A	N/A	N/A	N/A
Number of Shelter Rentals	N/A	N/A	N/A	N/A
Business-Type Activities				
Water				
Number of Service Connections	9,737	9,737	10,081	10,184
Daily Average Consumption (millions of gallons)	3.3	3.3	3.4	3.6
Peak Daily Consumption (millions of gallons)	8.0	8.0	8.0	8.0
Sewer				
Number of Service Connections	9,637	9,637	9,940	10,025
Daily Average Sewage Treatment (millions of gallons)	4.9	4.9	4.9	4.9
Solid Waste *				
Number of Customers Served	N/A	N/A	N/A	N/A
Stormwater **				
Number of Customers Served	N/A	N/A	N/A	N/A

Source: City Finance Director's Office

* Billing for Solid Waste started in 2005

** Billing for Stormwater started in 2007

City of Xenia

2003	2004	2005	2006	2007	2008
558	639	619	561	802	796
11,766	11,289	12,095	10,445	9,624	10,252
109	116	104	61	123	91
17	13	20	5	4	4
2,377	3,064	2,869	2,430	2,974	4,347
1,837	1,841	1,927	2,022	1,034	2,985
611	621	597	567	610	535
851	813	818	889	984	1,210
3,421	3,532	3,803	3,715	3,437	3,752
69	39	205	135	255	141
5	7	11	7	4	9
8	8	9	9	8	8
N/A	N/A	N/A	178	130	132
10,346	10,346	10,380	11,235	10,720	10,733
3.9	3.9	3.9	4.4	3.6	3.2
8.0	8.0	8.0	8.0	8.0	8.0
10,184	10,184	10,436	11,103	10,692	10,635
4.9	4.9	4.9	4.9	4.8	5.0
N/A	N/A	9,232	9,444	9,760	9,512
N/A	N/A	N/A	N/A	10,038	9,992

City of Xenia

Capital Asset Statistics by Function Last Ten Years

	1999	2000	2001	2002
Governmental Activities				
General Government				
Land (acres)	7,680	7,680	7,680	7,680
Public Safety				
Police				
Stations	1	1	1	1
Vehicles	N/A	N/A	N/A	N/A
Fire				
Stations	2	2	2	2
Vehicles	N/A	N/A	N/A	N/A
Highways and Streets				
Streets (lane miles)	115	115	115	115
Street Lights	1,753	1,753	1,753	1,753
Traffic Signals	N/A	N/A	N/A	N/A
Recreation				
Land (acres)	122	122	122	122
Buildings/Shelters	16	16	16	16
Parks	11	11	11	11
Playgrounds	11	11	11	11
Tennis Courts	1	1	1	1
Baseball/Softball Diamonds	6	6	6	6
Soccer Fields	2	2	2	2
Business-Type Activities				
Utilities				
Water				
Waterlines (Miles)	140	140	141	141
Pump Stations	1	1	1	1
Average Daily Consumption	3.3 (mgd)	3.3 (mgd)	3.4 (mgd)	3.6 (mgd)
Storage Capacity (thousands of gallons)	8 (mgd)	8 (mgd)	8 (mgd)	8 (mgd)
Sewer				
Sewerlines (Miles)	145	145	146	146

Source: City Finance Director's Office

City of Xenia

2003	2004	2005	2006	2007	2008
7,680	7,680	7,680	7,680	7,680	7,680
1	1	1	1	1	1
N/A	N/A	N/A	27	24	28
2	2	2	2	2	2
N/A	N/A	N/A	11	11	12
115	115	108	135	135	135
1,753	1,784	1,784	1,784	1,826	1,961
N/A	37	38	40	32	38
122	122	133	133	122	122
16	16	18	18	17	20
11	11	15	15	15	15
11	11	15	15	12	12
1	1	1	1	1	0
6	6	6	6	7	1
2	2	2	2	2	2
141	141	141	141	140	140
1	1	1	1	1	1
3.9 (mgd)	3.9 (mgd)	3.7 (mgd)	4.4 (mgd)	3.6 (mgd)	3.2 (mgd)
8 (mgd)	8 (mgd)	8 (mgd)	8 (mgd)	8 (mgd)	8 (mgd)
146	146	146	146	145	145

City of Xenia

*Capital Asset Value by Function
Last Ten Years*

	1999	2000	2001	2002	2003
Governmental Activities					
General Government					
Land and Improvements	\$102,580	\$102,580	\$102,580	\$259,130	\$259,130
Buildings	2,303,143	2,534,606	2,534,605	2,534,605	2,534,605
Equipment	938,986	1,053,511	1,218,578	1,292,224	1,348,790
Public Safety					
Land and Improvements	78,238	78,238	78,238	78,238	78,238
Buildings	247,983	247,983	247,983	247,893	247,983
Equipment	3,267,053	3,259,290	3,744,501	3,911,367	4,707,058
City Wide					
Land and Improvements	4,254,164	4,230,979	4,241,499	4,775,944	15,574,694
Buildings	2,166,110	1,725,105	1,757,573	2,734,465	2,748,335
Equipment	1,174,355	1,106,544	1,059,308	1,921,732	8,693,004
Infrastructure	N/A	N/A	N/A	408,007	11,022,587
Construction in Progress	339,673	11,448	232,140	1,029,296	28,500
Business-Type Activities					
Utilities					
Water					
Land and Improvements	N/A	N/A	125,712	125,712	133,036
Buildings and Improvements	N/A	N/A	2,865,365	2,865,365	2,865,365
Equipment	N/A	N/A	10,952,272	12,342,236	12,477,225
Construction in Progress	N/A	N/A	544,453	0	0
Sewer					
Land and Improvements	N/A	N/A	482,817	482,817	482,817
Buildings and Improvements	N/A	N/A	5,226,336	5,226,336	5,276,700
Equipment	N/A	N/A	21,667,146	22,029,873	21,998,953
Construction in Progress	N/A	N/A	0	15,112	52,291
Sanitation					
Land and Improvements	N/A	N/A	5,680	4,741	4,741
Buildings and Improvements	N/A	N/A	40,108	40,108	40,108
Equipment	N/A	N/A	679,254	679,254	741,757
Construction in Progress	N/A	N/A	0		0
Stormwater					
Land and Improvements	N/A	N/A	N/A	N/A	N/A
Buildings and Improvements	N/A	N/A	N/A	N/A	N/A
Equipment	N/A	N/A	N/A	N/A	N/A
Construction in Progress	N/A	N/A	N/A	N/A	N/A

City of Xenia

2004	2005	2006	2007	2008
\$259,130	\$259,130	\$259,130	\$259,130	\$259,130
2,534,605	2,534,605	2,536,475	2,512,829	2,512,829
1,376,298	1,391,039	1,596,606	1,111,705	1,118,943
78,238	76,022	90,537	77,019	77,019
273,206	273,206	722,216	701,839	701,839
4,901,393	4,868,979	5,705,316	4,054,259	4,527,109
15,810,220	16,092,702	16,302,572	16,524,117	16,947,652
2,748,335	2,748,335	2,751,955	2,733,586	2,733,586
8,932,617	9,206,205	9,699,307	2,103,334	2,194,792
11,411,839	11,811,580	12,831,760	13,256,761	13,819,509
28,500	854,397	385,027	120,618	850,778
133,036	134,606	134,606	177,094	177,094
2,870,415	2,870,415	2,870,415	2,870,415	2,870,415
12,655,820	13,016,872	13,687,880	13,677,245	15,380,109
0	112,538	71,499	1,185,632	568,770
483,946	483,946	483,946	511,522	563,802
5,276,700	5,282,350	5,282,350	5,265,451	5,265,451
22,762,638	23,228,559	23,685,875	23,764,397	25,290,062
226,155	0	28,364	805,505	0
4,741	2,691	2,691	0	0
40,108	40,108	40,108	40,108	105,703
741,757	741,757	744,443	761,167	761,167
0	0	14,182	6,560	0
N/A	N/A	N/A	0	0
N/A	N/A	N/A	0	0
N/A	N/A	N/A	7,767,217	8,740,317
N/A	N/A	N/A	0	0

(Continued)

City of Xenia

*Capital Asset Value by Function
Last Ten Years*

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
Other Enterprise					
Land and Improvements	N/A	N/A	185,521	185,521	181,352
Buildings and Improvements	N/A	N/A	101,837	101,837	101,837
Equipment	N/A	N/A	19,744	50,306	45,054
Construction in Progress	N/A	N/A	0	0	0

Source: City Finance Director's Office

City of Xenia

<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
181,352	181,352	181,352	154,681	154,681
101,837	101,837	101,837	101,837	101,837
46,784	49,052	74,052	54,430	54,430
0	0	348,457	89,285	42,470





Mary Taylor, CPA
Auditor of State

CITY OF XENIA
GREENE COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
AUGUST 11, 2009